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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH – Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

Arizona Corporation Commission

DOCKETED

MAR 16 2015

DOCKETED BY [Signature]

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION TO EXTEND ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR ITS SUPERSTITION SYSTEM, PINAL COUNTY, ARIZONA.

DOCKET NO. W-01445A-05-0701

DECISION NO. 74980

ORDER EXTENDING TIME DEADLINE IN DECISION NOS. 68919, 70527, 71708, and 73518

Open Meeting
March 2 and 3, 2015
Phoenix, Arizona

BY THE COMMISSION:

* * * * *

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On August 29, 2006, the Commission issued Decision No. 68919, which granted Arizona Water Company ("AWC") an extension of its Certificate of Convenience and Necessity ("CC&N") for its Superstition system in Pinal County, Arizona.

2. Decision No. 68919 required AWC to file, among other things, the following compliance items:

- a. A Notice of filing indicating AWC had submitted for Staff's review and approval, a copy of the fully executed main extension agreements ("MXAs") for water facilities for the requested extension areas within two years of the effective date of the Decision.
b. A copy of the Arizona Department of Environmental Quality's Approval to Construct ("ATC") for facilities needed to serve the requested extension areas within two years of the effective date of the Decision.
c. A copy of the developer's Certificate of Assured Water Supply ("CAWS") for the requested transfer areas where applicable or when required by statute, within two years of the effective date of the Decision.

1 3. On June 27, 2008, AWC filed a request for additional time, until August 29, 2010, to
2 meet the above-listed compliance items. In support of its request, AWC submitted a letter from the
3 developer in the extension area, Ecco Holdings, LLC, confirming a desire to develop the area in the
4 future and confirming a desire to have AWC as the water provider for the extension area.

5 4. On September 30, 2008, the Commission issued Decision No. 70527 approving AWC's
6 request for an extension of time, until August 29, 2010, to comply with Decision No. 68919.

7 5. On January 6, 2010, AWC filed a second request for an extension of time to comply
8 with Decision No. 68919. AWC's second request stated that due to a downturn in the housing market
9 and the deep economic recession in the Pinal County housing market development, had come to a
10 halt and that AWC needed additional time to meet the compliance deadlines.

11 6. On June 3, 2010, the Commission issued Decision No. 71708, approving AWC's
12 request for an extension of time, until August 29, 2012, to comply with Decision No. 68919.

13 7. On August 3, 2012, AWC filed its third request for an extension of time to comply with
14 Decision No. 68919. AWC's third request sought an extension of the compliance deadlines until
15 August 29, 2014.

16 8. On October 4, 2012, the Commission issued Decision No. 73518, approving AWC's
17 request for an extension of time, until August 29, 2014, to comply with Decision No. 68919, by filing
18 a copy of a fully executed MXA for water facilities needed for the extension area; a copy of the
19 ADEQ ATC for facilities needed for the extension area; and a copy of the developer's CAWS where
20 applicable or when required by statute.

21 9. On August 22, 2013, AWC docketed a Compliance Filing that included a copy of the
22 ADEQ ATC for facilities needed for the extension area.

23 10. On June 30, 2014, AWC filed its fourth request for additional time, until August 29,
24 2016, to meet the remaining compliance items. In support of its request, AWC states that
25 extraordinary circumstances exist due to the deep recession and the crash of the real estate market
26 over the past several years and that there is a continuing need for service in the extension area as
27 evidenced by a letter from the property owner in the extension area expressing a need for service in
28 the future from AWC.

1 11. On January 16, 2015, the Commission's Utilities Division ("Staff") filed a
2 Memorandum stating that Staff does not object to the Company's request for an extension of time,
3 until August 29, 2016, to file the MXA and CAWS as set forth in Decision No. 68919. Staff
4 recommends that no further time extensions be granted in this matter.

5 12. AWC has filed a timely request for an extension of the compliance deadlines to obtain
6 the MXA and CAWS as required in Decision No. 68919. Based on the developer/property owner's
7 letter demonstrating a continuing need for service in the extension area from AWC; and AWC's
8 stated effect of the economy on development in the extension area, we find that AWC's request for
9 an extension of time to comply with Decision No. 68919 is reasonable and should be granted.

10 13. Further, although we are not adopting Staff's recommendation that no further time
11 extensions should be granted for compliance with Decision No. 68919, we will put AWC on notice
12 that any further requests for an extension of time to comply must demonstrate that extraordinary
13 circumstances exist that warrant additional time.

14 **CONCLUSIONS OF LAW**

15 1. AWC is a public service corporation within the meaning of Article XV of the Arizona
16 Constitution and A.R.S. §§ 40-281 and 40-282.

17 2. The Commission has jurisdiction over AWC and the subject matter of this proceeding.

18 3. It is reasonable and in the public interest to grant AWC's request for a time extension
19 to comply with Decision No. 68919.

20 **ORDER**

21 IT IS THEREFORE ORDERED that Arizona Water Company is hereby granted an extension
22 of time, until August 29, 2016, to comply with Decision No. 68919 by filing a copy of a fully
23 executed main extension agreement for water facilities needed for the extension area and a copy of
24 the developer's Certificate of Assured Water Supply, where applicable or when required by statute.

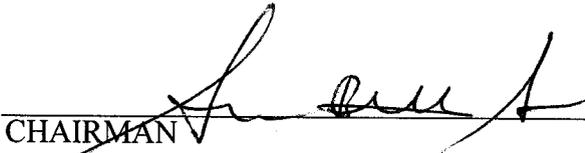
25 IT IS FURTHER ORDERED that Arizona Water Company is hereby put on notice that no
26 additional extensions of time shall be granted regarding this matter absent extraordinary
27 circumstances.

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IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

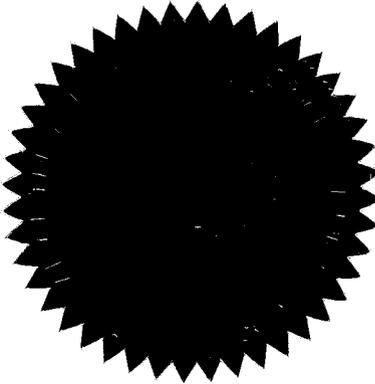

CHAIRMAN


COMMISSIONER

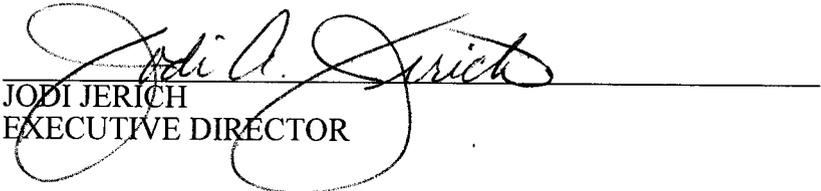

COMMISSIONER


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COMMISSIONER



IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 16th day of March, 2015.


JODI JERICH
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

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1 SERVICE LIST FOR: ARIZONA WATER COMPANY

2 DOCKET NOS.: W-01445A-05-0701

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