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ARIZONA CORPORATION COMMISSION

2006 MAR -9 P 4: 47

AZ CORP COMMISSION, 2006
March 9, 2006
DOCUMENT CONTROL

Mr. Richard Sallquist
Sallquist, Drummond & O'Connor
4500 South Lakeshore Dr., Suite 339
Tempe, Arizona 85282

RE: Johnson Utilities, L.L.C. – Application for Extension of its Certificate of Convenience and Necessity (CC&N) Docket No. WS-02987A-06-0077
INSUFFICIENCY LETTER

Dear Mr. Sallquist:

In reference to the above mentioned application filed on February 8, 2006, 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. The financial information provided in "Attachment 4" of the application is for the year ending December 31, 2004. Please provide a copy of the Utility's Balance Sheet and Income Statement for the year ending December 31, 2005.
2. 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.
3. Please provide the requests for service for Section 7, Township 2 South, Range 8 East.
4. Please provide an executed On-site Line Extension Agreement for Developer Installed Wastewater Facilities. The copy that was filed with the application was not executed.
5. According to Attachment 8, Fulton's request for service for the Ironwood Crossing development, "the Town of Queen Creek has claimed a desire to provide wastewater service to the development...."
 - Has Johnson Utilities, L.L.C. notified the Town of Queen Creek ("Town") of this application for CC&N extension into Ironwood Crossing development? If so, when was the notice provided to the Town and what was the nature of the communications that the Company has had with the Town? If the notice was in

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writing, please file a copy in this docket or in the alternative; please file an affidavit indicating that the Town has been noticed. If the Town has not been notified of the application, please explain why it has not been notified and when will Johnson Utilities, L.L.C. notify the Town.

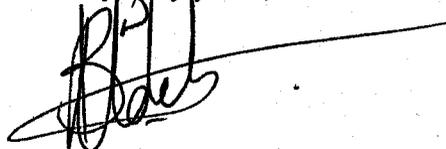
Please Note: In its application, Johnson Utilities, L.L.C. "requests that some revisions be made to the tariffs of Johnson Utilities, L.L.C. and H2O, Inc., to allow the termination of water services by H2O, Inc., a water only provider, for the non-payment of the wastewater service." **In order to change Diversified Water Utilities, Inc., and H2O, Inc. tariffs, those Companies need to file their own tariffs for termination of water service for non-payment of the wastewater bill.**

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

- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-610(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. R14-2-610(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 and Marlin Scott, Jr. at 602-542-7272 or Carmen Madrid at 602-542-0848.

Very truly yours,



Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
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