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AZ CORP COMMISSION
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5 **BEFORE THE ARIZONA CORPORATION COMMISSION**

)	DOCKET NO. WS-02987A-04-0288
IN THE MATTER OF THE APPLICATION)	
OF JOHNSON UTILITIES COMPANY FOR)	NOTICE OF COMPLIANCE WITH
AN EXTENSION OF ITS CERTIFICATE OF)	DECISION NO. 68237, OR
CONVENIENCE AND NECESSITY FOR)	ALTERNATIVELY, A MOTION
WATER AND WASTEWATER SERVICE.)	TO EXTEND COMPLIANCE
)	DATES

11 Johnson Utilities, LLC, ("Johnson" or the "Company") hereby files this Notice of
12 Compliance with the Subject Decision on the basis set forth herein.

13
14 1. The Compliance Items set forth in Decision No. 68237, dated October 25, 2005,
15 (the "Decision") regarding subsequent filings to be made by the Company related to that
16 Certificate of Convenience and Necessity Extension Application, have previously been
17 completed and docketed with the Commission. The one open Compliance Item is the
18 requirement that the Company file a full rate application for its water and wastewater divisions
19 based upon the Test Year 2006, and that filing be made by May 1, 2007.

20 2. The Decision also required the Company to post a \$500,000 Performance Bond
21 (the "Bond") with the Commission, and to keep the Bond in effect until further order of the
22 Commission. That Bond was docketed on December 4, 2006.

Arizona Corporation Commission
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1 3. On March 30, 2007, the Company filed an Application with the Commission
2 requesting the Commission's authority to sell all of the water and wastewater assets (the
3 "Assets") owned by the Company to the Town of Florence (the "Town"), and further requesting
4 that the Commission cancel all Certificates of Convenience and Necessity previously issued by,
5 or pending before, the Commission.

6 4. Based upon that March 30, 2007 Application, the outstanding Compliance Item
7 requirements under the Decision are moot, and the Bond becomes unnecessary. The Town will
8 assume all ownership of the Assets and operation of the utility upon the Commission granting the
9 Application, presumably during the fourth quarter of 2007, or first quarter 2008. Upon granting
10 of the Application, the Commission would no longer have jurisdiction over the Company, the
11 Assets owned by the Town, or the Town's operation of the utility.

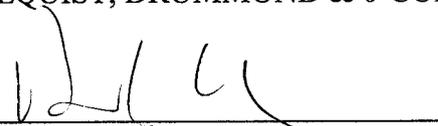
12 5. In the alternative, and in the event the sale to the Town is not consummated as
13 contemplated resulting in the Company continuing to own and operate the Assets and the utility,
14 the Company hereby requests an extension in time for the completion of the Compliance Item
15 pertaining to the rate case filing. Because the Company's efforts have been focused on
16 negotiating the sale to the Town during the time it would otherwise have been preparing the 2006
17 rate application, and for the further reason that the status of the sale will not be known until after
18 the presently scheduled Compliance Item filing date, the Company requests that in the event the
19 sale does not close, the Commission issue a Procedural Order extending the filing date to June 1,
20 2008 utilizing a 2007 Test Year.

21 WHEREFORE, the Company respectfully requests that the Commission deem the rate
22 case filing Compliance Item to be moot and thereafter find and conclude that the Company is in
23

1 compliance with the Decision and release the Bond, or in the alternative, that the Administrative
2 Law Judge issue a Procedural Order extending the compliance dates as requested herein.

3 RESPECTFULLY submitted this 30th day of March 2007.

4
5 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

6 By: 
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11 Original and fifteen copies of the
12 foregoing filed this 30th day
13 of March 2007:

13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007
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A copy of the foregoing
mailed/hand delivered this
30th day of March 2007, to:

Brian C. McNeil
Arizona Corporation Commission
Executive Secretary
1200 West Washington Street
Phoenix, Arizona 85007

Hearing Division
Arizona Corporation Commission
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