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MEMORANDUM

To: Docket Control

From: Ernest G. Johnson, Director  
*for* Utilities Division

Date: July 26, 2005

RE: **AMENDMENT TO STAFF REPORT**

JOHNSON UTILITIES COMPANY  
APPLICATION FOR AN EXTENSION OF ITS CERTIFICATE  
OF CONVENIENCE AND NECESSITY TO PROVIDE  
WATER AND WASTEWATER SERVICE IN PINAL COUNTY  
DOCKET NO. WS-02987-05-0088

AZ CORP COMMISSION  
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Background

1. In the Staff report dated June 6, 2005, Staff reported in part that, "Based on the information provided in this docket and from Staff's review of other available material regarding the Company, Staff concludes that the existing Johnson Utilities water system does not have adequate production and storage capacity to serve the existing and proposed CC&N area".
2. On June 30, 2005, Johnson Utilities Company ("Company" or "Applicant") met with Staff to discuss the well capacity issue.
3. On July 1, 2005, the Applicant, under Docket No. WS-02987A-04-0288, provided additional information about new wells which have recently been placed in service and adjustments to flows to existing wells which were brought about by pump replacements and blending. In particular, the San Tan Heights Well No. 2 received an Approval of Construction from the Arizona Department of Environmental Quality ("ADEQ") on April 18, 2005, for 700 gallons per minute and the Morning Sun Farm Well No. 1 received an Approval of Construction on June 3, 2005, for 1,100 gallons per minute. The Company now reports that the total estimated well production that is currently online for Public Water System 11-128 is 5,082 gallons per minute. The Company also reported having 10,833 customers at the end of May, 2005.

Based on the demand requirements used in the June 6, 2005 Staff Report, the updated customer count provided by the Company on July 1, 2005 and assuming an average growth rate of 500 customers per month, Staff estimates there will be enough well capacity to provide for an annual peak day demand of 521 gallons per/day service

Johnson Utilities CC&N  
Docket No. WS-02987A-05-0088  
Page 2

through December 2005 and an average daily demand during the peak month of 417 gallons/day service through June 2006.

In addition, the Company has previously submitted copies of applications for the Crestfield Wells No. 1 and 2 which were submitted to ADEQ on May 26, 2005. Each well is expected to produce 1,000 gallons per minute. Therefore, Staff concludes that the existing system has adequate production and storage capacity.

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Docket No. WS-02987A-05-0088

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