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NEW APPLICATION

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AZ CORP COMMISSION
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
Chairman

JIM IRVIN
Commissioner

MARC SPITZER
Commissioner

WS-02987A-01-0295

~~W-02987A-01-0295~~

IN THE MATTER OF THE APPLICATION)
OF JOHNSON UTILITIES, L.L.C. DBA)
JOHNSON UTILITIES COMPANY FOR AN)
EXTENSION FOR ITS CERTIFICATE OF)
CONVENIENCE AND NECESSITY TO)
PROVIDE WASTEWATER SERVICE)
TO THE PUBLIC IN THE DESCRIBED)
AREA IN PINAL AND MARICOPA)
COUNTIES, ARIZONA)

Docket No: _____

APPLICATION

Johnson Utilities, L.L.C. dba Johnson Utilities Company ("Johnson Utilities")
applies for an Order approving the extension of its Certificate of Convenience and
Necessity ("CC&N") to provide wastewater service to include all of the certificated water
service area of H2O, Inc. ("H2O") and certain portions of the certificated water service
area of Queen Creek Water Company ("Queen Creek"). H2O and Queen Creek support
this extension so that residents in their water service area will have quality sewer service
as well as quality water service. Both are necessary for this rapidly growing area. Pinal
County also supports this extension, as it will encourage beneficial growth and
development in the requested area.

1 The specifics of this Application are as follows:

2 1. Johnson Utilities is an Arizona limited liability company that provides water
3 and wastewater service to both residential and commercial customers in Pinal County,
4 Arizona. Johnson Utilities first received its CC&N on May 27, 1997, in Decision No.
5 60223. Since that time, the CC&N has been expanded and Staff is currently
6 recommending an extension of Johnson Utilities' wastewater service into areas that are
7 contiguous to, or in the vicinity of, the extension requested in this Application, including
8 certain sections within the southern portion of H2O's certificated water service area. The
9 customers in the requested area will receive service pursuant to the rates and terms in
10 Johnson Utilities' Commission-approved tariffs.
11

12 2. The extension sought in this Application includes areas in which H2O and
13 Queen Creek currently provide water service. Specifically, Johnson Utilities requests an
14 extension of its CC&N to include all of H2O's CC&N area (to the extent that area is not
15 already served by an authorized wastewater provider) and the following portions of Queen
16 Creek's CC&N area: Sections 34, 35, 36, the southern half of Sections 26 and 27, and the
17 southern three-quarters of Section 25, Township 2 South, Range 7 East in Maricopa
18 County; and Section 30 (the western one-third south of the Queen Creek Wash), Township
19 2 South, Range 8 East in Pinal County. Attached as **Exhibit 1** is a legal description of the
20 land requested to be included in the extended service area of Johnson Utilities.
21

22 3. Johnson Utilities' business address is 5230 East Shea Boulevard, Scottsdale,
23 Arizona 85254. The name of the management contact for Johnson Utilities is Mr. George
24
25
26

1 Johnson. His address is 5230 East Shea Boulevard, Scottsdale, Arizona 85254. His
2 telephone number and facsimile number are 480/998-3300 and 480/483-7908 (facsimile).

3
4 4. The operator certified by the Arizona Department of Environmental Quality
5 is Mr. Jerry Beeler. His address and telephone number are as follows:

6 Jerry Beeler
7 c/o Johnson Utilities, L.L.C.
8 5230 East Shea Boulevard
9 Scottsdale, AZ 85254
480/998-3300

10 5. The name, address, and telephone number of Johnson Utilities' attorneys
11 responsible for this application are:

12
13 Thomas H. Campbell
14 Michael T. Hallam
15 Lewis and Roca LLP
16 40 N. Central Avenue
Phoenix, Arizona 85004
602/262-5723

17 6. Attached as **Exhibit 2** is a copy of Johnson Utilities' Certificate of Good
18 Standing.

19
20 7. Attached as **Exhibit 3** are detailed maps, using the form prescribed by the
21 Arizona Corporation Commission, showing the land requested to be included in the
22 extended wastewater service area of Johnson Utilities.

23
24 8. Attached as **Exhibit 4** is a copy of the most recent Sewer Utility Annual
25 Report filed by Johnson Utilities with the Arizona Corporation Commission containing a
26

1 balance sheet and an income and expense statement for the year ending December 31,
2 1999.

3 9. Johnson Utilities anticipates serving the following number of customers, by
4 class, in the new area in each of the next five years:

	Residential	Commercial	Industrial
7 Year One	<u>1196</u>	<u>2</u>	<u>0</u>
8 Year Two	<u>2046</u>	<u>4</u>	<u>0</u>
9 Year Three	<u>3373</u>	<u>6</u>	<u>0</u>
10 Year Four	<u>5260</u>	<u>12</u>	<u>0</u>
11 Year Five	<u>7166</u>	<u>22</u>	<u>2</u>

12 10. Johnson Utilities anticipates the following estimated annual operating
13 revenues attributable to the new area for each of the next five years:

16 Year One	<u>\$553,476</u>
17 Year Two	<u>\$947,100</u>
18 Year Three	<u>\$1,561,098</u>
19 Year Four	<u>\$2,435,664</u>
20 Year Five	<u>\$3,321,780</u>

21 11. Johnson Utilities anticipates the following estimated annual operating
22 expenses attributable to the new area for each of the next five years:

25 Year One	<u>\$498,128</u>
26 Year Two	<u>\$852,390</u>

1	Year Three	<u>\$1,404,988</u>
2	Year Four	<u>\$2,192,097</u>
3	Year Five	<u>\$2,989,602</u>

5 12. Johnson Utilities estimates that the total cost to construct utility facilities to
6 serve customers in the requested area to be: To Be Determined.

7 13. Johnson Utilities expects to pay for the construction of the facilities needed
8 to serve customers in the requested area as follows: Through Commission approved hook-
9 up fees and line extension agreements pursuant to Arizona Corporation Commission rules
10 and regulations and subsequent financing applications filed with the Arizona Corporation
11 Commission pursuant to A.R.S. § 40.301 and § 40.302.

13 14. Johnson Utilities anticipates the following starting and completion dates for
14 the facilities needed to serve customers in the requested area as follows:

16	<u>Starting Date:</u>	<u>Completion Date:</u>
17	Third Quarter 2001	To Be Determined

18 15. Certain areas of the requested area are covered by Johnson Utilities' existing
19 franchise granted in Pinal County. For the remaining areas, Johnson Utilities will apply
20 for an extension of its Pinal County franchise, for a franchise with Maricopa County, and
21 for any necessary approvals from the Town of Queen Creek.
22

23 16. Johnson Utilities will obtain the necessary approvals from the Arizona
24 Department of Environmental Quality.
25

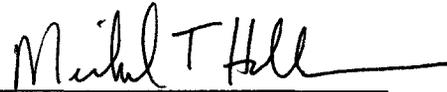
26

1 17. Johnson Utilities will provide Notice of this Application as required by the
2 Commission in the form set forth in **Exhibit 5**. Johnson Utilities will publish notice in a
3 newspaper of general circulation in Pinal and Maricopa Counties.

4
5 18. Johnson Utilities maintains that the extension of its CC&N to provide
6 wastewater service in the requested area is in the public interest. As set forth above, this
7 extension is supported by H2O, Queen Creek, and Pinal County and will benefit the
8 requested area by fostering beneficial growth and development. Accordingly, Johnson
9 Utilities requests that the Commission grant this Application.
10

11
12 Respectfully submitted this 10th day of April, 2001.

13 LEWIS AND ROCA LLP

14
15
16 

17 Thomas H. Campbell
18 Michael T. Hallam
19 40 N. Central Avenue
20 Phoenix, Arizona 85004
21 Attorneys for Johnson Utilities Company

22 Original and ten (10) copies of
23 the foregoing hand-delivered
24 this 10th day of April, 2001, to:

25 The Arizona Corporation Commission
26 Docket Control
1200 W. Washington Street
Phoenix, Arizona 85007

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Copy of the foregoing hand-delivered
this 10th day of April, 2001, to:

Arizona Corporation Commission
Hearing Division
1200 W. Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
Legal Division
1200 W. Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007

Jim Fisher
Arizona Corporation Commission
Utilities Division
1200 W. Washington Street
Phoenix, Arizona 85007

Jaime Williams

Exhibit 1

**Johnson Utilities Company
CC&N Expansion**

Property located in Sections 13, 24, 25, 26, 27, 34, 35, and 36, Township 2 South, Range 7 East, G. & S.R.M., Maricopa County, Arizona, being more particularly described as follows:

All of Section 13,
All of Section 24,
All of Section 25,
All of Section 26,
The South half of Section 27,
All of Section 34,
All of Section 35,
And
All of Section 36;
All in Township 2 South, Range 7 East, G. & S.R.M., Maricopa County, Arizona

Property located in Sections 7, 8, 9, 16, 17, 18, 19, 20, 21, 22, and 30, Township 2 South, Range 8 East, G. & S.R.M., Pinal County, Arizona, being more particularly described as follows:

All of Section 7,
All of Section 8,
The East half of Section 9,
All of Section 16,
All of Section 17,
All of Section 18,
All of Section 19,
The North half of Section 20,
All of Section 21,
All of Section 22,
And
All of Section 30;
All in Township 2 South, Range 8 East, G. & S.R.M., Pinal County, Arizona

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****JOHNSON UTILITIES, L.L.C.*****

is a limited liability company organized under the laws of the State of Arizona which filed its Articles of Organization in this office on the 5th day of June 1997.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capitol, this 19th day of October, 2000, A. D.



Executive Secretary

BY: Alma Castello

EXHIBIT 3

MARICOPA	13, 24, 25, 26, 27, 34, 35, 36	2 SOUTH	7 EAST
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Type or Print Description Here:

All of Sections 13, 24, 25, 26; south 1/2 of Sec. 27; All of Sections 34, 35, and 36.
All in Township 2 South, Range 7 East, G. & S.R.M., Maricopa County, Arizona

EXHIBIT 3

PINAL	7, 8, 9, 16, 17, 18, 19, 20, 21, 22, 30	2 SOUTH	8 EAST
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	1 0	1 1	1 2
1 8	1 7	1 6	1 5	1 4	1 3
1 9	2 0	2 1	2 2	2 3	2 4
3 0	2 9	2 8	2 7	2 6	2 5
3 1	3 2	3 3	3 4	3 5	3 6

Type or Print Description Here:

All of Sections 7 and 8; East 1/2 of Sec. 9; All of Sections 16, 17, 18, and 19; North 1/2 of Sec. 20; All of Sections 21, 22, and 30. All in Township 2 South, Range 8 East, G. & S.R.M., Pinal County, Arizona

UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

SEWER UTILITY ANNUAL REPORT

(If mailing label above is missing, please complete the lines below. If mailing label above is incorrect, please draw line through incorrect information, and state corrected information below.)

COMPANY NAME (DBA NAME)

JOHNSON UTILITIES, LLC

MAILING ADDRESS (ST. OR P.O. BOX)

5320 E. SHEA BLVD.

CITY, STATE, ZIP

SCOTTSDALE, AZ 85254

FOR YEAR ENDING

12	31	99
----	----	----

MONTH DAY YEAR

ANNUAL REPORT DUE APRIL 15, 2000

TO

UTILITIES DIVISION - ANNUAL REPORTS SECTION

ARIZONA CORPORATION COMMISSION

1200 WEST WASHINGTON - SUITE 206

PHOENIX, ARIZONA 85007

Note: This report is to be used only for Sewer Utilities that have total annual Sewer Revenues of less than \$250,000.

Company Name JOHNS UTILITIES, LLC Year Ending DECEMBER 31, 1999

Name of Certificate Holder JOHNSON UTILITIES, LLC

Date of Original CC&N* 5/27/1997

Company Name (dba name), if different from above _____

Local Office Mailing Address 5320 E. SHEA BLVD.
(Street or P.O. Box)

SCOTTSDALE, AZ 85254
(City) (State) (Zip)

Physical Address (if different from above) _____
(Street)

(City) (State) (Zip)

Local Office Tel. No. (602) 998-3300 After Hrs./Emerg.No. _____
(Include Area Code/Ext.) (Include Area Code/Ext.)

Local Office Fax No. _____ Pager No. _____
(Include Area Code/Ext.) (Include Area Code/Ext.)

Is Utility in Operation at this Time? Yes No

If no, Please explain: _____

Last Rate Increase Effective Date _____
(Month) (Day) (Year)

UTILITY COMPANY OWNERSHIP:

- Sole Proprietor (S)
- Partnership (P)
- Bankruptcy (B)
- Receivership (R)
- C Corporation (C) (Other than Association/Co-op)
- Subchapter S Corporation (Z)
- Association/Co-op (A)
- Limited Liability Company (L)
- Other (X) _____

IF UTILITY COMPANY IS A SUBSIDIARY OF A PARENT COMPANY

Owned by: _____ Controlled by: _____
Name of Parent Company _____
Acquisition Date _____
(MM) (DD) (YY)

IF UTILITY COMPANY IS INCORPORATED - DATE INCORPORATED

(MM) (DD) (YY)

State in Which Incorporated: Arizona Other _____
(Please Specify)

*NOTE: CC&N denotes Certificate of Convenience and Necessity

COMPANY NAME

JOHNSON UTILITIES

YEAR ENDING

DECEMBER 31, 1999

OWNER'S

SOLE OWNER:			NAME, ADDRESS, AND PHONE NUMBER (INCLUDING AREA CODE)		
PARTNERSHIP:			EACH PARTNER'S NAME, ADDRESS, PHONE NUMBER (INCLUDE AREA CODE), AND AMOUNT OF EQUITY		
CORPORATION:			THREE LARGEST STOCKHOLDERS NAMES, ADDRESSES, PHONE NUMBER, AND NUMBER OF SHARES HELD		
TYPE (MARK "X")			NAME AND ADDRESS	PHONE NUMBER (INCLUDING AREA CODE)	AMOUNT OF EQUITY OR NUMBER OF SHARES
OWN- ER	PART- NER	SHARE HOLDER			
	X		GEORGE H. JOHNSON 5230 E. SHEA BLVD SCOTTSDALE, AZ 85254	(602) 998-3300	50%
	X		JANA S. JOHNSON 5230 E. SHEA BLVD SCOTTSDALE, AZ 85254	(602) 998-3300	50%

DIRECTORS (IF CORPORATION)

NAME AND ADDRESS	PHONE NUMBER (INCLUDING AREA CODE)	TERM EXPIRATION			NUMBER OF SHARES HELD
		MONTH	DATE DAY	YEAR	

PRINCIPAL OFFICERS (IF CORPORATION)

TYPE (MARK "X")					NAME AND ADDRESS (IF OFFICER TYPE IS "OTHER" SPECIFY BELOW NEXT TO NAME)	PHONE NUMBER (INCLUDING AREA CODE)	DATE ENTERING OFFICE		
RES.	V.P.	SEC.	TREAS.	OTHER			MONTH	DAY	YEAR

COMPANY NAME JOHNSON UTILITIES, LLCYEAR ENDING DECEMBER 31, 1999

UTILITY PLANT IN SERVICE

ACCT. NO.		ORIGINAL COST (1)	ACCUMULATED DEPRECIATION (2)	O.C.L.D. (1) - (2)
351	ORGANIZATION			-
352	FRANCHISES			-
353	LAND AND LAND RIGHTS	875,000		875,000
354	STRUCTURES AND IMPROVEMENTS	196,548	4,914	191,634
360	COLLECTING SEWERS & STRUCTURES/FORCE MAINS	3,771,466	94,287	3,677,179
363	SERVICES TO CUSTOMERS	25,752	644	25,108
364	FLOW MEASURING DEVICES/INSTALLATIONS	7,009	175	6,834
370	RECEIVING WELLS			-
371	PUMPING EQUIPMENT	11,660	291	11,369
380	TREATMENT AND DISPOSAL EQUIPMENT			-
381	PLANT SEWERS			-
382	OUTFALL SEWER LINES			-
389	OTHER PLANT & MISCELLANEOUS EQUIPMENT			-
390	OFFICE FURNITURE AND FIXTURES			-
391	TRANSPORTATION EQUIPMENT			-
393	TOOLS AND WORK EQUIPMENT			-
394	LABORATORY EQUIPMENT			-
395	POWER OPERATED EQUIPMENT			-
396	COMMUNICATIONS EQUIPMENT			-
397	MISCELLANEOUS EQUIPMENT			-
398	OTHER TANGIBLE PLANT			-
	TOTAL SEWER PLANT	4,887,435	100,311	4,787,124

Company Name JOHNSON UTILITIES, LLC

Year Ending

DECEMBER 31, 1999

SEWER COMPANY PLANT DESCRIPTION

TREATMENT FACILITY

TYPE OF TREATMENT EXTENDED AERATION, STEP AERATION, OXIDATION TANK, AEROBIC LAGOON, ANAEROBIC LAGOON, TRICKLING FILTER, SEPTIC TANK, ETC.)	EXTENDED AERATION (MARWOOD PLANT) AEROBIC LAGOONS (MAGIC RANCH)
DESIGN CAPACITY OF PLANT (GALLONS PER DAY)	500,000GPD (MAIN); 20,000GPD(MARWOOD)

LIFT STATION FACILITIES

LOCATION	QUANTITY OF PUMPS (HOW MANY)	HORSEPOWER PER PUMP	CAPACITY PER PUMP (GPM)	WET WELL CAPACITY (GALLONS)
MAIN PUMP STATION, SW CORNER OF WATER PLANT #1	2	30	325	7500
UNIT #1 PUMP - BELLA VISTA 1/2 MILE EAST OF HUNT HWY	2	5	400	380

COLLECTION MAINS

SIZE	MATERIAL	LENGTH (FEET)
4"		
6"		
8"	SDR 35 PVC	17282
10"		
12"	SDR 35 PVC	6536
15"	SDR 35 PVC	136
18"		
21"		
24"		
30"		

MANHOLES

TYPE	QUANTITY (HOW MANY)
STANDARD	84
DROP	

CLEANOUTS

QUANTITY (HOW MANY)
5

FORCE MAINS

SIZE	MATERIAL	LENGTH (FEET)
3"	C900	900
6"		
8"	C900	26722

**SEWER COMPANY PLANT DESCRIPTION
(CONTINUED)**

SERVICES		
SIZE	MATERIAL	QUANTITY (HOW MANY)
4"	SDR 35 PVC	555
6"		
8"		
12"		
15"		

SINFECTION EQUIPMENT (CHLORINATOR, ULTRA-VIOLET, ETC.):

MARWOOD PLANT HAS LMI CHLORINE PUMP TO DISPENSE 12.5% LIQUICHLOR.

TRATION EQUIPMENT (RAPID SAND, SLOW SAND, ACTIVATED CARBON, ETC.):

MARWOOD PLANT HAS A SANDFILTER WITH CAPACITY OF 70 GPM.

RUCTURES (BUILDINGS, FENCES, ETC.):

MARWOOD FACILITIES HAVE 6' CHAIN LINK FENCE.

HER (LABORATORY EQUIPMENT, TOOLS, VEHICLES, STANDBY POWER GENERATORS, ETC.):

PORTABLE STANDBY GENERATORS (MARWOOD), FIXED STANDBY GENERATOR (WATER PLANT 1),

PICK-UP TRUCKS, 2 BACKHOES, 2 TRENCHERS, SHOVELS, RIGS.

 **ULLMANN
& COMPANY P.L.C.**
Certified Public Accountants

To The Board of Directors of
The Sewer Division of Johnson Utilities, L.L.C.
Scottsdale, Arizona

We have compiled the balance sheet of The Sewer Division of Johnson Utilities, L.L.C. as of December 31, 1999 and 1998, and the related comparative statement of income and expenses for the years then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

All other information contained in the accompanying prescribed form has not been audited, reviewed, or compiled by us and, accordingly, we assume no responsibility for that information.

Ullmann & Company

ULLMANN & COMPANY, P.L.C.
Certified Public Accountants

July 25, 2000

BALANCE SHEET

ASSETS		Balance	Balance
Acct. No.	<u>Current and Accrued Assets</u>	Beginning	Ending
		of Year	of Year
131	Cash & Working Funds		
135	Temporary Investments		
141	Customer Accounts Receivables		8,496
151	Plant Materials & Supplies		
174	Other Current and Accrued Assets		
	Total Current & Accrued Assets	-	8,496

		Balance	Balance
	<u>Fixed Assets</u>	Beginning	Ending
		of Year	of Year
101	Utility Plant in Service		4,887,435
103	Property Held for Future Use	1,811,526	
105	Construction Work in Progress		
117	Other Fixed Assets		
108	Less: Accum. Deprec. & Amort.		100,311
	Total Fixed Assets	1,811,526	4,787,124
	TOTAL ASSETS	1,811,526	4,795,620

See Accountants' Compilation Report

**BALANCE SHEET
(CONTINUED)**

LIABILITIES		Balance Beginning of Year	Balance Ending of Year
Acct. No.	<u>Current and Accrued Liabilities</u>		
231	Accounts Payable		218,757
232	Notes Payable (Current Portion)		
235	Customer Security Deposits		
236	Accrued Taxes		328
237	Accrued Interest		
241	Other Current & Accrued Liabilities		
	TOTAL CURRENT & ACCRUED LIABILITIES	-	219,085

LONG TERM DEBT (Over 12 Months)

224	Long-Term Notes & Bonds		
-----	-------------------------	--	--

DEFERRED CREDITS

252	Advances in Aid of Construction	1,444,083	968,955
255	Accumulated Deferred I. T. C.		
271	Contributions in Aid of Construction	35,000	338,000
272	Less: Accum. Amort. Of Contrib.	1,750	11,075
282	Accumulated Deferred Income Tax*		
284	Other Deferred Credits		
	Total Deferred Credits	1,477,333	1,295,880
	TOTAL LIABILITIES	1,477,333	1,514,965

CAPITAL ACCOUNT

201	Common Stock		
211	Other Paid In Capital		
215	Retained Earnings*		
218	Proprietary Capital	334,193	3,280,655
219	Other Capital Accounts		
	Total Capital Accounts	334,193	3,280,655
	TOTAL LIABILITIES & CAPITAL	1,811,526	4,795,620

*NOTE: If negative, enclose in parentheses.

See Accountants' Compilation Report

COMPANY NAME JOHNSON UTILITIES, LLC

YEAR ENDING DECEMBER 31, 1999

RESERVE FOR DEPRECIATION

YEAR BEGINNING BALANCE (CREDIT):	-
ADD: AMOUNT CHARGED FOR DEPRECIATION EXPENSE:	100,311
OTHER CREDITS:*	
LESS: ORIGINAL COST OF PLANT RETIRED DURING YEAR:	
COST OF PLANT REMOVAL:	
OTHER DEBITS:*	
YEAR ENDING BALANCE:	100,311

* NOTE: SHOW DETAILS OF OTHER DEBITS OR CREDITS IN SPACE BELOW.

COMPARATIVE STATEMENT OF INCOME AND EXPENSESAcct. No.

OPERATING REVENUES:

Prior Year

Current Year

<u>Acct. No.</u>		Prior Year	Current Year
521	Flat Rate Revenues		\$ 11,769
522	Measured Revenues		
536	Other Operating Revenues		115,500
	Total Operating Revenues	\$ -	\$ 127,269

Acct. No.

OPERATING EXPENSES:

Prior Year

Current Year

<u>Acct. No.</u>		Prior Year	Current Year
701	Salaries & Wages		
710	Purchased Sewage Treatment		
711	Sludge Removal Expense		148,509
715	Purchased Power for Pumping/Treatment		26,428
718	Sewage Treatment and Testing		240
720	Repairs & Maintenance		1,276
721	Office Supplies & Expense		
730	Outside Services		13,372
731	Rate Case Expense		
740	Rents		
750	Transportation Expense		
755	General Insurance		4,804
758	Health & Life Insurance		
775	Miscellaneous Operating Expense		2,958
780	Taxes Other Than Property & Income		
781	Property Tax		1,251
403	Depreciation		90,986
409	Income Tax		
	Total Operating Expense	\$ -	\$ 289,824
	OPERATING INCOME (LOSS)*	\$ -	\$ (162,555)

Acct. No.

OTHER INCOME/EXPENSE:

Prior Year

Current Year

<u>Acct. No.</u>		Prior Year	Current Year
419	Interest Income		
421	Other Income		
426	Other Expense		
427	Interest Expense		
	TOTAL OTHER INCOME/EXPENSE*	\$ -	\$ -
	NET INCOME (LOSS)*	\$ -	\$ (162,555)

*NOTE: If negative, enclose in parentheses.

See Accountants' Compilation Report

COMPUTATION OF DEPRECIATION EXPENSE

Acct. No.	Description	(1) Original Cost	(2) Depreciation Percentage Rate	(1) x (2) Depreciation Expense
351	Organization	-		
352	Franchises	-		
353	Land & Land Rights	875,000		
354	Struct. & Improvements	196,548	5%	4,914
360	Collecting Sewers/Collecting Structures/Force Mains	3,771,466	5%	94,287
363	Services to Customers	25,752	5%	644
364	Flow Measuring Devices/Installations	7,009	5%	175
370	Receiving Wells	-		
371	Pumping Equipment	11,660	5%	291
380	Treatment/Disposal Equipment	-		
381	Plant Sewers	-		
382	Outfall Sewer Lines	-		
389	Other Plant & Misc. Equipment	-		
390	Office Furn. & Fixtures	-		
391	Transportation Equipment	-		
393	Tools & Work Equipment	-		
394	Laboratory Equipment	-		
395	Power Operated Equipment	-		
396	Communications Equipment	-		
397	Miscellaneous Equipment	-		
398	Other Tangible Plant	-		
	Totals	4,887,435		100,311

STATISTICAL INFORMATION

YEAR END

Flat Rate Customers:	Revenue	Customers
Residential	11,769	127
Commercial		
Industrial		
Public Authorities		
Other		
Total Flat Rate Customers	11,769 (a)	127

Measured Rate Customers:

Residential		
Commercial		
Industrial		
Public Authorities		
Other		
Total Measured Rate Customers	- (b)	-

Other Customers:

Interdepartmental and/or Associated Companies		
Other Sewer Systems		
Sale of Effluent		
Sale of Sludge		
Other Customers		
Total Other Customers	-	-

Other Operating Revenue	115,500	
Total All Customers	127,269 (c)	127

(a) Should agree with Page 11, Account No. 521, Flat Rate Revenues.

(b) Should agree with Page 11, Account No. 522, Measured Revenues.

(c) Should agree with Page 11, Total Operating Revenues.

CAPITAL STOCK (IF CORPORATION)

	Common	Preferred	Treasury	Total
No. of Shares Authorized:	N/A			-
No. of Shares Issued:				-
Par Value of Shares:				\$ -
Dividends Declared During Year:	-			-

LONG-TERM DEBT

	Loan #1	Loan #2	Loan #3	Total
Date Issued:	N/A			
Nature of Obligation:				
Amount Issued (Dollars):				-
Amount Outstanding:				-
Date of Maturity:				
Interest Rate:				
Current Year Interest Expense:				-

**REPAYMENT OF DEBT AND ADVANCES IN AID OF CONSTRUCTION
DURING REPORT YEAR**

Principal Repayments:	
Long-Term Debt	N/A
Short-Term Debt	N/A
Payment of Advances in Aid of Construction	\$ -

**VERIFICATION
AND
SWORN STATEMENT**

VERIFICATION

STATE OF ARIZONA	COUNTY OF (COUNTY NAME) MARICOPA	SS
I, THE UNDERSIGNED	NAME (OWNER OR OFFICIAL) GEORGE H. JOHNSON	TITLE PRESIDENT
	COMPANY NAME JOHNSON UTILITIES	

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION

COMMISSION FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	99

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING

CALENDAR YEAR

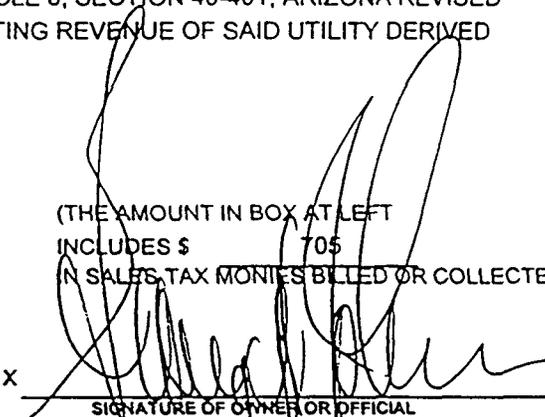
YEAR
19 99

WAS

ARIZONA INTRASTATE GROSS OPERATING REVENUE (\$ ONLY)**
127,974

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 705 IN SALES TAX MONIES BILLED OR COLLECTED.)

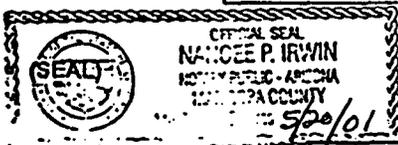
- REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAX MONIES BILLED.
- IF FOR ANY OTHER REASON REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUE ELSEWHERE REPORTED IN THIS REPORT, PLEASE ATTACH A STATEMENT RECONCILING AND EXPLAINING THE DIFFERENCE.


 X _____
 SIGNATURE OF OWNER OR OFFICIAL
 480-998-3300
 TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS DAY 10th DAY OF



MY COMMISSION EXPIRES

MONTH	DAY	YEAR
05	20	01

NOTARY PUBLIC NAME <i>Nancee P. Irwin</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>August</i>	YEAR <i>2000</i>
X <i>Nancee P. Irwin</i> SIGNATURE OF NOTARY PUBLIC	

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) GEORGE H. JOHNSON	TITLE PRESIDENT
COMPANY NAME JOHNSON UTILITIES	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	99

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE SEWER UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING

CALENDAR YEAR

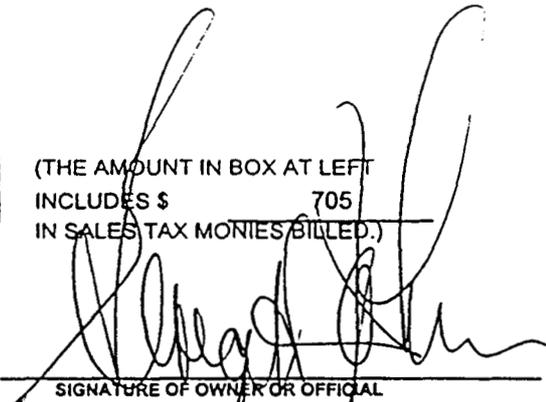
YEAR
19 99

WAS

RESIDENTIAL SEWER GROSS OPERATING REVENUE (\$ ONLY) *
127,974

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 705 IN SALES TAX MONIES BILLED.)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAX MONIES BILLED.

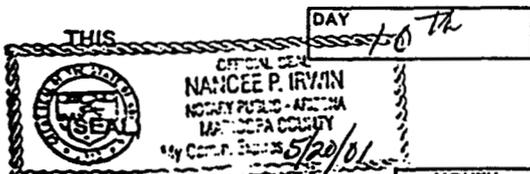
X 
SIGNATURE OF OWNER OR OFFICIAL
480-998-3300
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

NOTARY PUBLIC NAME Nancee P. Irwin	
COUNTY NAME Maricopa	
MONTH August	YEAR 2000

X 
SIGNATURE OF NOTARY PUBLIC



MY COMMISSION EXPIRES

MONTH	DAY	YEAR
05	20	01

COMPANY NAME JOHNSON UTILITIES, LLC

YEAR ENDING

DECEMBER 31, 1999

ALL UTILITIES
INCOME TAXES

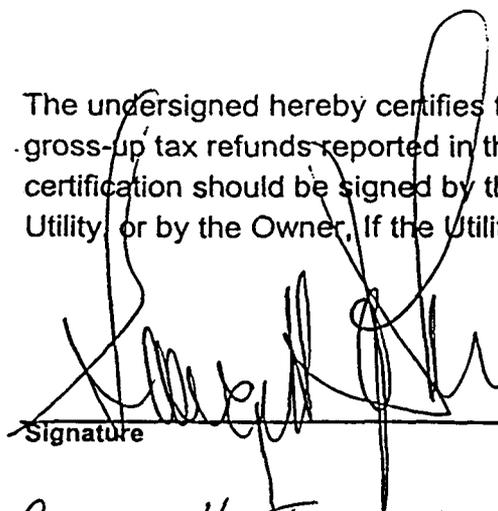
For the fiscal year reported in this annual report, provide the following:

Federal Taxable Income Reported	(90,855)
Estimated or Actual Federal Tax Liability	N/A (LLC)
State Taxable Income Reported	(90,855)
Estimated or Actual State Tax Liability	N/A (LLC)
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	-
Amount of Gross-Up Tax Collected	-
Total Grossed-Up Contributions/Advances	-

Decision No. 55774 states, in part, that the utility will refund any excess gross up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payor or if any gross-up tax refunds have already been made, attach the following information by Payor: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payor, and the date the Utility expects to make or has made the refund to the Payor.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payors all gross-up tax refunds reported in the prior years annual report. This certification should be signed by the President or Chief Executive Officer of the Utility or by the Owner, if the Utility is not a corporation.


Signature _____
Date August 10, 2000
George H. Johnson
Printed Name _____
Title Managing Member

COMPANY NAME

JOHNSON UTILITIES, LLC

YEAR ENDING

DECEMBER 31, 1999

WATER AND SEWER UTILITIES ONLY

PROPERTY TAXES

Amount of Actual Property Taxes Paid during
calendar year (if different than reported
in this annual report)

2,986

***Attach to this annual report proof (e.g. property tax bills stamped "paid-in-full")
of any and all property taxes paid during the calendar year.

***If no property taxes paid, explain why.

APPENDIX B

EXHIBIT 5

PUBLIC NOTICE OF AN APPLICATION FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY BY JOHNSON UTILITIES, L.L.C.

Johnson Utilities, L.L.C. has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide wastewater service. If the application is granted, Johnson Utilities, L.L.C. would be the exclusive provider of wastewater service to the proposed area. Johnson Utilities, L.L.C. will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at Johnson Utilities, L.L.C., 5230 East Shea Boulevard, Scottsdale, Arizona 85254.

The Commission will hold a hearing on this matter. As a property owner, or customer, you may be entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.