

ORIGINAL

OPEN MEETING

MEMORANDUM



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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

TO: THE COMMISSION

FROM: Utilities Division

DATE: June 8, 2010

RE: IN THE MATTER OF THE APPLICATION OF JOHNSON UTILITIES COMPANY FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR WATER AND WASTEWATER SERVICE (DOCKET NO. WS-02987A-04-0288)

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

On October 25, 2005, the Commission issued Decision No. 68237 which approved Johnson's application subject to the filing of certain compliance items. Pursuant to Decision No. 68237, Johnson was ordered to file Affiliated Interests documents relating to the relationship between Johnson and any of the entities that are named as defendants in the La Osa and Sonoran Utility Services litigation. These filings were to be provided every six months and included additional reporting and restrictions that go beyond the conditions contained the Commission's Affiliated Interests rules.

Johnson currently provides the required annual Affiliated Interests report to the Commission required by rule and is currently in compliance with both the annual filing and the additional filings required by Decision No. 68237. Johnson has requested that the Commission issue an Order which releases it from the requirement that it make Affiliated Interests filings every six months and that it be released from any of the restrictions identified in Decision No. 68237 that go beyond the conditions contained in the Commission's Affiliated Interests rules.

Based on the fact that the La Osa and Sonoran Utility Services litigation is now complete, Staff recommends that the Commission remove any further requirement of the Company to file additional Affiliated Interests filings every six months and release the Company from any other restrictions identified in Decision No. 68237 that go beyond the conditions contained in the Commission's Affiliated Interests rules.

Steven M. Olea
Director
Utilities Division

SMO:KDB:lhm\JMA

ORIGINATOR: Kimberly D. Battista

Arizona Corporation Commission
DOCKETED

JUN - 8 2010

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BEFORE THE ARIZONA CORPORATION COMMISSION

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

IN THE MATTER OF THE APPLICATION)
OF JOHNSON UTILITIES COMPANY FOR)
AN EXTENSION OF ITS EXISTING)
CERTIFICATE OF CONVENIENCE AND)
NECESSITY FOR WATER AND)
WASTEWATER SERVICE)

DOCKET NO. WS-02987A-04-0288

DECISION NO. _____

Open Meeting
June 29 and 30, 2010
Phoenix, Arizona

PROCEDURAL HISTORY

On April 14, 2004, Johnson Utilities Company (“Johnson” or “Company”) filed with the Arizona Corporation Commission (“Commission”) an application for an extension of its Certificate of Convenience and Necessity (“CC&N”) to provide water and wastewater service.

On October 25, 2005, the Commission issued Decision No. 68237 which approved Johnson’s application subject to the filing of certain compliance items.

Pursuant to Decision No. 68237, Johnson was ordered to file Affiliated Interests documents relating to the relationship between Johnson and any of the entities that are named as defendants in the La Osa and Sonoran Utility Services litigation. These filings were to be provided every six months and included additional reporting and restrictions that go beyond the conditions contained the Commission’s Affiliated Interests rules.

Johnson currently provides the required annual Affiliated Interests report to the Commission required by rule and is currently in compliance with both the annual filing and the additional filings required by Decision No. 68237.

1 Johnson has requested that the Commission issue an Order which releases it from the
2 requirement that it make Affiliated Interests filings every six months and that it be released from
3 any of the restrictions identified in Decision No. 68237 that go beyond the conditions contained in
4 the Commission's Affiliated Interests rules.

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

10 Staff recommends that because the litigation has been dismissed that the Commission
11 remove any further requirement of the Company to file additional Affiliated Interests filings every
12 six months and release the Company from any other restrictions identified in Decision No. 68237
13 that go beyond the conditions contained in the Commission's Affiliated Interests rules.

14 CONCLUSIONS OF LAW

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

17 2. The Commission has jurisdiction over Johnson and the subject matter of the
18 application.

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

20 ORDER

21 IT IS THEREFORE ORDERED that the filing of additional Affiliated Interests reports by
22 Johnson Utilities Company every six months as required by Decision No. 68237 are removed.

23 IT IS THEREFORE ORDERED that Johnson Utilities Company is released from any of
24 the restrictions identified in Decision No. 68237 that go beyond the conditions contained in the
25 Commission's Affiliated Interests rules.

26 IT IS FURTHER ORDERED that all other requirements of Decision No. 68237 shall
27 remain in effect.

28 ...

1 IT IS FURTHER ORDERED that Johnson Utilities Company shall comply with all
2 applicable portions of the Commission's Affiliated Interests rules.

3 IT IS FURTHER ORDERED that this Decision shall become effective immediately.
4

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

7 _____
CHAIRMAN

COMMISSIONER

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9
10 _____
COMMISSIONER

COMMISSIONER

COMMISSIONER

11
12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
13 Executive Director of the Arizona Corporation Commission,
14 have hereunto, set my hand and caused the official seal of
15 this Commission to be affixed at the Capitol, in the City of
16 Phoenix, this ____ day of _____, 2010.

17 _____
18 ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

19
20 DISSENT: _____

21 DISSENT: _____
22

23 EGJ:KDB:lm\JMA
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1 SERVICE LIST FOR: JOHNSON UTILITIES COMPANY
2 DOCKET NO.: WS-02987A-04-0288

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