

ORIGINAL  
**JOHNSON UTILITIES, L.L.C.**



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AZ CORP COMMISSION  
DOCKET CONTROL

November 24, 2010

Mr. Steven Olea  
Utilities Director  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

RE: Johnson Utilities, L.L.C.: Decision No. 71854  
RE: Johnson Utilities Action Plan  
WS-02987A-08-0180

Dear Mr. Olea:

Pursuant to the above mentioned decisions, Johnson Utilities hereby submits this filing in accordance with the Commission's orders. Please find the Johnson Utilities' Action Plan attached hereto as Attachment 1. Should you have any questions or concerns, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

Sincerely,

Brian P. Tompsett  
Johnson Utilities, LLC

Cc: Docket Control  
Mr. Ernest Johnson, Executive Director

Arizona Corporation Commission  
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# Attachment 1

### **JU Record Keeping Plan**

1. Johnson Utilities utilizes the services of an "in-house" C.P.A who has provided accounting services for private water and sewer companies in Arizona for 10 years. His job responsibilities include reviewing the Companies books and ledgers associated with the day to day utility operations and transactions to insure and verify that they are in compliance with NARUC and Arizona Corporation Commission ("Commission") standards.
2. Johnson Utilities has instituted a company policy requiring a bill of sale along with invoices supporting the cost of the plant that was constructed, pursuant to a line extension agreement with Johnson Utilities, prior to the installation of any water meters. The intent of this policy is to allow the Commission the ability to independently verify the cost of the transactions as well as applicable dates such construction was commenced and completed. Such transparency will allow Staff to easily audit the transactions to ensure that the transactions were entered into at arm's length and in accordance with applicable NARUC and Commission standards.
3. Johnson Utilities will retain competitive bids on construction projects over \$15,000 in accordance with NARUC standards for document retention. These documents will be retained and will be stored in a separate place in the principal place of business. This will allow the Commission to audit these bids to verify the utility plant was constructed in accordance with industry standards as well as assuring that the best value was achieved for Johnson Utilities' customers.
4. If Johnson Utilities determines that it needs to conduct any utility business with an affiliate company, the affiliate company will provide its books and records to the Commission upon request for that transaction, between that Affiliate Company and Johnson Utilities. Currently and on an annual basis, Johnson Utilities already discloses all contracts and agreements to the Commission that it enters into with an Affiliate Company.