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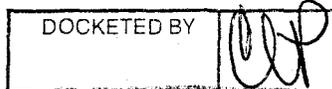
February 8, 2002

**HAND-DELIVERED**

Janice Alward  
Legal Division  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007

Arizona Corporation Commission  
**DOCKETED**

FEB 08 2002



RECEIVED  
2002 FEB - 8 P 12: 51  
AZ CORP COMMISSION  
DOCUMENT CONTROL

Re: Johnson Utilities Company Docket Nos. WS-02987A-99-0583 & 00-0618;  
Emergency Request for Extension of Time to Comply and Issuance of a Procedural  
Ordered Nun Pro Tunc

Dear Janice:

On February 6, 2002 we received your Response to the above referenced Motion dated January 28, 2002. That Response indicated Staff required "actual documentation" from the Arizona Department of Environmental Quality regarding the compliance status of the Company pertaining to the October 16, 2002 Notice of Violation which, incidently, applied only to the Company's Sun Valley Farms Unit V System, not the Johnson Ranch System or the newly certificated area.

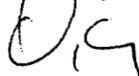
Attached is a copy of a February 4, 2002 letter from Bill DePaul of ADEQ to Patrick Williams indicating that Mr. Williams' interpretation of Mr. DePaul's telephonic compliance status report regarding compliance (which was the basis for Mr. Williams' January 18, 2002 letter declaring the subject Certificate to be "null and void"), was incorrect. Mr. DePaul's letter indicates that the NOV deficiencies had been corrected prior to that telephone conference. Also attached to Mr DePaul's letter is a January 24, 2002 Compliance Status Report that further confirms that fact. This is consistent with the Company's representations in that regard and the ADEQ documentation provided to Mr. Williams on January 23, 2002 and attached to the Motion on January 28, 2002. For your information, I am also enclosing a Compliance Status Report and PWS ID# 11-128, the Johnson Ranch System, for which there is no outstanding NOV.

I assume that Mr. DePaul's letter and the Compliance Status Report are sufficient to meet Staff's requirement and the Staff does not object to the Administrative Law Judge issuing a Procedural Order to reverse that erroneous declaration and to confirm the

validity of the Certificate of Convenience and Necessity issued to Johnson Utilities Company in Decision No. 64062 on October. 4, 2001.

In the event you determine the enclosed is not sufficient for your purposes, please contact the undersigned immediately so that this matter can be expeditious resolved. Thank you for your cooperation in this regard.

Sincerely,



Richard L. Sallquist  
For the Firm

Enclosure

cc: Docket Control (10 Copies) (Hand-Delivered)  
Patrick Williams (Hand-Delivered)  
Marc Stern (Hand-Delivered)  
Service List  
Bill DePaul  
George Johnson  
Mike Denby  
Brian Tompsett  
Paul Gardner



Jane Dee Hull  
Governor

# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

3033 North Central Avenue • Phoenix, Arizona 85012-2809  
(602) 207-2300 • www.adeq.state.az.us



Jacqueline E. Schafer  
Director

DW-02-189  
February 4, 2002

Mr. Patrick Williams, Manager  
Compliance and Enforcement Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Re: ADEQ NOV, PWS ID #11-116 Johnson Utilities Co./Sun Valley Farms Unit V Water System.

Mr. Williams:

I have obtained a copy of your letter to Mr. George Johnson informing him of the ACC decision to revoke his "Certificate." As you stated in your letter we did have a discussion about the status of the ADEQ NOV issued to Johnson Utilities Co. on October 16, 2001. I would like to take this opportunity to clarify the statements I made to you during our telephone conversation. In response to your question asking if Johnson Utilities had resolved the violations in the NOV, I explained the individual events or items resulting in the violations had been addressed and were no longer continuing to accrue daily penalties. However, the NOV identifying the violations remains unresolved. I further explained the NOV remains unresolved due to the inability to have scheduled face to face meetings with representatives of ADEQ, The Arizona Attorney General's Office and Johnson Utilities Co. I did not state that "Johnson has not corrected the deficiencies stated in the NOV."

In the future, I would appreciate a courtesy copy, for the ADEQ records, of any letters you send to regulated entities where you have based decisions on statements I have made to you.

Northern Regional Office  
1515 East Cedar Avenue • Suite F • Flagstaff, AZ 86004  
(928) 779-0313

Southern Regional Office  
400 West Congress Street • Suite 433 • Tucson, AZ 85701  
(520) 628-6733

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PWS ID #11-116 Johnson Utilities Co./Sun Valley Farms Unit V Water System.  
February 4, 2002  
Page 2

I hope this information helps clarify the situation surrounding the status of the ADEQ NOV issued to Johnson Utilities Co. on October 16, 2001. If you have any questions regarding this correspondence, you can contact me at (602) 207-4652.

Sincerely,



William A. DePaul, Jr. Drinking Water Enforcement Coordinator  
Drinking Water Compliance and Enforcement Unit  
Water Quality Compliance Section

WAD:mfs

Arizona Department of Environmental Quality  
Drinking Water Compliance Enforcement Unit  
3033 N. Central Avenue, M0501B  
Phoenix, AZ 85012

Compliance Status Report

PWS Name: Johnson Utilities - San Valley

PWS ID #: 11-116

Compliance Status:  No Major Deficiencies  Major Deficiencies

Comments:

Due to elevated nitrate levels, this water system should be monitoring quarterly for nitrates. This water system has completed the initial monitoring for lead and copper. The water system may request reduced lead and copper monitoring in writing.

Despite the identification of "No Major Deficiencies", the water supplier was issued a Notice of Violation on October 16, 2001, alleging violations of A.A.C. R18-4-507 related to the failure to obtain construction approvals prior to the operation of newly constructed facilities.

Date of last inspection / sanitary survey: 10/3/00

Major Operation and Maintenance Deficiencies cited during inspection:

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> unable to maintain 20psi           | <input type="checkbox"/> inadequate storage           |
|  | <input type="checkbox"/> cross connection/backflow problems | <input type="checkbox"/> surface water treatment rule |
|  | <input type="checkbox"/> treatment deficiencies             | <input type="checkbox"/> approval of construction     |
|  | <input type="checkbox"/> certified operator                 |   |

Administrative Orders:

Is ADEQ administrative order in effect?  Yes  No

Is US EPA administrative order in effect?  Yes  No

Comments:

System information:

Number of Points of Entry 1 Population Served 77 Connections Served 37  
Initial Monitoring Year 1996 MAP year 2002

DWCE Evaluation completed by: Sally Ceccarelli-Wolf, Compliance Assistance Officer

Phone: (602) 207-7626 Date: January 24, 2002

Based on data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.

Arizona Department of Environmental Quality  
Drinking Water Compliance Enforcement Unit  
3033 N. Central Avenue, M0501B  
Phoenix, AZ 85012

Compliance Status Report

PWS Name: Johnson Utilities Co. / Johnson Ranch water system

PWS ID #: 11-128

Compliance Status:  No Major Deficiencies  Major Deficiencies  
Comments:

Date of last inspection / sanitary survey: 12/3/99

Major unresolved/ongoing Operations and Maintenance (O&M) Deficiencies:  
 None  unable to maintain 20psi  inadequate storage  
 cross connection/backflow problems  surface water treatment rule  
 treatment deficiencies  approval of construction  
 certified operator

Administrative Orders:  
Is ADEQ administrative order in effect?  Yes  No  
Is US EPA administrative order in effect?  Yes  No  
Comments:

System Information:  
Number of Points of Entry 1 Population Served 1,650 Connections Served 418  
Initial Monitoring Year 2000 MAP year 2003

DWCE Evaluation completed by: Sally Ceccarelli-Wolf, Compliance Assistance Officer

Phone: 602/207-7626 Date: January 24, 2002

Based on data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4. This compliance status report does not guarantee the water quality for this system in the future. This compliance status report does not reflect the status of any other water system owned by this utility company.