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MEMORANDUM

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AZ CORP COMMISSION
DOCUMENT CONTROL

TO: Docket Control
Utilities Division
Arizona Corporation Commission

FROM: Ernest Johnson
Director
Utilities Division

W-02234A-00-0371
WS-02987A-99-0583
WS-02987A-00-0618
W-02859A-00-0774
W-01395A-00-0784

DATE: May 17, 2004

RE: JOHNSON UTILITIES, L.L.C. - DBA JOHNSON UTILITIES COMPANY, DOCKET NO. W-02234A-00-0371 ET AL., DECISION 65840

In Decision No. 65840, the Arizona Corporation Commission ("Commission"), ordered Commission Staff ("Staff") to conduct an investigation into Johnson Utilities, L.L.C. – DBA Johnson Utilities Company ("Johnson"). The Commission ordered as follows:

> "Staff shall conduct an investigation into JUC's adherence with Commission rules and orders to determine whether an Order to Show Cause is warranted."

The decision further ordered Commission Staff to issue a report demonstrating its findings. Staff, therefore, conducted an evaluation of Utility Division records in the Compliance & Consumer Service's Sections in order to identify any existing violations that exist within the Commission rules and orders. Staff's investigation resulted in the following:

Consumer Services Section – Utilities Division – (Rules)

Staff reviewed the Consumer Services' database for Johnson Utilities for the years 2001, 2002, 2003 and thus far in 2004. The database records complaints, inquiries and opinions and revealed the following:

2001: Two complaints and nine inquiries filed.
2002: Five complaints, four inquiries and two opinions filed.
2003: Seven complaints, 22 inquiries and one opinion filed.
2004: One complaint, three inquiries.

The issues questioned were primarily billing issues for all four years. A break down of all issues can be provided on request. The total number of complaints, inquiries and opinions for the four years reviewed was 56. All of the complaints were resolved.

Arizona Corporation Commission
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Compliance Section – Utilities Division – (Orders)

In order to determine whether the Company was in violation of Commission orders, Staff conducted a review of each Commission decision for the company. The decisions that Staff reviewed in this compliance effort are listed below:

Dec. No.	Decision Date	Case Description
60223	May 27, 1997	CC&N and authority to issue promissory notes.
61069	August 7, 1998	Extension of its CC&N.
62087	November 19, 1999	Extension of its CC&N.
62284	February 1, 2000	Approval of modification to its existing tariff.
62586	May 23, 2000	Filing of a Cross-Connection Backflow Tariff.
63162	November 20, 2000	Extension to its CC&N.
63567	April 24, 2001	Centex Homes complaint (dismissed).
63960	September 4, 2001	Extension of CC&N.
64062	October 4, 2001	Extension of CC&N.
64171	October 30, 2001	Clarify language on replenishment district taxes.
64288	December 28, 2001	Extension of a CC&N.
64431	February 6, 2002	Approval of an extension to its CC&N.
64598	March 4, 2002	Clarify language on replenishment district taxes.
65071	August 8, 2002	Authority to issue capital and promissory notes.
65486	December 27, 2002	Application for declaratory judgment.
65840	April 22, 2003	Extension of CC&N.
65882	May 7, 2003	Extension of its CC&N.
65951	May 22, 2003	Markham Contracting complaint (dismissed).

For each of the above orders, Staff identified the individual compliance responsibilities that the Commission placed on the Company. This was accomplished through inspection of the individual ordering paragraphs and relevant findings of fact within each decision. While the body of compliance for this company was found in Decision Nos. 60223, 62087, 62284, 64062 and 65840, Staff's review encompassed each of the above decisions. Commission records such as the Docket Control, the compliance database and Utilities Division tariffs were utilized to determine whether the Company had met the ordered compliance.

Staff's determination is that the Company is not in violation of any Commission order. Actions taken by the Company have resulted in no existing delinquencies relating to compliance filings. Further, Staff can identify no evidence that indicates that an order to show cause is warranted for this Company at this time.

SERVICE LIST FOR: H2O, INC. AND JOHNSON UTILITIES, L.L.C. dba JOHNSON UTILITIES COMPANY

DOCKET NOS. W-02234A-00-0371
WS-02987A-99-0583
WS-02987A-00-0618
W-02859A-00-0774
W-01395A-00-0784

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