

ORIGINAL

OPEN MEETING



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MEMORANDUM RECEIVED

TO: THE COMMISSON
FROM: Utilities Division
DATE: November 8, 2007

2007 NOV -8 A 9: 37

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

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RE: JOHNSON UTILITIES COMPANY – MOTION TO CLARIFY OR MODIFY
DECISION NO. 64062 (DOCKET NOS. WS-02987A-99-0583, W-02234A-00-0371,
WS-02987A-00-0618, W-02859A-00-0774 AND W-01395A-00-0784)

In Decision No. 63960 dated September 4, 2001, and Decision No. 64062, dated October 4, 2001, the Arizona Corporation Commission (“ACC” or “Commission”) granted certain extensions of the Certificates of Convenience and Necessity (“CC&Ns”) of H2O, Inc. (“H2O”), Diversified Water Utilities, Inc. (“Diversified”), Queen Creek Water Company (“Queen Creek”) and Johnson Utilities, L.L.C. (“Johnson”).

The Decision approved the extension of Johnson for wastewater services into Parcels 2, 14, 15, 16, 17, 18, 19, 20 and 22. The Commission required Johnson to file:

“... a request for Certificate review, after which, Staff, at its discretion, shall perform a physical plant inspection to determine the extent to which development has commenced”.

Decision No. 64062 further required Staff, after conducting its physical inspection, to file a report with one of the following recommendations:

- Final approval of the Certificate for all parcels approved in this proceeding.
- Final approval of the Certificate for portions of the parcels approved in this proceeding with the cancellation of the undeveloped portions of the parcels; or
- Disapproval of the Certificate for the parcels approved in this proceeding.

On July 6, 2004, Johnson filed an application with the Commission to clarify or modify Decision No. 64062 to make permanent all portions of the extension parcels which were granted to JUC in that order.

On July 8, 2004, the Company filed an amended application replacing the July 6, 2004, application. The amended application differed from the original filing only in that it included three exhibits which the Company wished to assure were placed in the record.

THE COMMISSION

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Staff has conducted its physical inspection, reviewed the operation of Johnson's water and wastewater systems, and conducted an evaluation of the individual water and wastewater parcels which were granted to Johnson. Staff's initial review in July of 2004, indicated that Johnson was out of compliance with the Arizona Department of Environmental Quality ("ADEQ") Water Quality Standards and recommended that Johnson obtain full compliance with ADEQ before bringing a final recommendation to the Commission.

Staff has received documentation from ADEQ which shows that Johnson has maintained full compliance for the last 2 years. Therefore, Staff recommends that final approval of the Certificate of all parcels approved in Decision No. 64062 be granted.



Ernest G. Johnson

Director

Utilities Division

EGJ:KDB:lm\CH

Originator: Kim D. Battista

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BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF JOHNSON UTILITIES)
COMPANY FINAL CERTIFICATION IN)
COMPLIANCE WITH DECISION NO.)
64062)

DOCKET NOS. WS-02987A-99-0583
W-02234A-00-0371
WS-02987A-00-0618
W-02859A-00-0774
W-01395A-00-0784

DECISION NO. _____

ORDER

Open Meeting
November 27 and 28, 2007
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Johnson Utilities, LLC dba Johnson Utilities Company ("Johnson" or "Company") is engaged in providing water and wastewater services within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission ("Commission").

2. In Decision No. 63960, dated September 4, 2001, and Decision No. 64062, dated October 4, 2001, the Commission granted certain extensions of the Certificates of Convenience and Necessity ("CC&Ns") of H₂O, INC. ("H₂O"), Diversified Water Utilities, Inc. ("Diversified"), Queen Creek Water Company ("Queen Creek") and Johnson.

3. The Decision approved the extension of Johnson for wastewater services into Parcels 2, 14, 15, 16, 17, 18, 19, 20 and 22. The Commission also required Johnson to file:

...

1 ...a request for Certificate review, after which, Staff, at its discretion, shall
2 perform a physical plant inspection to determine the extent to which development
has commenced.

3 4. Decision No. 64062 further required Staff, after conducting its physical inspection,
4 to file a report with one of the following recommendations:

- 5 • Final approval of the Certificate for all parcels approved in this proceeding.
- 6 • Final approval of the Certificate for portions of the parcels approved in this
7 proceeding with the cancellation of the undeveloped portions of the parcels; or
- 8 • Disapproval of the Certificate for the parcels approved in this proceeding.

9 5. On July 6, 2004, Johnson filed an application with the Arizona Corporation
10 Commission ("ACC" or "Commission") to clarify or modify Decision No. 64062 to make
11 permanent all portions of the extension parcels which were granted to JUC in that order.

12 6. On July 8, 2004, the Company filed an amended application replacing the July 6,
13 2004, application. The amended application differed from the original filing only in that it
14 included three exhibits which the Company wished to assure were placed in the record.

15 7. Staff has conducted its physical inspection, reviewed the operation of Johnson's
16 water and wastewater systems, and conducted an evaluation of the individual water and
17 wastewater parcels which were granted to Johnson.

18 8. Staff's initial review in July of 2004, indicated that Johnson was out of compliance
19 with the Arizona Department of Environmental Quality ("ADEQ") Water Quality Standards and
20 recommended that Johnson obtain full compliance with ADEQ before bringing a final
21 recommendation to the Commission.

22 9. Staff has received documentation from ADEQ which shows that Johnson has
23 maintained full compliance for the last two years. Therefore, Staff recommends that final approval
24 of the Certificate of all parcels approved in Decision No. 64062 be granted.

25 CONCLUSIONS OF LAW

26 1. Johnson Utilities Company is a public service corporation within the meaning of
27 Article XV of the Arizona Constitution and Arizona Revised Statutes §§ 40-252, 40-281 and 40-
28 282.

1 SERVICE LIST FOR: JOHNSON UTILITIES COMPANY
2 DOCKET NOS. WS-02987A-99-0583, et al.

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