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Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

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W-03576A-03-586

Gentlemen:

AZ CORP COM. COMMISSION  
DOCKETED BY [unclear]

I am involved in real estate development. Over the course of the last year, I have been amazed to see Johnson Utilities conspire with Pinal County to avoid regulation of Johnson Utilities by the Corporation Commission. The County has set up several special districts that may comply with the facial requirements of state law but that cede unprecedented power and authority to a Johnson-owned entity called Sonoran Utilities. Sonoran is given complete operational control over the running of the district pursuant to a long-term, virtually unbreakable contract. Sonoran, not the special districts, is given ownership of all assets. Developers dealing with the special districts are required to dedicate land and improvements to Sonoran rather than to the district and, as a result, are required to pay gross-up taxes that would normally not be required for dedications to a publicly owned special district.

I strongly suggest that you investigate this matter thoroughly and pursue your constitutional authority to regulate private utility companies. The special districts formed by Pinal County are shams and have no legitimate purpose other than avoidance of regulation of Johnson Utilities by the Corporation Commission. If you cede your authority on this issue, you can expect these actions by Pinal County to proliferate and for other governmental entities that are overly friendly with developers to form additional districts in the future.

Because of my role in real estate development, I cannot provide my name without jeopardizing my livelihood. George Johnson is a vindictive person, and I cannot afford for him to know that I sent this letter.

Arizona Corporation Commission

DOCKETED

OCT 22 2003

DOCKETED BY *CAR*