

OPEN MEETING ITEM



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COMMISSIONERS  
KRISTIN K. MAYES - Chair  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

ORIGINAL



ARIZONA CORPORATION COMMISSION

Executive Director  
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Arizona Corporation Commission  
DOCKETED  
DOCKET CONTROL

DATE: SEPTEMBER 9, 2010

DOCKET NO.: WS-02987A-08-0180

SEP 9 2010

TO ALL PARTIES:

DOCKETED BY  
*RDS*

Enclosed please find the recommendation of Administrative Law Judge Teena Jibilian. The recommendation has been filed in the form of an Order on:

JOHNSON UTILITIES, L.L.C., dba  
JOHNSON UTILITIES COMPANY  
(NUNC PRO TUNC AND EXTENSION OF TIME  
DEADLINE CONTAINED IN DECISION NO. 71854)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00** p.m. on or before:

SEPTEMBER 20, 2010

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

**TO BE DETERMINED**

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

*E. G. Johnson*  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

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

8 IN THE MATTER OF THE APPLICATION OF  
9 JOHNSON UTILITIES, L.L.C., DBA JOHNSON  
10 UTILITIES COMPANY FOR AN INCREASE IN  
11 ITS WATER AND WASTEWATER RATES FOR  
12 CUSTOMERS WITHIN PINAL COUNTY,  
13 ARIZONA.

DOCKET NO. WS-02987A-08-0180

**ORDER NUNC PRO TUNC AND  
EXTENSION OF FILING  
DEADLINES**

14 Open Meeting  
15 , 2010  
16 Phoenix, Arizona.

17 **BY THE COMMISSION:**

18 On March 31, 2008, Johnson Utilities, LLC, dba Johnson Utilities Company (Johnson  
19 Utilities”) filed with the Arizona Corporation Commission (“Commission”) a rate application for its  
20 water and wastewater utility services, using a test year ended December 31, 2007.

21 On August 25, 2010, the Commission issued Decision No. 71854.

22 On September 3, 2010, Johnson Utilities filed a Request for Correction of Decision No. 71854  
23 *Nunc Pro Tunc*. Therein, Johnson Utilities identified four items for which it requests be corrected by  
24 means of issuance of an Order *Nunc Pro Tunc*.

25 **Exhibit A Errors**

26 Johnson Utilities identifies two errors in Exhibit A attached to Decision No. 71854. The  
27 Service Line and Meter Installation Charges and the Service Charges for the Water Division, which  
28 were present in the Recommended Opinion and Order, are missing from Decision No. 71854.

The Exhibit A attached to Decision No. 71854 contained clerical errors which should be  
corrected. The replacement Exhibit A attached hereto and incorporated herein, which includes  
Service Line and Meter Installation Charges and the Service Charges for the Water Division, should  
therefore replace the incomplete version of Exhibit A that was attached to Decision No. 71854 *nunc*

1 *pro tunc.*

2 **Filing Deadline Extensions**

3 Johnson Utilities points out two filing deadlines in Decision No. 71854 that it believes should  
4 be changed.

5 First, the Decision orders Johnson Utilities to file new rate schedules by August 20, 2010.  
6 Johnson Utilities requests that this deadline be changed to 30 days after the date of the Decision, or  
7 September 23, 2010. Second, the Decision orders Johnson Utilities to make a Central Arizona  
8 Groundwater Replenishment District ("CAGRDR") adjustor mechanism filing by August 25, 2010.  
9 Johnson Utilities requests that this deadline be changed to allow an additional 30 days, until  
10 September 23, 2010, for Johnson Utilities to make the CAGRDR adjustor mechanism filing.

11 The Decision orders Johnson Utilities to implement a CAGRDR adjustor mechanism as  
12 recommended by Staff. Johnson Utilities' annual CAGRDR fee is due on October 15 each year.  
13 Under Decision No. 71854, Johnson Utilities was required to make a filing by August 25, 2010, in  
14 order to keep the CAGRDR adjustor mechanism in place.<sup>1</sup> Johnson Utilities requests that the Ordering  
15 Paragraph in the Decision authorizing the implementation of the CAGRDR adjustor mechanism be  
16 revised to allow Johnson Utilities to extend by 30 days, to September 23, 2010, the deadline for the  
17 filing that is due on August 25, 2010.

18 The filing deadlines which Johnson Utilities' September 3, 2010 filing seeks to change are not  
19 the result of clerical, technical or computational errors, and would therefore not typically be  
20 addressed by an Order *Nunc Pro Tunc*. However, we find it is in the public interest to extend the  
21 filing deadlines as requested by Johnson Utilities in its September 3, 2010 filing, and will extend  
22 them in this Order.

23 IT IS THEREFORE ORDERED that Decision No. 71854 is hereby amended, *nunc pro tunc*,  
24 to include the "Exhibit A" attached hereto and incorporated herein in place of the "Exhibit A"

25

26 <sup>1</sup> Staff's recommended condition No. 7 on the CAGRDR adjustor mechanism, adopted by Decision No. 71854, requires  
27 Johnson Utilities to submit for Commission consideration, by August 25 each year, beginning in 2010, Johnson Utilities'  
28 proposed CAGRDR adjustor fees for the Phoenix and Pinal AMAs, along with the calculations and documentation from the  
relevant state agencies to support the data used in the calculations. Condition No. 7 provides that Johnson Utilities'  
"[F]ailure to provide such documentation to Staff shall result in the immediate cessation of the CAGRDR adjustor fee.  
Commission-approved fees shall become effective the following October 1<sup>st</sup>." Decision No. 71854 at 38-39.

1 attached to Decision No. 71854.

2 IT IS FURTHER ORDERED that Johnson Utilities, LLC, dba Johnson Utilities Company is  
3 hereby granted an extension of time to file the new schedules of rates and charges required by  
4 Decision No. 71854.

5 IT IS FURTHER ORDERED that Johnson Utilities, LLC, dba Johnson Utilities Company  
6 shall file with the Commission, on or before September 23, 2010, the schedules of rates and charges  
7 attached hereto and incorporated herein as Exhibit A, which shall be effective for all service rendered  
8 on and after June 1, 2010.

9 IT IS FURTHER ORDERED that Johnson Utilities, LLC, dba Johnson Utilities Company is  
10 hereby granted an extension of time to make the filing required by Condition No. 7 to the CAGR  
11 adjustor mechanism approved in Decision No. 71854.

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IT IS FURTHER ORDERED that Johnson Utilities, LLC, dba Johnson Utilities Company shall file, by September 23, 2010, its proposed CAGR D adjustor fees for the Phoenix and Pinal AMAs, along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. Failure to provide such documentation to Staff by September 23, 2010, shall result in the immediate cessation of the CAGR D adjustor fee. Johnson Utilities, LLC, dba Johnson Utilities Company shall, in future years, make the filing required by Condition No. 7 on or before August 25 in order to prevent the immediate cessation of the CAGR D adjustor fee, as set forth in Condition No. 7 to Decision No. 71854.

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

BY 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 the Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_

1 SERVICE LIST FOR:

JOHNSON UTILITIES, L.L.C., DBA JOHNSON  
UTILITIES COMPANY

2

3 DOCKET NO.:

WS-02987A-08-0180

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Utilities Division  
ARIZONA CORPORATION COMMISSION  
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Phoenix, AZ 85007-2927

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## EXHIBIT A

WATER DIVISIONMONTHLY USAGE CHARGE:

5/8" x 3/4" Meter	\$ 11.00
3/4" Meter	16.50
1" Meter	27.50
1-1/2" Meter	55.00
2" Meter	88.00
3" Meter	176.00
4" Meter	275.00
6" Meter	550.00
8" Meter	880.00
10" Meter	1,265.00

COMMODITY RATES

(Residential, Commercial, Industrial)

All Meter Sizes

Gallons Included in Minimum 0

**5/8" x 3/4" Meter Residential**

0 to 4,000 Gallons	\$1.7600
4,001 to 10,000 Gallons	2.1400
Over 10,000 Gallons	2.4960

**3/4" Meter Commercial, Industrial,****Irrigation and Public Authority**

0 gallons to 10,000 gallons

Over 10,000 gallons

**1" Meter**

From 1 to 32,000 gallons	2.1400
Over 32,000 gallons	2.4960

**1-1/2" Meter**

From 1 to 88,000 gallons	2.1400
Over 88,000 gallons	2.4960

**2" Meter**

From 1 to 156,000 gallons	2.1400
Over 156,000 gallons	2.4960

**3" Meter**

From 1 to 339,000 gallons	2.1400
Over 339,000 gallons	2.4960

**4" Meter**

From 1 to 545,000 gallons	2.1400
Over 545,000 gallons	2.4960

**6" Meter**

From 1 to 1,120,000 gallons	2.1400
Over 1,120,000 gallons	2.4960

**8" Meter**

From 1 to 1,800,000 gallons	2.1400
Over 1,800,000 gallons	2.4960

**10" Meter**

From 1 to 2,600,000 gallons	2.1400
Over 2,600,000 gallons	2.4960

**Construction Water** 2.4960**Central Arizona Water** See Tariff

**EXHIBIT A****SERVICE LINE AND METER INSTALLATION CHARGES:**

(Refundable Pursuant to A.A.C. R14-2-405)

	Service Line	Meter Installation	Total
5/8" x 3/4 " Meter	\$ 385.00	\$ 135.00	\$ 520.00
3/4 " Meter	385.00	215.00	600.00
1" Meter	435.00	255.00	690.00
1-1/2" Meter	470.00	465.00	935.00
2" Turbine Meter	630.00	965.00	1,595.00
2" Compound Meter	630.00	1,690.00	2,320.00
3" Turbine Meter	805.00	1,470.00	2,275.00
3" Compound Meter	845.00	2,265.00	3,110.00
4" Turbine Meter	1,170.00	2,350.00	3,520.00
4" Compound Meter	1,230.00	3,245.00	4,475.00
6" Turbine Meter	1,730.00	4,545.00	6,275.00
6" Compound Meter	1,770.00	6,280.00	8,050.00
8" & Larger	COST	COST	COST

**SERVICE CHARGES**

Establishment	25.00
Establishment (After Hours)	40.00
Reconnection (Delinquent)	50.00
Reconnection (Delinquent, After Hours)	N/A
Meter Test (If Correct)	25.00
Deposit (Residential)	(a)
Deposit (None-Residential)	(b)
Deposit Interest (b)	6.00%
Re-establishment (Within 12 Months)	(c)
Re-establishment (After Hours)	(c)
NSF Check	15.00
Deferred Payment, Per Month	1.50%
Meter Re-read (If Correct)	5.00
Customer Requested Per Rule 14-2-405B	Cost
After-hours Service, Per Rule R14-2-403D	Refer to Above Charges
Late Charge, Per Month	1.50%
Off-site Facilities Hook-up Fee	(d)
CAP Hook-up Fee	(e)

- (a) Residential: two times the average bill.  
Non-Residential: two and one-half times the maximum monthly bill.
- (b) Interest per Rule R14-2-403(B)
- (c) Minimum charge times number of months off the system, per rule R14-2-103(D).
- (d) New water installations. May be assessed only one per parcel, service connection, or lot within a subdivision. Purpose is to equitably apportion the costs of constructing additional off-site facilities to provide water production, delivery, storage, and pressure among all new service connections.
- (e) New water installations: May be assessed only once per parcel, service connection, or lot within a subdivision.

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE AND FRANCHISE TAX, PER RULE 14-2-409(D)(5).

## EXHIBIT A

WASTEWATER DIVISIONMONTHLY USAGE CHARGE:

5/8" Meter	\$ 29.8100
3/4" Meter	32.7900
1" Meter	41.7300
1-1/2" Meter	53.6508
2" Meter	86.4400
3" Meter	327.8700
4" Meter	625.9300
6" Meter	864.3700
8" Meter	1,092.6000
10" Meter	1,748.3300
Effluent: per 1,000 gallons	\$ 0.5280
Per acre foot	170.3200

SERVICE CHARGES

	<u>Staff</u>
Establishment	\$ 25.00
Establishment (After Hours)	40.00
Deposit (Residential)	(a)
Deposit (None-Residential)	(a)
Deposit Interest (b)	(b)
Re-establishment (Within 12 Months)	(c)
Re-establishment (After Hours)	(c)
NSF Check	15.00
Deferred Payment, Per Month	1.50%
After-hours Service, Per Rule R14-2-403D	Refer to Above Charges
Service Line Connection Charge	350.00
Late Charge, Per Month	40.00
Main Extension Tariff, per rule R14-2-606B except refunds shall be based upon 5% of gross revenues from bonafide customers, until all advances are fully refunded to the Developer.	Cost

- (a) Residential: two times the average bill.  
Non-Residential: two and one-half times the maximum monthly bill.
- (b) Interest per Rule R14-2-403(B)
- (c) Minimum charge times number of months off the system, per rule R14-2-103(D).

IN ADDITION TO THE COLLECTION OF REGULAR RATES, THE UTILITY WILL COLLECT FROM ITS CUSTOMERS A PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES, USE AND FRANCHISE TAX, PER RULE 14-2-409(D)(5).