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April 13, 2009

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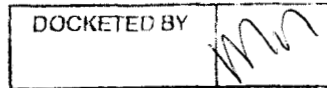
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CERTIFIED MAIL

Jeffrey W. Crockett
Snell & Wilmer, L.L.P.
One Arizona Center
Phoenix, Arizona 85004

Arizona Corporation Commission
DOCKETED

APR 13 2009



RE: Johnson Utilities, L.L.C. Application for Approval of an Extension of its Certificate of Convenience and Necessity (Docket No. WS-02987A-09-0083)

Insufficiency Letter

Dear Sir:

The application of Johnson Utilities, L.L.C. for an extension of its Certificate of Convenience and Necessity has not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C."). Pursuant to A.A.C. R14-2-411(C)(3), to correct the deficiencies, please provide the following information:

Water Division

1. Provide a completed Water Use Data Sheet for the Anthem system, PWS #11-136. The data should be for the 2008 year.
2. The plant information in the submitted Water Use Data Sheet for the Johnson Ranch system, PWS #11-128, does not resemble the plant information per Staff's Engineering Report for the rate case, Docket No. 08-0180. Please confirm or correct the following data:
 - a. Number of 1.0 MG storage tanks – 4 or 5?
 - b. Number of 0.5 MG storage tanks – 4 or 3?
 - c. Is Well 55-212850 the Magma Well #2? Staff has this Magma Well #2 as being drilled/capped and is not-in-service due to no electrical power.
 - d. Well 55-211012, the Morning Sun Farms Well #2, is not listed. Is this well still in service?
3. Johnson submitted the total water facility estimated cost at \$125,898,195 to serve the requested areas. Please breakdown this cost estimate to show:

- a. The plant listing and cost for each development; Caballero, Nevitt Farms, State Land, and Merrill Ranch, etc.
 - b. Item 3a above should be further broken down to show the off-site and on-site plant costs for each development.
 - c. Which water system, Johnson Ranch or Anthem System, will serve each development.
 - d. Johnson projected the start of construction in June 2010 and the completion of construction in December 2020. In addition, Johnson projected to serve 100 customers starting in 2012 and 900 customers by 2015. Please provide additional information for these projected customers; i.e., customers in which development, total number of customers for each development.
 - e. Provide a map showing the location of each development.
 - f. An engineering report and maps for each development, if available, would be helpful.
4. Please submit the ADEQ compliance status reports for the Johnson Ranch System, PWS #11-128, and Anthem System, PWS #11-136, in this docket.

Wastewater Division

5. Provide completed Wastewater Flow Data Sheets for the San Tan, Section 11 and Anthem Water Reclamation Plants ("WRP"). The data should be for the 2008 year.
6. If the Pecan WRP is projected to be used by the requested areas, please provide a completed Wastewater Flow Data Sheet for this WRP. The data should be for the 2008 year.
7. Johnson submitted the total wastewater facility estimated cost at \$133,414,990 to serve the requested areas. Please breakdown this cost estimate to show:
 - a. The cost for each development; Caballero, Nevitt Farms, State Land, and Merrill Ranch, etc.
 - b. Item 7a above should be further broken down to show the off-site and on-site plant costs for each development.
 - c. Which wastewater system, San Tan, Section 11, Pecan or Anthem System, will serve each development.
 - d. Johnson projected the start of construction in June 2010 and the completion of construction in December 2020. In addition, Johnson projected to serve 100 customers starting in 2012 and 900 customers by 2015. Please provide additional information for these projected customers; i.e., customers in which development, total number of customers for each development.
 - e. Provide a map showing the location of each development.
 - f. An engineering report and maps for each development, if available, would be helpful.

8. Please submit the ADEQ compliance status reports for ALL four of your WRPs, Pecan, San Tan, Section 11 and Anthem Systems, in this docket.

General Questions

9. Provide a description of the areas' locations in relation to the closest municipalities, which shall be named.
10. Provide an explanation of how the construction will be financed.
11. Provide Johnson's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application.
12. Provide the estimated annual operating revenues and expenses for the first five years of operation for the requested extension area, expressed separately for residential, commercial, industrial, and irrigation services, and including a description of each separate phase of construction.
13. Provide a copy of any requests for service from persons who own land within the proposed extension area, which shall identify Johnson by name.
14. Provide the following maps:
 - a. A map or maps of the boundaries of the areas, with total acreage noted.
 - b. A map or maps showing the land ownership boundaries within the area, with the acreage of each separately owned parcel with the areas noted.
 - c. A map or maps showing the owner of each parcel within the areas.
 - d. A map or maps showing the municipal corporate limits that overlap with or are within five miles of the areas.
 - e. A map or maps showing the service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the areas, with identification of the entity providing service and each type of service being provided.
 - f. A map or maps showing the location within the areas of any known water service connections that are already being provided service the Johnson.
 - g. A map or maps showing the location of all parcels for which a copy of a request for service has been submitted.
15. Provide a copy of each notice to be sent to a municipal manager or administrator.
16. Provide a copy of each notice sent, to a landowner not requesting service.
17. Provide, for each landowner not requesting service, either the written response received from the landowner or, if no written response was received, a description of actions taken by Johnson to obtain a written response.
18. Provide a copy of each city, county, or state agency approval required by law to construct the proposed facilities or operate the utility within the proposed extension areas or, for any approval not yet obtained, the status of the applicant's application for the approval.
19. Provide the estimated number of customers to be served for each for each of the first five years of operation, expressly separated for residential, commercial, industrial, and irrigation customers and including documentation to support the estimates.

Jeffrey W. Crockett

April 13, 2009

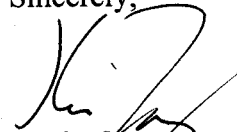
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20. Provide the following information on plans for or a description of water conservation measures to be implemented in the proposed extension area:
- a. A description of the information about water conservation or water saving measures that Johnson will provide to the public and its customers
 - b. A description of how Johnson will work with each wastewater service provider to encourage water conservation.
 - c. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, green-belts, ornamental lakes, and other aesthetic water features.
 - d. A description of any plans for the use of reclaimed water.
 - e. A description of any plans for the use of recharge facilities.
 - f. A description of any plans for the use of surface water.
 - g. A description of any other plans or programs to promote water conservation.

Pursuant to A.A.C R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

If you have any questions regarding the deficiencies, please contact Robert Gray at (602) 542-0827 or Marlin Scott, Jr. at 602-542-7272.

Sincerely,



Kevin O. Torrey
Attorney, Legal Division

KOT:ah

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Vicki Wallace