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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

AUG 26 2015

DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF  
 ARIZONA WATER COMPANY FOR APPROVAL  
 TO EXTEND ITS CERTIFICATE OF  
 CONVENIENCE AND NECESSITY FOR ITS  
 PINAL VALLEY WATER SYSTEM.

DOCKET NO. W-01445A-12-0424

DECISION NO. 75229

**ORDER EXTENDING TIME  
 DEADLINE IN DECISION NO. 73780**

Open Meeting  
 August 18 and 19, 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 March 21, 2013, the Commission issued Decision No. 73780, approving the extension of Arizona Water Company's ("AWC's") Certificate of Convenience and Necessity ("CC&N") for its Pinal Valley system to include an area located within the municipal boundaries of the City of Casa Grande, owned by a single landowner, and proposed to be used for a development to be known as Copper Mountain Ranch.

2. In the Decision, AWC was granted the CC&N extension, subject to the following compliance items:

(a) AWC was required to file with the Commission's Docket Control, within two years after the effective date of the Decision, a copy of the Arizona Department of Environmental Quality ("ADEQ") Approval to Construct ("ATC") for the facilities needed to serve the first parcel of the proposed Copper Mountain Ranch development; and

1 (b) AWC was required to file with the Commission's Docket Control, within two  
2 years after the effective date of the Decision, "a copy of the developer's Certificate of Assured Water  
3 Supply for Phase 1 of the Copper Mountain Ranch development" ("CAWS").

4 3. On December 31, 2014, AWC filed an Application for Additional Time for  
5 Compliance Filing ("Application"), with which AWC included a copy of an ATC issued by ADEQ  
6 on December 11, 2014, for the facilities needed to serve the CC&N extension area (referenced as  
7 "Copper Mountain-Phase One"). AWC also included a December 2, 2014, letter from the landowner,  
8 ANCCC LLC, stating that the landowner still needs and desires to receive water service for its  
9 property from AWC. The landowner also stated that development will commence "within the earliest  
10 possible time, considering current market conditions, perhaps within the next twenty-four months."

11 4. In the Application, AWC requested a two-year extension of the deadline to file the  
12 CAWS, from March 21, 2015, to March 21, 2017, and suggested that the Commission accept an  
13 AAWS as an alternative to the CAWS. According to AWC, the recent recession and real estate crash  
14 continues to delay development of residential and mixed use properties in Arizona and Pinal County,  
15 and granting an extension of the deadline to file the CAWS will help the CC&N extension area and  
16 the landowner. AWC asserted that the landowner will not be able to apply for a CAWS unless a  
17 deadline extension is granted because the Arizona Department of Water Resources ("ADWR") will  
18 not issue a CAWS for a property that is not located within a CC&N. AWC also stated that the  
19 landowner applied to ADWR for an Analysis of Assured Water Supply ("AAWS") on May 20, 2014,  
20 and expected to receive the AAWS in mid-2015.

21 5. On July 28, 2015, the Commission's Utilities Division ("Staff") filed a Memorandum  
22 stating that Staff has no objection to the requested extension and recommending that the due date to  
23 file the CAWS be extended to March 21, 2017, and that no further extensions of time be granted in  
24 this matter. Staff also stated that AWC has satisfied the other compliance item required by Decision  
25 No. 73780, by filing the ATC, and that an AAWS will not substitute for the CAWS required by the  
26 Commission.

27 6. The Commission has previously granted extensions of CC&N compliance filing  
28 deadlines requested due to the recent recession and its severe impacts on the housing market and

1 associated development.<sup>1</sup> When faced with such extension requests, the Commission has considered,  
2 among other things, whether the utility's request for an extension was made in a timely manner and  
3 demonstrated a continuing need for service in the CC&N area.<sup>2</sup>

4 7. In this case, AWC filed its Application well before the deadline to file the CAWS  
5 established by Decision No. 73780.<sup>3</sup> Through the landowner's letter, AWC has also demonstrated a  
6 continuing need and desire for service in the extension area to be provided by AWC. In light of these  
7 considerations, along with recognition of the well-publicized economic downturn in the Arizona  
8 housing market in recent years, it is reasonable and appropriate to extend the deadline for AWC to  
9 file the CAWS.

10 8. Further, although we are not adopting Staff's recommendation that no further time  
11 extensions be granted for compliance with Decision No. 73780, we will put AWC on notice that any  
12 future requests for an extension of time to comply with the Decision must demonstrate the existence  
13 of compelling circumstances warranting 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 the Application.

18 3. It is reasonable and appropriate and in the public interest to grant AWC an extension  
19 of time to comply with the CAWS-filing requirement of Decision No. 73780.

20 **ORDER**

21 IT IS THEREFORE ORDERED that Arizona Water Company is hereby granted an extension  
22 of time, until March 21, 2017, to comply with Decision No. 73780 by filing a copy of the developer's  
23 Certificate of Assured Water Supply for Phase 1 of the Copper Mountain Ranch development.

24 ...

25 ...

26 ...

27 <sup>1</sup> See, e.g., Decision No. 74980 (March 16, 2015).

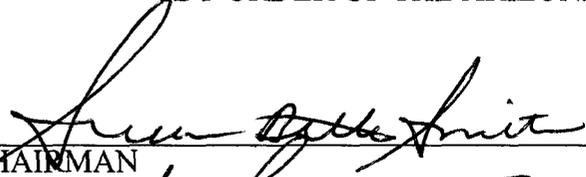
28 <sup>2</sup> See id.

<sup>3</sup> AWC's Application was filed 80 days before the compliance deadline.

1 IT IS FURTHER ORDERED that Arizona Water Company is hereby put on notice that no  
2 additional extensions of time shall be granted in this matter absent a timely application demonstrating  
3 the existence of compelling circumstances warranting additional time.

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

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

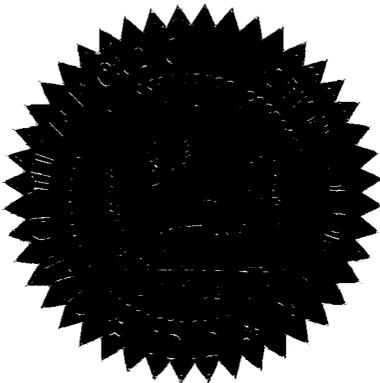
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8 CHAIRMAN

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8 COMMISSIONER

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11 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
12 Director of the Arizona Corporation Commission, have  
13 hereunto set my hand and caused the official seal of the  
14 Commission to be affixed at the Capitol, in the City of Phoenix,  
15 this 20th day of August 2015.

15   
16 JODI JERICH  
17 EXECUTIVE DIRECTOR

18 DISSENT \_\_\_\_\_

19  
20 DISSENT \_\_\_\_\_  
21 SH:tv

1 SERVICE LIST FOR: ARIZONA WATER COMPANY

2 DOCKET NO.: W-01445A-12-0424

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