

JOHNSON UTILITIES, L.L.C.



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ORIGINAL

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RECEIVED

Mr. Elijah Abinah
Assistant Director/Acting Chief Accountant
Regulatory Analysis Section
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

2008 DEC 19 P 3: 28
AZ CORP COMMISSION
DOCKET CONTROL

December 18, 2008

Arizona Corporation Commission
DOCKETED

DEC 19 2008

RE: Johnson Utilities, LLC- Application for a Rate Increase
DOCKET NO. WS-02987A-08-0180

DOCKETED BY 

Dear Mr. Abinah,

Thank for your letter informing me of the data requests staff still considers as outstanding. As you stated in your letter, we have met twice regarding discovery issues and Johnson Utilities ("JUC" or the "Company") is doing everything within its power to comply with Staff's requests. To that end, it is JUC's belief that we had answered all of staffs requests except for JMM 9-1. The only reason this data request had not been fully addressed by us was because we were waiting for confirmation that the format proposed by the company was acceptable to you as stated in our response. To this date we have not received confirmation from staff that the documentation format is acceptable. Since we have not received a negative response from staff we have assumed that the format is acceptable and will supplement this response in that same format.

As to staff's request for AIAC agreements with affiliates, Johnson Utilities response to staff was accurate and we do not believe it is inconsistent with previous responses.. Staff requested invoices on AIAC agreements that were negotiated with affiliates. AIAC agreements are entered into with developers and builders when constructing water and sewer lines within a subdivision. No affiliate of the company has entered into a Mainline Extension Agreement with Johnson Utilities from 2005 to present. All cancelled checks provided to staff were for the construction of offsite infrastructure and backbone facilities needed to service the subdivisions with water and wastewater services. None of the checks mentioned on your outstanding data requests had anything to do with AIAC agreements.

The affiliated profit schedule provided to staff listed profit by year and by plant item exactly as requested by staff in the data request. The plant items in the profit schedules match the JMM 1-43 and JMM 1-44 plant schedules that included the plant account numbers. However if staff would like the company to add the plant account numbers we will include it when requested. Also, there was no inconsistency with our response to 4-1. We stated that "overhead and profit" was between 5 and 10 percent. In JMM 9-2 staff asked Johnson Utilities to provide only the "estimated profit" and not the overhead. If the overhead was added to the profit schedule it would be between 5 and 10 percent.

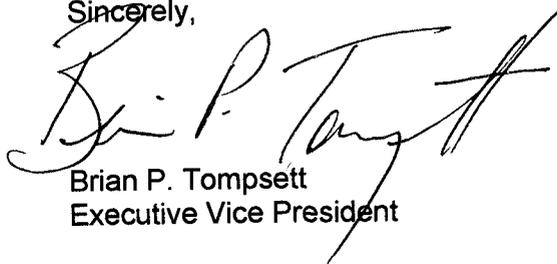
I hope that I've answered all of your concerns regarding the outstanding data requests. I also want you to know that JUC takes Staff's data requests very seriously and I understand that we have not been as timely as Staff would like. We are diligently

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working on these requests when they arrive and attempting to answer them to the best of our ability. The additional information you requested in your December 17, 2008 correspondence will be hand delivered to the Commission on Tuesday December 23, 2008. If you have questions or additional concerns, please do not hesitate to call me. I would also like to offer to meet again with you and staff next week on Monday or Tuesday in the afternoon at your convenience.

Sincerely,



Brian P. Tompsett
Executive Vice President

Cc: Docket Control Center (fifteen copies)
Vicki Wallace, Consumer Services
Delbert Smith, Engineering
Lyn Farmer, Hearing Division