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BEFORE THE ARIZONA CORPORATION COMMISSION

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KRISTIN K. MAYES
Chairman

GARY PIERCE
Commissioner

PAUL NEWMAN
Commissioner

SANDRA D. KENNEDY
Commissioner

BOB STUMP
Commissioner

Arizona Corporation Commission

DOCKETED

JUN - 9 2010

DOCKETED BY NR

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-05-0088

DECISION NO. 71713

Open Meeting
May 26 and 27, 2010
Phoenix, Arizona

PROCEDURAL HISTORY

On February 11, 2005, 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. 68235 which approved Johnson's application subject to the filing of certain compliance items.

Johnson has filed and Staff has confirmed all of the required compliance filings of Decision No. 68235.

Pursuant to Decision No. 68235, Johnson was ordered to file a quarterly report on the status of the La Osa and Sonoran litigation as well as filing quarterly letters of bond confirmation evidencing the Company's maintenance of a \$500,000 performance bond, until further order of the Commission.

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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, and a release of the \$500,000 performance
6 bond 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 filing of quarterly status reports on the La Osa
24 and Sonoran litigation as required by Decision No. 68235 is removed.

25 IT IS FURTHER ORDERED that the \$500,000 performance bond posted by Johnson
26 Utilities Company, L.L.C. as required by Decision No. 68235 is hereby released.

27 IT IS FURTHER ORDERED that the filing of quarterly confirmation letters of the
28 Performance Bond as required by Decision No. 68235 is removed.

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IT IS FURTHER ORDERED that all other requirements of Decision No. 68235 shall remain in effect.

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

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION



CHAIRMAN



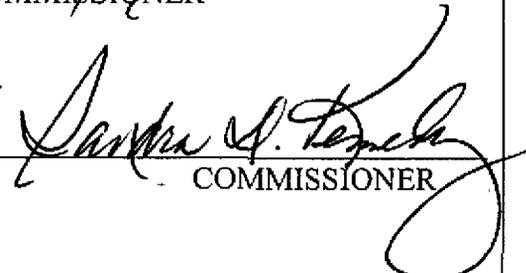
COMMISSIONER



COMMISSIONER

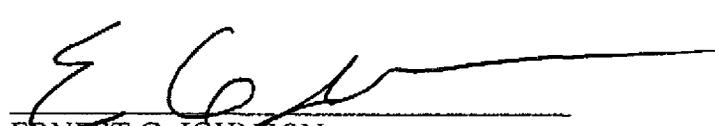


COMMISSIONER



COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 3rd day of June, 2010.



ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EGJ:KDB:lhv

1 SERVICE LIST FOR: JOHNSON UTILITIES COMPANY
2 DOCKET NO.: WS-02987A-05-0088

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4 Snell & Wilmer
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