



**CAP**  
CENTRAL ARIZONA PROJECT

OPEN MEETING AGENDA ITEM

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May 24, 2010

**ORIGINAL**

Commissioner Kristen K. Mayes, Chairman  
Commissioner Gary Pierce  
Commissioner Paul Newman  
Commissioner Sandra D. Kennedy  
Commissioner Bob Stump  
Arizona Corporation Commission  
Docket Control  
1200 W. Washington Street, Rm. 108  
Phoenix, AZ 85007

Arizona Corporation Commission  
**DOCKETED**  
MAY 24 2010

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Re: Docket No. WS-02987A-08-0180 (Johnson Utilities)

Dear Ladies and Gentlemen:

This letter is written on behalf of the Central Arizona Water Conservation District (CAWCD), the entity responsible for operating the Central Arizona Project and the entity responsible for the function known as the Central Arizona Groundwater Replenishment District (CAGR). CAWCD submits this letter in support of recommendations of the Utilities Division ("Staff") of the Arizona Corporation Commission concerning Johnson Utilities' recovery of its CAGR annual replenishment taxes from its customers.

From CAWCD's perspective, it is vitally important that private water utilities enrolled as CAGR member Service Areas be able to recover the CAGR annual replenishment taxes from their customers. In furtherance of that objective, CAWCD supports and respectfully urges the Commission to adopt Staff's recommendation that Johnson Utilities recover its CAGR annual replenishment taxes through the use of an adjustor mechanism, with the conditions enumerated by Staff. Based on our understanding of the facts before the commission, the use of an adjustor mechanism is a reasonable and fair means of allowing recovery of the costs of CAGR by CAGR Member Service Areas.

Thank you for this opportunity to provide comments in this matter.

Sincerely,

*FOR* Thomas W. McCann  
Assistant General Manager  
Operations, Planning and Engineering  
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