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August 7, 2006

Arizona Corporation Commission  
**DOCKETED**

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**FACSIMILIE & U.S. MAIL**

Judge Dwight Nodes

Hearing Division

Arizona Corporation Commission

1200 W. Washington Street

Phoenix, Arizona 85007

DOCKETED BY *nr*

Re: *Johnson Utilities, L.L.C. - Application for Extension of Certificate of Convenience and Necessity (CC&N) Docket No. WS-02987A-05-0695; Request for Recommended Opinion and Order*

Dear Judge Nodes:

As you are aware, the Company has been attempting to comply with the Performance Bond requirement in other Certificate of Convenience and Necessity dockets by providing a Letter of Credit in lieu of the Bond. The Company is now informed that the Commission will consider the virtues of Performance Bonds versus Letters of Credit in a separate docket which could further delay final resolution of the issue in those dockets.

The Decisions in those other dockets state that "Johnson Utilities Company shall procure a \$500,000 performance bond, with proof of such performance bond filed in Docket Control, as a compliance item in this docket, prior to retail service being provided to any customers in the CC&N extension area." Because the Company has not started retail service to these areas, conversations between Company personnel and Mr. Brian Bozzo have confirmed that the Company is not out of compliance in those dockets.

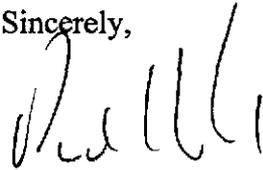
The Developer is in need of service as quickly as possible and would like to have the matter heard at the August 22, 2006 Open Meeting. The Company would have no objections to the subject Decision containing a compliance item similar to the other Decisions stating that the Company will not provide retail service until the bond compliance issues have been resolved. To that end, the Company has been pursuing a Performance Bond to serve as interim compliance prior to the Commission hopefully accepting the Letter of Credit.

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Therefore, we hereby request that the Hearing Division prepare the Recommended Opinion and Order based upon the posting of the Performance Bond, so that this matter may be considered by the full Commission at the August 22, 2006 Open Meeting.

Your consideration in this matter is greatly appreciated. In the event you have further questions in this matter, please feel free to contact me at (480) 839-5202

Sincerely,

A handwritten signature in black ink, appearing to read "R. Sallquist", written in a cursive style.

Richard Sallquist

Cc: Docket Control (15 copies)  
Brian McNeil  
David Ronald  
Brian Bozzo  
Brian Tompsett