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BEFORE THE ARIZONA CORP
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JEFF HATCH-MILLER - Chairman
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BARRY WONG

2006 DEC 19 P 3:24

AZ CORP COMMISSION
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Arizona Corporation Commission

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DEC 19 2006

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IN THE MATTER OF THE APPLICATION OF
JOHNSON UTILITIES COMPANY FOR AN
EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY FOR
WATER AND WASTEWATER SERVICE.

DOCKET NO. WS-02987A-04-0889

**STAFF'S RESPONSE TO
APPLICATION FOR
ADMINISTRATIVE CLOSURE**

On December 13, 2006, Johnson Utilities Company ("Johnson" or the "Company") submitted its request that the Commission administratively close the docket regarding its Application to Amend Decision No. 68236.

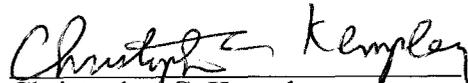
Johnson's Application for Administrative Closure describes the history of this Application. Decision No. 68236 contained a condition under which the Company was required to submit a performance bond in the amount of \$500,000 prior to commencing service in the area to which its CC&N was extended. Thereafter, on March 14, 2006, the Company submitted an Application to Amend Decision No. 68236 in order to substitute a Letter of Credit in lieu of filing the required Performance Bond.

Subsequent to the Company's Application to Amend, an evidentiary hearing was held, a Recommended Opinion and Order was issued and, on December 12, 2006, a Procedural Conference was held. During the course of the Procedural Conference, it was stated on the record that the Company has obtained and on December 4, 2006, docketed a Performance Bond as originally contemplated by Decision No. 68236. As a result, the Company has requested that the matter of its Application to Amend Decision No. 68236 be Administratively Closed.

As was indicated during the Procedural Conference, Staff is aware of the submittal of the Performance Bond and agrees that the Company is in compliance with the Decision's requirements.

1 Staff, therefore supports the Company's request for Administrative Closure. As noted by the
2 Company's Application for Administrative Closure, Staff may request that the evidentiary record
3 developed in this matter be incorporated into the record of further proceedings by which the
4 Commission considers the issue of whether to permit public service corporations to substitute an
5 irrevocable letter of credit as security in matters which have typically involved a Commission
6 imposed requirement that a public service corporation submit a performance bond.

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8 RESPECTFULLY SUBMITTED this 19th day of December, 2006.

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10 
11 Christopher C. Kempley
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17 AN ORIGINAL and thirteen (13) copies
18 filed this 19th day of December, 2006 with:

19 Docket Control
20 Arizona Corporation Commission
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24 this 19th day of December, 2006 to:

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