

ORIGINAL



0000098733

MEMORANDUM
RECEIVED

TO: Docket Control Center
FROM: Ernest G. Johnson
Director
Utilities Division

2009 JUN -3 A 10: 57

Arizona Corporation Commission
DOCKETED

AZ CORP COMMISSION
DOCKET CONTROL

JUN - 3 2009

DATE: June 3, 2009



RE: JOHNSON UTILITIES, L.L.C. - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINES (DOCKET NO. WS-02987A-06-0663 - DECISION NO. 69414)

In Decision No. 69414, dated on April 16, 2007, the Arizona Corporation Commission ("Commission") approved the application of Johnson Utilities Company ("Johnson") for extension its Certificate of Convenience and Necessity ("CC&N") for water and wastewater service.

As part of Decision No. 69414, the Commission ordered that Johnson:

"...file with Docket Control, as a compliance item in this docket within two years of the effective date of this Decision, copies of the Approval to Construct for water facilities and the General Permit for wastewater facilities needed to serve the extension area."

"...file with Docket Control, as a compliance item in this docket within two years of the effective date of this Decision, a copy of the Aquifer Protection Permit amendment indicating approval of the expansion of Johnson Utilities Company's Section 11 Wastewater Treatment Plant to 4.0 MGD."

Based on the Decision date of April 16, 2007, the compliance items were due on April 16, 2009.

On March 16, 2009, the Company filed a 24 month extension of time request to file the compliance items. The Company stated that due to the current slow down in the real estate market, the developer has delayed the start of the project. This has caused a delay in the need for obtaining the required compliance orders to serve the Skyview Farms development.

Staff contacted the Company in an attempt to get a letter from the developer stating the continued need of service. On May 22, 2009, Johnson emailed a letter from the developer of Skyview Farms. The developer indicates they are still very much interested in obtaining water, wastewater and reclaimed water services from Johnson when more favorable market conditions return. No projected date for development was noted in either the extension or the letter from the developer.

Staff Recommendation

Staff understands the downturn in the economy has put a damper on much of the development in the state and is concerned with projects being put on hold and the possibility of the development never taking place. However, in light of the continued need and request for service from the developer (see attached), Staff recommends approval of the Company's motion for extension of time to file the Approval to Construct for water facilities, the General Permit for wastewater facilities and the Aquifer Protection Permit amendment indicating approval of the expansion of Johnson Utilities Company's Section 11 Wastewater Treatment Plant to 4.0 MGD until April 16, 2011.

Staff recommends that no further extensions of time be granted in this case.

EGJ:BKB:lm

Originator: Brian K. Bozzo

Attachment

SERVICE LIST FOR: JOHNSON UTILITIES, LLC.
DOCKET NO. WS-02987A-06-0663

Mr. Richard Sallquist
1430 East Missouri, Suite B-125
Phoenix, Arizona 85014
Attorney for Johnson Utilities Company

Mr. Brian P. Tompsett
Johnson Utilities, LLC
5230 East Shea Boulevard
Scottsdale, Arizona 85254

Mr. Jeffrey W. Crockett
Ms. Marcie Montgomery
One Arizona Center
400 East Van Buren
Phoenix, Arizona 85004-2202

Mr. Nathan Andersen
3850 East Baseline Road, Suite 114
Mesa, Arizona 85206

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Janice Alward
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Request for Utility Services

May 20, 2009

Johnson Utilities
5230 E. Shea Boulevard
Scottsdale, AZ 85254
Attn: Brian P. Tompsett & Daniel Hodges

RE: Skyview Farms

Dear Brian,

As you are aware, the economic downturn has significantly affected the new home market in the Hunt Highway corridor/real estate submarket. As a result, our project – Skyview Farms—which consists of appx 1863+/- acres located on Arizona Farms Rd. appx two miles West of Highway 79—has been delayed until market conditions improve. However, the ownership of Skyview Farms is still very much interested in obtaining Water, Wastewater, and Reclaimed Water services from Johnson Utilities (without any delays) when more favorable market conditions return.

Sincerely,



Kent Pace
Skyview Farms
3850 E. Baseline Rd. Ste.114
Mesa, AZ 85206
W 480-424-3438
F 480-424-3439