



0000167359

ORIGINAL

MEMORANDUM

RECEIVED

TO: Docket Control Center
FROM: Thomas M. Broderick
Director
Utilities Division

Arizona Corporation Commission
DOCKETED

2015 DEC 21 A 11:47

AZ CORP COMMISSION
DOCKET CONTROL

DEC 21 2015

DATE: December 21, 2015

DOCKETED BY

RE: **GLOBAL WATER UTILITIES - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINES** (DOCKET NOS. W-01445A-06-0199, SW-03575A-05-0926, W-03576A-05-0926, SW-03575A-07-0300, W-03576A-07-0300, W-01445A-06-0200, SW-20445A-06-0200, W-20446A-06-0200, W-03576A-06-0200, SW-03575A-06-0200, WS-01775A-07-0485, SW-03575A-07-0485, W-02442A-07-0485 and W-03576A-07-0485)

In Decision No. 73146, dated May 1, 2012, the Arizona Corporation Commission ("ACC" or "Commission") approved the applications of Global-Santa Cruz Water Company, LLC ("Santa Cruz"), Global-Palo Verde Utilities ("Palo Verde") (collectively "Global Utilities" or "Company") and Arizona Water Company ("Arizona Water") for extensions of the various Certificate of Convenience and Necessity ("CC&N"). Specifically, Decision No. 73146 ordered the following:

- A) "...Global-Santa Cruz shall file with Docket Control, as a compliance item by December 31, 2014, a copy of the Certificate of Approval to construct issued by the Arizona Department of Environmental Quality for the wells, mains, storage tank, and booster pump station installed to serve the first parcel in the requested extension area."
- B) "...Global-Santa Cruz shall file with Docket Control, as a compliance item by December 31, 2014, a letter from Arizona Department of Water Resources indicating that Global-Santa Cruz's Designation of Assured Water Supply has been modified and approved to include the approved extension areas."
- C) "...Santa Cruz shall file with Docket Control, as a compliance item by December 31, 2014, a letter from Arizona Department of Water Resources indicating that Global-Santa Cruz' Designation of Assured Water Supply has been modified and approved to include the CP Water Company service areas."
- D) "...Global-Palo Verde shall file with Docket Control, as a compliance item in this docket by December 31, 2014, a copy of the Approval to Construct for the sewer mains that serve the first parcel in the approved extension area."

On December 18, 2014, Global Utilities docketed a request for extension of time, until December 31, 2019, for the provision of the Approval to Construct ("ATC") and Designation of Assured Water Supply ("DAWS") items shown above. The Company's application included the ATC on the well portion of Item A (above) but is seeking an extension of time on the remaining

items in that compliance requirement (i.e. mains, storage tank, and booster pump station). This request represents the first motion for extension of time brought by Global Utilities in this docket.

On June 12, 2015, Staff filed its memorandum on the Company application for extension of time. Staff recommended denial of the Company's request based on the position that the Company should provide an updated request for service letter ("service letter") for each individual property owner in the extension area. Staff recommended that an extension of time be granted until December 31, 2016, if the Company provided all of the outstanding service letters by September 30, 2015. Otherwise, Staff recommended that the Commission order a proceeding to cancel the CC&N area(s) granted in this case.

On September 30, 2015, Global Utilities docketed a reply filing in support of its original request for extension of time. The Company generally argued that there is no compelling reason to require the service letters. They further argued that the deletion of the extension area due to the lack of the service letters would be an extreme remedy. This Company filing included the ATC on the sewer mains in Item D (above) to fulfill that item.

The remaining compliance requirements are therefore the ATC requirement for the mains, storage tank, and booster pump station in Item A (above) and the DAWS requirements in Item B and C (above). The Company application sought an extension of these items from the current due date of December 31, 2014 until December 31, 2019.

Based on all of the above, Staff does not object to an extension of time in this matter. Staff has reconsidered its position on whether new requests for service should be required for processing this extension of time request. Staff now believes they should not be required and further recommends a 10-year extension of time in light of slow recovery of development. Staff therefore recommends that the remaining ATC's for the mains, storage tank, and the booster pump station in Item A (above) and the DAWS requirements in Item B and C (above) be extended from December 31, 2014 to December 31, 2024.

TMB:BKB:lea

Originator: Brian K. Bozzo

SERVICE LIST FOR: ARIZONA WATER COMPANY, PALO VERDE UTILITIES COMPANY, SANTA CRUZ WATER COMPANY, GLOBAL WATER RESOURCES, LLC, CP WATER COMPANY and FRANCISCO GRANDE UTILITIES

DOCKET NOS. W-01445A-06-0199, SW-03575A-05-0926, W-03576A-05-0926, SW-03575A-07-0300, W-03576A-07-0300, W-01445A-06-0200, SW-20445A-06-0200, W-20446A-06-0200, W-03576A-06-0200, SW-03575A-06-0200, WS-01775A-07-0485, SW-03575A-07-0485, W-02442A-07-0485 and W-03576A-07-0485

E. Robert Spear
General Counsel
ARIZONA WATER COMPANY
P.O. Box 29006
Phoenix, AZ 85038

Steven A. Hirsch
Rodney W. Ott
BRYAN CAVE, LLP
Two North Central Avenue, Suite 2200
Phoenix, AZ 85004
Attorneys for Arizona Water Company

Michael W. Patten
Timothy J. Sabo
SNELL & WILMER, L.L.P.
One Arizona Center
400 East Van Buren
Phoenix, AZ 85004-2202

Mayor Bob Jackson
CITY OF CASA GRANDE
510 East Florence Boulevard
Casa Grande, AZ 85222

Graham Symmonds, Senior Vice President
GLOBAL WATER MANAGEMENT
21410 North 19th Avenue, Suite 201
Phoenix, AZ 85027

Ken Franks
ROSE LAW GROUP, PC
6613 North Scottsdale Road, Suite 200
Scottsdale, AZ 85250

Brad Clough
ANDERSON & BARNES 580, LLP
ANDERSON & MILLER 694, LLP
8501 North Scottsdale Road, Suite 260
Scottsdale, AZ 85253

Marcie Montgomery
SNELL & WILMER
400 East Van Buren Street
Phoenix, AZ 85004
Attorneys for CHI Construction Company,
CP Water Company, Robson Utilities

Craig Emmerson
ANDERSON & VAL VISTA 6, LLC
8501 North Scottsdale Road, Suite 260
Scottsdale, AZ 85253

Philip J. Polich
GALLUP FINANCIAL, LLC
5040 East Shea Boulevard, No. 254B
Scottsdale, AZ 85254

Craig A. Marks
CRAIG A MARKS
10645 N. Tatum Blvd, Suite 200
Phoenix, AZ 85038-3090