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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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AZ CORP COMMISSION  
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COMMISSIONERS

DOUG LITTLE - Chairman  
BOB BURNS  
TOM FORESE  
BOB STUMP  
ANDY TOBIN

IN THE MATTER OF THE APPLICATION OF  
ARIZONA WATER COMPANY, AN  
ARIZONA CORPORATION TO EXTEND ITS  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY AT CASA GRANDE, PINAL  
COUNTY, ARIZONA

DOCKET NO. W-01445A-07-0291

APPLICATION FOR ADDITIONAL TIME  
FOR COMPLIANCE FILING

On June 13, 2008, the Commission entered Decision No. 70379 in this docket (the "Decision"). The Decision directed Arizona Water Company (the "Company") to file certain items as compliance filings within certain time frames provided in the Decision. A factual background/compliance timeline is as follows:

1. The Decision approved an extension of Arizona Water's Certificate of Convenience and Necessity ("CCN") for parcels 1, 2, 4, and 5. The Decision also required Arizona Water to file copies of the Certificate of Assured Water Supply ("CAWS") and Main Extension Agreement for those parcels and copies of the Arizona Department of Environmental Quality's Approval to Construct ("ATC") for facilities needed to serve Phase I within each of the four parcels within two years of the effective date of the Decision No. 70379.

2. On May 3, 2010, the Commission entered Decision No. 71687 extending the deadline for Arizona Water to file the compliance items listed in Decision No. 70379 to June 13, 2012.

3. On March 21, 2012, the Commission entered Decision No. 73777 extending the deadline for Arizona Water to file the compliance items listed in Decision No. 70379 to June 13, 2014.

4. On February 9, 2015, the Commission entered Decision No. 74939 extending the deadline for Arizona Water to file the compliance items listed in Decision No. 70379 to June 13,

1 2016. Arizona Water is now requesting an extension of the current compliance deadline to June 13,  
2 2026. In support of its request, Arizona Water respectfully represents as follows:

3 A. A map of the extension area is attached hereto as Exhibit 1.

4 B. Arizona Water has previously submitted ATCs for each of parcels 1, 2, 4, and 5.

5 C. Arizona Water has also previously submitted Main Extension Agreements for each of  
6 parcels 1, 2, 4, and 5.

7 D. Thus, Arizona Water has fulfilled each of the compliance items it has independent  
8 power to complete.

9 E. The deep recession and real estate crash over the past several years (essentially the  
10 entire time that Decision No. 70379 has been in effect) are extraordinary circumstances which have  
11 not been seen since the Great Depression. The severe economic downturn that has battered the  
12 Arizona real estate market persists, and continues to delay the development of residential and mixed-  
13 use development in Arizona, including Pinal County. Therefore, even though Arizona Water expects  
14 to serve customers in the expansion areas within the next few years (*See* paragraph 6, below), no one,  
15 including housing experts and economists, can say for sure when the real estate market will see a  
16 recovery of any significance.

17 F. The Commission's Staff has observed, in evaluating a developer's request for  
18 additional compliance time in another case (*See* Decision No. 71861, docketed September 1, 2010,  
19 Finding of Fact No. 14, page 3), that "...the downturn in the economy has put a damper on much of  
20 the development in this state."

21 G. Exhibit 2 is a letter from a property owner representing a portion of the real property  
22 located in the expansion area. The letter documents the property owner's continuing need and desire  
23 to obtain water service from Arizona Water to be able to develop the property. The property owner  
24 letter confirms the owner's plans to develop the property in reliance upon water service they plan to  
25 obtain under Arizona Water's CCN. The continued existence of that CCN and Arizona Water's

1 continuing authority to provide public utility water service will support the slowly improving  
2 development market that has experienced historic difficulty, as detailed above, and the withdrawal of  
3 the CCN would be detrimental to that recovery. The Company requested a letter as described above  
4 from all property owners or property owner's representatives for each parcel of real property located  
5 in the expansion area. No property owner or property owner's representative has refused to sign the  
6 letter. Arizona Water will supplement this Application as it receives additional letters.

7 H. Additionally, absent an extension, the owners of the subject parcels will not be able to  
8 apply for a CAWS if Arizona Water's CCN is deleted because the Arizona Department of Water  
9 Resources places a condition on any application for a CAWS that it be located in a CCN or have an  
10 application for a CCN pending at the time of such CAWS application.

11 I. In the recent matter of Global Water Utilities' request for extension of compliance  
12 deadlines, Staff "recommend[ed] a 10-year extension of time in light of slow recovery of  
13 development."<sup>1</sup> The Commission accepted this recommendation and set a ten year deadline for  
14 Global to file compliance items in that docket.<sup>2</sup> A ten-year extension of time is also reasonable here  
15 because such a deadline will reduce the administrative burden on Staff and the Commission. Given  
16 Staff's reconsidered position and the Commission's order, the Company requests that the  
17 Commission set a deadline for compliance items in this docket of ten years, or until June 13, 2026.

18 J. Also pursuant to a request from Commission Staff, please find attached as Exhibit 3 a  
19 spreadsheet showing all of the compliance items Arizona Water has completed, as well as those  
20 items that remain unfulfilled due to the economic downturn experienced in the area.

21 ...

22 ...

23

24 <sup>1</sup> See Staff's Memorandum, filed December 21, 2015 in Docket No. W-01445A-06-0199.

25 <sup>2</sup> See Docket No. W-01445A-06-0199, Decision No. 75482.

1 CONCLUSION

2 Accordingly, the Company again respectfully requests that the Commission enter an order  
3 extending its time to file the final compliance items under Decision No. 68607 to June 13, 2026.

4 RESPECTFULLY SUBMITTED this 13th day of June, 2016.

5 ARIZONA WATER COMPANY

6 By: 

7 E. Robert Spear (No. 025772)  
8 General Counsel  
9 ARIZONA WATER COMPANY  
3805 North Black Canyon Highway  
Phoenix, AZ 85015

10 ORIGINAL and thirteen (13) copies of the foregoing filed this 13th day of June, 2016, with:

11 Docket Control  
12 ARIZONA CORPORATION COMMISSION  
13 1200 W. Washington Street  
Phoenix, AZ 85007

14 I hereby certify that I have this day served the foregoing documents on all parties of record in this proceeding by delivering a copy thereof in person to:

15 Dwight Nodes, Chief Administrative Law Judge  
Hearing Division  
16 ARIZONA CORPORATION COMMISSION  
17 1200 W. Washington Street  
Phoenix, AZ 85007

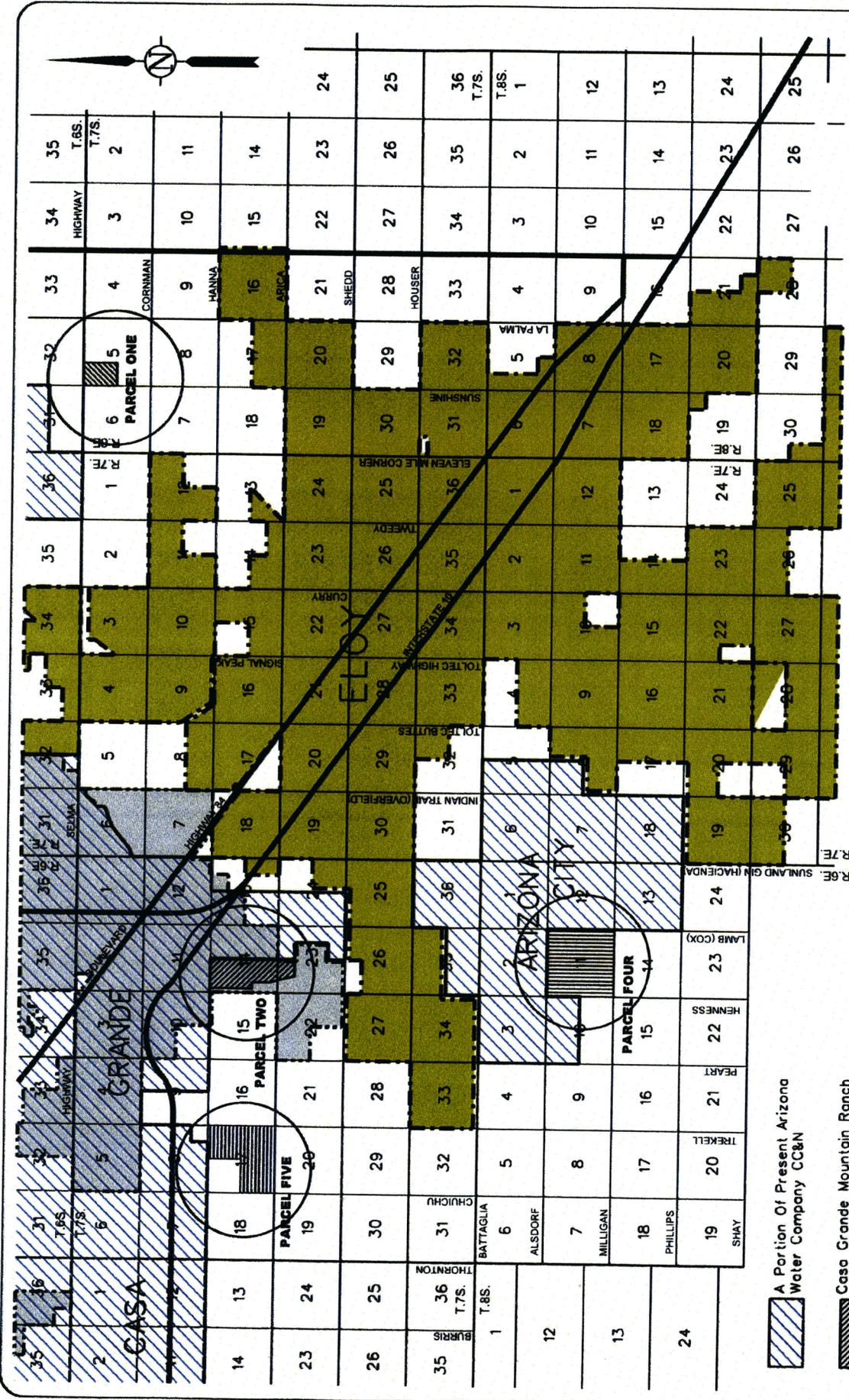
18 Janice Alward, Director  
Legal Division  
19 ARIZONA CORPORATION COMMISSION  
20 1200 W. Washington Street  
Phoenix, AZ 85007

21 Thomas M. Broderick, Director  
Utilities Division  
22 ARIZONA CORPORATION COMMISSION  
23 1200 W. Washington Street  
Phoenix, AZ 85007

24 Dated at Phoenix, Arizona, this 13th day of June, 2016.

25 

EXHIBIT 1



**ARIZONA WATER COMPANY**

DESCRIPTION  
 CC&N Application to Include Portions in T.7S.,R.8E., T.7S.,R.6E.  
 And T.8S.,R.7E. Of The G.S.R.B.&M. Pinal County, Az.

LOCATION  
 CASA GRANDE

DATE: 05.21.2007 SCALE: 1" = 2 Miles DRAWN BY: CB

A Portion Of Present Arizona Water Company CC&N

Casa Grande Mountain Ranch (305.63 Acres) Parcel Two

Shreeve 110 (110 Acres) Parcel One

Avra Plantation (640 Acres) Parcel Four

Haugen Development (480 Acres) Parcel Five

A Portion Of The Casa Grande City Limits

A Portion Of Eloy City Limits

EXHIBIT 2

**480 Casa Grande – Equestrian LLC**  
**7279 E. Adobe Dr., Ste. 101**  
**Scottsdale, AZ 85255**

June 13, 2016

E. Robert Spear  
Arizona Water Company  
3805 N. Black Canyon Highway  
Phoenix, AZ 85015

Dear Mr. Spear:

We are following up with you regarding Pinal County Assessor's Parcel Numbers 511-19-007E, 007F, and 007G which we own.

Although plans for development have been delayed by the severe recession that is still adversely affecting the Pinal County real estate market, we still need and desire to receive water service from Arizona Water Company to serve this property.

Our current plans include development within the earliest possible time, considering current market conditions, perhaps within the next twenty-four months. If market conditions improve, however, we hope to shorten this timeframe.

If you have any questions, please feel free to contact us.

Sincerely,

480 Casa Grande – Equestrian LLC

By:  \_\_\_\_\_  
(sign)

Name: Vern Haugen

Its: MANAGING MEMBER  
(print title)

**EXHIBIT 3**

**COMPLIANCE ITEM CHECKLIST**

<i>Docket</i>	<i>Name</i>	<i>Parcel</i>	<i>Assessor No</i>	<i>Property Owner(s)</i>	<i>Owner Letter Filed</i>	<i>ATC Filed</i>	<i>MXA Filed</i>	<i>CAWS Filed</i>	<i>Status</i>
07-0291	CG Mtn Ranch		511-19-006B; 511-19-006C; 511-19-006D; 511-19-006E; and 511-19-006G	City of Casa Grande		4/11/2014			Decision 74939 on 2/9/2015 extended compliance deadline to 6/13/16.
07-0291	CG Mtn Ranch		511-19-006H	Casa Grande Mountain Limited Partnership		4/11/2014			
07-0291	CG Mtn Ranch		511-44-0900	AVRA Plantation, Inc.		4/11/2014			
07-0291	CG Mtn Ranch		401-48-004E	Aurbis Metro Partners IV LLC		4/11/2014			
07-0291	CG Mtn Ranch		511-19-007E; 511-19-007F; 511-19-007G	480 Casa Grande - Equestrian LLC	6/13/2016	4/11/2014			