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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

Arizona Corporation Commission

DOCKETED

JUL 12 2010

DOCKETED BY *MM*

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. 71790

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.

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

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 12<sup>th</sup> day of July, 2010.

  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

EGJ:KDB:lhm/JMA

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