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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

COMMISSIONERS

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GARY PIERCE, Chairman
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PAUL NEWMAN
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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
JOHNSON UTILITIES, L.L.C., DBA JOHNSON
UTILITIES COMPANY FOR AN INCREASE IN
ITS WATER AND WASTEWATER RATES FOR
CUSTOMERS WITHIN PINAL COUNTY,
ARIZONA.

DOCKET NO. WS-02987A-08-0180

**SWING FIRST GOLF LLC
UPDATE TO COMMISSIONERS**

On August 16, 2011, Swing First Golf LLC ("Swing First") filed comments ("Comments") on the Commission's procedure to resolve the "Petition to Amend Decision Pursuant to A.R.S. §40-252" filed on February 28, 2011, by Johnson Utilities, LLC ("Johnson"). In its Comments, Swing First reminded the Commission of Johnson's long-running abuse of one of its largest customers. Johnson unlawfully used its monopoly power to try to put Swing First out of business.

As more fully discussed in its Comments, the evidence in this rate case is uncontroverted that:

1. Johnson defaulted in its obligation to pay Swing First for management services for the Oasis Golf Course by rebilling for past water deliveries.
2. Johnson unlawfully charged Swing First five times the lawful rate for CAP Water and has refused to refund the overcharges.
3. Johnson tried to shut-off water service to Swing First, using the unpaid overcharges as a pretext.
4. Johnson failed to follow the Commission's rules governing shut-offs.

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1 5. Johnson unlawfully withheld treated effluent and forced Swing First to purchase more
2 expensive CAP Water.

3 6. Johnson deliberately flooded Swing First's golf course in obvious retaliation against
4 Swing First for filing a lawful complaint with the Commission.

5 7. Johnson mailed a letter to Swing First's members threatening them against
6 participating in Johnson's rate case. The letter further defamed Mr. Ashton.

7 8. Johnson sued Mr. Ashton and his wife for defamation (a favorite tactic).

8 In its Comments, Swing First gave Mr. Johnson credit for the steps that he seems to be
9 taking to remedy his company's past errors. However, these baby steps do not excuse Mr.
10 Johnson from his responsibility to ensure that his company compensates Swing First for the
11 damages it inflicted on Swing First. Until Mr. Johnson directs his company to compensate
12 Swing First for these damages, his company does not deserve the relief it seeks from the
13 Commission.

14 Swing First also stated that the Commissioners would have three weeks to learn whether
15 Johnson is really trying to mend its past ways or is just blowing hot air until it gets what it wants
16 from the Commission. "If Johnson has not resolved all of its issues with Swing First by the next
17 Open Meeting, then the Commission will know the truth."

18 It has now been two full weeks since Swing First filed its Comments. Johnson has done
19 nothing to resolve its issues with Swing First, not even a phone call to invite discussions.

20 Further, as the Commissioners will recall, Swing First suggested at Open Meeting that
21 the current complaint case (Docket No. 02987A-08-0049) is essentially moot given the pending
22 trial in the lawsuit between Johnson and Swing First in Superior Court. Therefore, there was no
23 reason to waste the Commission's resources on a moot case. In recognition of that fact, Swing
24 First further suggested that it could withdraw the complaint, if Johnson would agree to continue
25 to provide irrigation service pending trial. This would allow the overburdened Hearing Division
26 to avoid ruling on a long motion for summary judgment, overseeing a lengthy case, and then

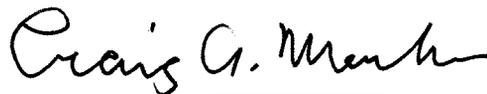
1 preparing an extensive recommended opinion and order for the Commissioners to consider at a
2 future Open Meeting.

3 In front of the Commissioners, Mr. Crockett seemed very agreeable concerning this
4 clearly sensible proposal. After the matter concluded, Mr. Crockett said the proposal appeared
5 reasonable, but he would have to check with his client. Two weeks have now passed and Swing
6 First has received no response of any kind.

7 This is further evidence of Johnson's attitude. In front of the Commissioners, Johnson
8 appears reasonable and cooperative. Once it is out of eyesight, it shows its true colors.

9 Swing First renews its requests. If Johnson has not resolved all its issues with Swing
10 First by the September 6, 2011, Open Meeting, then Johnson's Petition should not be heard at
11 this or any future Open Meetings. Alternatively, the Commission should adopt Swing First's
12 suggested amendment that would not allow new rates to go into effect until Johnson and Swing
13 First have fully resolved their open issues.

14 RESPECTFULLY SUBMITTED on August 30, 2011.

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19 Craig A. Marks
20 Craig A. Marks, PLC
21 10645 N. Tatum Blvd.
22 Suite 200-676
23 Phoenix, AZ 85028
24 Phone: (480) 367-1956
25 Fax: (480) 367-1956
26 Craig.Marks@azbar.org
27 Attorney for Swing First Golf LLC

Original and 13 copies **filed**
on August 30, 2011, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Copies **e-mailed**
on August 30, 2011, to:

Steve Olea
Directory, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

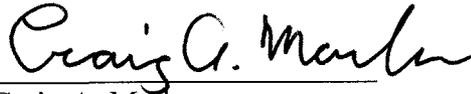
Jeffrey W. Crockett
Brownstein Hyatt Farber Schreck, LLP
40 N. Central Ave., 14th Floor
Phoenix, Arizona 85004

Daniel Pozefsky, Chief Counsel
Residential Utility Consumer Office
1110 West Washington Street, Suite 220
Phoenix, AZ 85007-2958

Robin Mitchell/Ayesha Vohra
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

James E. Mannato
Florence Town Attorney
775 N. Main Street
P.O. Box 2670
Florence, AZ 85232

By:


Craig A. Marks.