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ARIZONA CORPORATION COMMISSION

060

March 10, 2005

Mr. Jay L. Shapiro
Fennemore Craig
303 North Central Avenue
Suite 2600
Phoenix, Arizona 85012

Arizona Corporation Commission
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RE: Johnson Utilities Company – Application for Extensions of its Certificate of Convenience and Necessity (CC&N) Docket No. WS-02987A-05-0088
INSUFFICIENCY LETTER

Dear Mr. Shapiro:

In reference to the above mentioned application filed on February 11, 2005, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Please provide a copy of the Arizona Department of Water Resources (“ADWR”) Designation of Assured Water Supply, Certificate of Assured Water Supply or Letter of Adequate Water Supply for the CC&N area requested. If none of these are available, please provide a copy the ADWR’s Physical Availability Determination.
2. Please provide a listing or table of all the existing and future sources of water that the Company plans to utilize in serving the proposed extension area. In the listing or table please include the ADWR’s Well Identification number and a description of the water quality of the well. Please be sure to include the nitrate, arsenic, and fluoride concentrations levels.
3. Please provide the Public Water system number for the system that will provide water to this development.
4. Will any well, storage, or pumping facilities be installed to serve this development? If so, explain.
5. Please provide any other information which will allow the Commission to analyze and conclude that the company has sufficient water production capacity, or can develop

enough drinking water capacity to service the existing and future demands from the proposed CC&N area.

6. Please provide information on the rates and charges the Company plans to charge the newly acquired customers in the proposed extension area for wastewater service.
7. Please provide the estimated number of customers to be served in each of the first five years of the wastewater service.
8. Please provide a copy of the approved Central Arizona Association of Government ("CAAG") Section 208 Plan which includes the proposed service extension area.
9. If the information is not contained in the §208 plans, please submit a master wastewater design report which clarifies how wastewater service will be provided to the proposed CC&N area.

The report should identify the location of existing and future wastewater treatment plants and major wastewater interceptors. It should also provide the capacities of existing and future wastewater treatment plants, any existing service base in the proposed CC&N extension area, service connections at build out in the proposed CC&N extension area, estimated wastewater flow from a typical dwelling unit.

The report should also include the estimated wastewater total flows or contributions from future build out within the proposed CC&N extension area, the timing or construction phasing of facilities and methods of effluent disposal.

Please include any other information which will allow the Commission to analyze and conclude that the company has sufficient wastewater treatment capacity, or can develop enough treatment capacity to service the existing and future demands from the proposed CC&N.

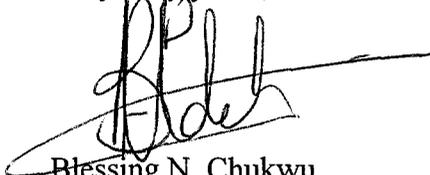
10. Please provide a copy of the Arizona Department of Environmental Quality's Aquifer Protection Permit for the wastewater treatment plant that would service the extension area. If that permit has not been issued, please inform the Commission of the status of the application for that permit.
11. Please provide a copy of the Pinal County Franchise agreement that includes the proposed extension area.
12. Please provide a copy of the Arizona Department of Environmental Quality's approval to construct the facilities to serve the proposed extension area.
13. Please provide a set of design plans for the proposed water and wastewater facilities. If final plans are not available, preliminary design plans should be provided.

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the Arizona Administrative Code (“A.A.C.”) R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840, John Chelus at 602-542-7273 or Carmen Madrid at 602-542-0848.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Blessing N. Chukwu', with a long horizontal line extending to the right.

Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Vicki Wallace