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BEFORE THE ARIZONA CORPORATION

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2 KRISTIN K. MAYES
Chairman
3 GARY PIERCE
Commissioner
4 PAUL NEWMAN
Commissioner
5 SANDRA D. KENNEDY
Commissioner
6 BOB STUMP
Commissioner
7

Arizona Corporation Commission

DOCKETED

APR 14 2010

DOCKETED BY	NR
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8 IN THE MATTER OF THE APPLICATION)
OF JOHNSON UTILITIES L.L.C. DBA)
9 JOHNSON UTILITIES COMPANY FOR AN)
EXTENSION OF ITS CERTIFICATE OF)
10 CONVENIENCE AND NECESSITY FOR)
WASTEWATER SERVICE TO INCLUDE)
11 AN AREA ENCOMPASSING FOUR)
12 RESIDENTIAL DEVELOPMENTS KNOWN)
AS WAYNE RANCH, VINEYARD)
13 ESTATES, MILAGRO AND TAYLOR)
RANCH.)
14

DOCKET NO. WS-02987A-04-0889

DECISION NO. 71632

15 Open Meeting
16 March 31 and April 1, 2010
Phoenix, Arizona

PROCEDURAL HISTORY

18 On December 14, 2004, Johnson Utilities Company, L.L.C. ("Johnson" or "Company")
19 filed with the Arizona Corporation Commission ("Commission") an application for an extension of
20 its Certificate of Convenience and Necessity ("CC&N") to provide wastewater service.

21 On October 25, 2005, the Commission issued Decision No. 68236 which approved
22 Johnson's application subject to the filing of certain compliance items.

23 Johnson has filed and Staff has confirmed all of the required compliance filings of Decision
24 No. 68236.

25 Pursuant to Decision No. 68236, Johnson was ordered to file a quarterly report on the
26 status of the La Osa and Sonoran litigation as well as filing quarterly letters of bond confirmation
27 evidencing the Company's maintenance of a \$500,000 performance bond, until further order of the
28 Commission.

1 The performance bond requirement was issued as a means of protection against any
2 potential detrimental impact on customers as a result of a judgment against Mr. Johnson and/or
3 Johnson affiliates as it related to the La Osa and Sonoran litigation.

4 Johnson has requested that the Commission issue an Order which removes the quarterly
5 status reports on the La Osa and Sonoran litigation, a release of the \$500,000 performance bond
6 and the quarterly confirmation letter thereof.

7 Staff has confirmed that the "La Osa Litigation" (State of Arizona v. Johnson, Case No.
8 CV2005-002692) was dismissed with prejudice against the various defendants, following
9 settlement, on January 14, 2008 and March 20, 2008. Also, the "Sonoran Litigation" (Lennar
10 Communities v. Sonoran Utilities, Case No. CV2005-002548) was dismissed with prejudice on
11 March 13, 2009.

12 Staff recommends that because the litigation has been dismissed that the Commission
13 remove any further requirement of the Company to file quarterly reports on the status of the now
14 concluded La Osa and Sonoran litigation. Staff further recommends the Commission release the
15 \$500,000 performance bond and remove the quarterly confirmation letter filing.

16 CONCLUSIONS OF LAW

17 1. Johnson is a public service corporation within the meaning of Article XV of the
18 Arizona Constitution and Arizona Revised Statutes §§ 40-281, 40-282 and 40-285.

19 2. The Commission has jurisdiction over Johnson and the subject matter of the
20 application.

21 3. Staff's recommendations are just and reasonable and should be adopted.

22 ORDER

23 IT IS THEREFORE ORDERED that the quarterly status reports on the La Osa and
24 Sonoran litigation as required by Decision No. 68236 are removed.

25 IT IS THEREFORE ORDERED that the \$500,000 performance bond posted by Johnson
26 Utilities Company, L.L.C. as required by Decision No. 68236 is hereby released.

27 IT IS THEREFORE ORDERED that the quarterly confirmation letter of the Performance
28 Bond as required by Decision No. 68236 is removed.

1 IT IS THEREFORE ORDERED that the quarterly confirmation letter of the Performance
2 Bond as required by Decision No. 68236 is removed.

3 IT IS FURTHER ORDERED that all other requirements of Decision No. 68236 shall
4 remain in effect.

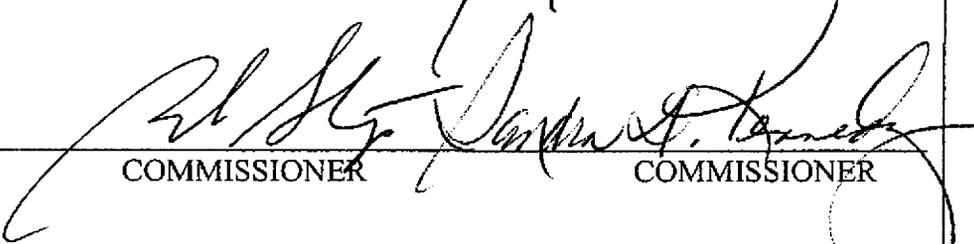
5 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

6
7 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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9 _____
CHAIRMAN


_____ COMMISSIONER

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12 _____
COMMISSIONER


_____ COMMISSIONER

_____ COMMISSIONER

14 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
15 Executive Director of the Arizona Corporation Commission,
16 have hereunto, set my hand and caused the official seal of
17 this Commission to be affixed at the Capitol, in the City of
Phoenix, this 14th day of April, 2010.

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19 
_____ ERNEST G. JOHNSON
20 EXECUTIVE DIRECTOR

21
22 DISSENT: _____

23 DISSENT: _____

24 EGJ:KDB:lm\CH
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1 SERVICE LIST FOR: JOHNSON UTILITIES COMPANY
2 DOCKET NO.: WS-02987A-04-0889

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