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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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Arizona Corporation Commission

DOCKETED

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

AZ CORP COMMISSION  
DOCUMENT CONTROL

JUL 05 2005

DOCKETED BY	
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IN THE MATTER OF THE APPLICATION OF  
JOHNSON UTILITIES COMPANY, L.L.C. FOR  
AN EXTENSION OF ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY FOR WATER AND WASTEWATER  
SERVICE.

DOCKET NO. WS-02987A-04-0288

PROCEDURAL ORDER

**BY THE COMMISSION:**

On April 14, 2004, Johnson Utilities Company, L.L.C. ("Johnson"), filed an application for an extension of its Certificate of Convenience and Necessity ("Certificate") with the Arizona Corporation Commission ("Commission") to provide public water and wastewater utility service to various parts of Pinal County, Arizona.

In its Amended Staff Report filed on April 13, 2005 (Ex. S-2), the Commission's Utilities Division Staff ("Staff") alleged that Johnson has insufficient capacity to serve its Johnson Ranch water system.

The hearing was conducted in this matter on April 19, 2005. At the conclusion of the hearing, Staff's witness stated that if Johnson was able to submit an approval of construction from the Arizona Department of Environmental Quality ("ADEQ") for the estimated 890 gallons per minute Morning Sun Farms well in the near future, Staff's concern that Johnson lacked sufficient capacity to serve its existing customers would be satisfied (Tr. 223-224).

A Procedural Order was issued on June 2, 2005 which stated that, because Johnson's witness represented at the hearing that ADEQ approval of the Morning Sun Farms well was imminent, the record in this matter would remain open for an additional 90 days from the date of the Procedural Order to allow Johnson additional time to submit the necessary approvals associated with the Morning Sun Farms well.

On June 9, 2005, Johnson filed copies of the ADEQ Approval of Construction issued June 3,

1 2005 for the Morning Sun Farms Well No. 1. Johnson also attached applications for Approval to  
2 Construct Crestfield Well Nos. 1 and 2, which were filed with ADEQ by Johnson on May 26, 2005.

3 On June 13, 2005, Johnson filed a Motion to Expedite requesting that the 90-day time clock  
4 extension granted in the June 2, 2005 Procedural Order be shortened to 15 days, based on Johnson's  
5 submission of the Morning Suns Farm well approval.

6 On June 21, 2005, a Procedural Order was issued directing Staff to file a response to  
7 Johnson's June 9, 2005 filing, and to Johnson's Motion to Expedite.

8 On June 27, 2005, Staff filed its Response stating that, despite the addition of the Morning  
9 Sun Farms Well No. 1, Staff believes that Johnson lacks sufficient capacity "for the Company to  
10 meet its immediate growth demands."

11 On July 1, 2005, Johnson filed a Response to Staff's June 27, 2005 filing. Johnson claims  
12 that, contrary to Staff's assertions, data submitted to ADEQ on June 17, 2005 shows that the  
13 Company has more than adequate capacity to meet future demand. Johnson attached the ADEQ  
14 report to its July 1, 2005 Response.

15 Because a factual dispute remains with respect to Johnson's current and future well capacity  
16 and expected demand, an additional hearing will be scheduled to address the disputed issues.

17 IT IS THEREFORE ORDERED that a **hearing** to address the capacity and demand issues  
18 raised in the post-hearing filings by Johnson Utilities Company, L.L.C. and Staff shall be scheduled  
19 for **August 1, 2005, at 10:00 a.m.**, at the offices of the Commission, 1200 West Washington,  
20 Phoenix, Arizona 85007.

21 IT IS FURTHER ORDERED that Staff shall file testimony in support of its position by no  
22 later than July 15, 2005.

23 IT IS FURTHER ORDERED that Johnson Utilities Company, L.L.C. shall file responsive  
24 testimony by no later than July 25, 2005.

25 IT IS FURTHER ORDERED that, if necessary, additional oral surrebuttal testimony will be  
26 taken at the hearing.

27 IT IS FURTHER ORDERED that the ex parte rule (A.A.C. R14-3-113-Unauthorized  
28 Communications) continues to apply to this proceeding.

1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
2 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
3 hearing.

4 DATED this 5<sup>th</sup> day of July, 2005

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6 \_\_\_\_\_  
7 DWIGHT D. NODES  
8 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered  
10 this 5 day of July, 2005 to:

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26 By:   
27 \_\_\_\_\_  
28 Molly Johnson  
Secretary to Dwight D. Nodes