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AZ CORP COMMISSION  
REGISTRATION CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

William Mundell  
Chairman

Arizona Corporation Commission

DOCKETED

Jim Irvin  
Commissioner

MAR 12 2001

Marc Spitzer  
Commissioner

DOCKETED BY	
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IN THE MATTER OF THE APPLICATION  
OF H2O, INC., FOR AN EXTENSION  
OF ITS EXISTING CERTIFICATE OF  
CONVENIENCE AND NECESSITY

Docket No: W-02234A-00-0371

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 WATER AND WASTEWATER  
SERVICE TO THE PUBLIC IN THE  
DESCRIBED AREA IN PINAL COUNTY,  
ARIZONA

Docket No: WS-02987A-99-0583

Docket No: WS-02987A-00-0618

IN THE MATTER OF THE APPLICATION  
OF DIVERSIFIED WATER UTILITIES, INC.  
TO EXTEND ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY

Docket No: W-02859A-00-0774

IN THE MATTER OF THE APPLICATION  
OF QUEEN CREEK WATER COMPANY  
TO EXTEND ITS CERTIFICATE  
OF CONVENIENCE AND NECESSITY

Docket No: W-01395A-00-0784

NOTICE OF FILING TESTIMONY SUMMARIES

1 Pursuant to the October 16, 2000 Procedural Order, Johnson Utilities files  
2 summaries of pre-filed testimony of:

3 George H. Johnson;

4 Kathy Aleman;

5 Byron F. Handy;

6 Gerald J. Bowen;

7 Michael Ingram; and

8 Brian P. Tompsett (pre-filed and rejoinder).

9 DATED this 12<sup>th</sup> day of March, 2001.

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17 Attorneys for Johnson Utilities LLC

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20 ORIGINAL and ten (10) copies  
21 of the foregoing filed this 12<sup>th</sup> day  
22 of March, 2001, with:

23 The Arizona Corporation Commission

24 Docket Control – Utilities Division

25 1200 W. Washington Street

26 Phoenix, Arizona 85007

1 COPY of the foregoing hand-  
2 delivered this 12<sup>th</sup> day of March,  
3 2001, to:

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8 COPY of the foregoing mailed this  
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**Summary of Pre-Filed Testimony  
of  
George H. Johnson**

George Johnson is Managing Member of Johnson Utilities ("the Company").  
Johnson testifies that:

1. Bella Vista Farms should be placed in Johnson Utilities' CC&N, in part, because the owner of Bella Vista prefers Johnson Utilities over Diversified Water Utility.
2. Parcels 1, 7, and 8 are ready for service and should be included in Johnson Utilities' CC&N per the landowners' written statements of immediate utility service need filed with the Commission.
3. Parcels 3, 5, 6, and 12 should be included in the Company's CC&N. The Company is working diligently to reach service agreements with the landowners.
4. The Company hired a highly qualified operator to focus on compliance with ADEQ.
5. The Centex Homes complaint has been settled .
6. A conditional CC&N that deletes territory based on future events is not appropriate and violates the Company's due process rights.
7. Per the Commission's interim Water Task Force recommendations, it is preferable to develop larger water companies that support the efficient and systematic extension of services to new areas.
8. The Commissioners should approve the Settlement Agreement as being in the public's best interest.

**Summary of Pre-Filed Testimony and Rejoinder Testimony  
of  
Brian P. Tompsett**

Brian Tompsett, a licensed civil engineer with the WLB Group, serves as the primary engineering consultant to Johnson Utilities ("the Company"). In his pre-filed testimony, Tompsett states that the Staff Report does not include in its description of the Company's facilities two wells that almost triple the system's water capacity, and he reiterates that the Company is scheduled to build additional storage tanks, pumps, wells, and distribution lines. Tompsett states that the monetary investment and plant expansion required to serve Bella Vista Farms will be similar for either the Company or Diversified Water Utility. Tompsett believes that Johnson Utilities can better achieve the economies of scale promoted by the Commission.

In his rejoinder testimony, Tompsett counters the rebuttal testimony of Scott Gray of Diversified Water Utility. Tompsett mentions that including Bella Vista Farms in the Company's CC&N would afford cost savings in design and construction and allow the Company to eventually connect two wells and loop its system. He also states that the Company's existing wells and planned storage and distribution system belie Gray's contention that the Company is not able to serve all its requested territory, one-third of which is occupied by the San Tan Mountain Parks and similar terrain. Tompsett questions Diversified's description of its own current facilities and future needs as adequate, stating again that both companies would require similar plant expansion to serve the contested Bella Vista Farms area. Tompsett also reiterates that including parcels 1, 7, and 8 in the Company's CC&N now will allow engineering and economic efficiencies in how the system is sized and built.

Tompsett also addresses ADEQ issues in his rejoinder testimony. First he explains that the Company has ADEQ-approved design criteria that should not be altered to meet the demands of one developer (Skyline). Tompsett further explains ADEQ consent orders previously issued against the Company as follows: Docket No. DW-62-00 alleged that the Company failed to obtain AOCs for two wells; this apparently was not a correct allegation since neither well was used for domestic water at the time. Docket No. P-105-99 was a procedural compromise reached between the Company and ADEQ allowing the Company to provide stop-gap wastewater services for which Johnson Ranch was in immediate need.

**Summary of Pre-Filed Testimony  
of  
Gerald J. Bowen**

Gerald Bowen is authorized to testify on behalf of Bowen Properties, Inc., which owns approximately 200 acres in Parcel 8. Bowen disagrees with the Staff Report that contends there is no immediate need for utility service to Parcel 8. Bowen Properties has completed zoning and planning on its development, has received County approval of its plat, and hopes to begin construction on 127 homes within 6 to 12 months, pending subdivision approval from the Arizona Real Estate Department. If Parcel 8 is included in Johnson Utilities CC&N, Bowen Properties will have an assured water supply that is a prerequisite to receiving Real Estate Department approval.

**Summary of Pre-Filed Testimony  
of  
Michael Ingram**

Michael Ingram is the Co-President for El Dorado Holdings, which is the managing member of Circle Cross, LLC and the developer of Circle Cross Ranch. Ingram states that El Dorado supports the Settlement Agreement as the best means to promote orderly, efficient development in northern Pinal County.

**Summary of Pre-Filed Testimony  
of  
Kathy Aleman**

Kathy Aleman is a principal with Southwest Properties, Inc., which is part owner and co-developer of Bella Vista Farms. Aleman testifies that Bella Vista Farms needs a reliable water company and, therefore, supports the inclusion of its property within the CC&N of Johnson Utilities, per the Settlement Agreement, rather than in the CC&N of Diversified Water Utility, as the Staff Report recommends.

**Summary of Pre-Filed Testimony  
of  
Byron F. Handy**

Byron Handy is president of BFH Development Corporation, hired by J-Cor, Inc. to assist with the Ware Farms project, which J-Cor is developing for Pantano Development Limited Partnership. BFH also works with Vanderbilt Farms, LLC in developing the Arizona Farms project.

Handy testifies that Ware Farms supports the Settlement Agreement and Staff Report, both of which recommend that water service to its property be provided by H2O and wastewater service by Johnson Utilities. Handy states that previous concerns Ware Farms had with H2O were addressed in the Settlement Agreement but that it has concerns with the prospect of Diversified Water Utility being named the property's water utility.

On behalf of Arizona Farms, Handy argues that the Staff Report is incorrect when it states that there is no immediate need for utility services to its parcel. Arizona Farms is actively marketing its master planned community to homebuilders and this is problematic without an authorized water and wastewater provider.