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BEFORE THE ARIZONA CORPORATION COMMISSION

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GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

2012 JUN 20 P 12:29

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
JOHNSON UTILITIES, LLC DBA JOHNSON
UTILITIES COMPANY FOR AN INCREASE
IN ITS WATER AND WASTEWATER RATES

DOCKET NO. WS-02987A-08-0180

**JOINT PETITION
TO AMEND DECISION 71854
PURSUANT TO A.R.S. § 40-252
(AND PROPOSED ORDER)**

Arizona Corporation Commission ("Commission") Utilities Division Staff ("Staff") and Johnson Utilities, LLC dba Johnson Utilities Company ("Johnson" or "Company") hereby submit this joint request to amend Decision No. 71854, dated August 25, 2010.

Decision No. 71854 authorized the Company to implement an adjustor mechanism, subject to certain conditions, to recover the costs paid to the Central Arizona Groundwater Replenishment District ("CAGR") for replenishment of excess groundwater withdrawn. The conditions set forth in Decision No. 71854 established certain dates regarding the CAGR adjustor. The conditions require the Company to submit, by August 25 of each year, for Commission consideration, its proposed CAGR fees for the next twelve-month period (along with documentation from the relevant state agencies to support the calculations), to apply to all water sold after October 1.¹ Additionally, Condition No. 4 requires the Company to file a semi-annual report due during the last week of October and the last week of April of each year, detailing the CAGR fees collected and assessments paid.²

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Arizona Corporation Commission
DOCKETED
JUN 26 2012
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¹ Dec. No. 71854 at 38-39, Condition Nos. 1 and 7.
² Dec. No. 71854 at 38.

1 On August 25, 2011, Johnson filed for its initial reset of the adjustor, which was approved in
2 Decision No. 72634, issued October 14, 2011, in this same docket. In Finding of Fact Nos. 32 and 33
3 of that decision, the Commission stated:

4 32. Since the adjustor was a newly-created mechanism for both
5 Sahuarita [Sahuarita Water Company LLC] and Johnson, the current reset
6 applications are the first to be submitted. Upon review of the submissions,
7 Staff now has some concerns regarding the appropriateness of the filing
8 dates. Staff originally recommended the August 25 date to correspond to
9 the CAGR's invoicing of its members. However, as is apparent from the
10 calculations, filing on that date requires the Company to estimate several
11 months of collections and essentially necessitates a "true-up" of the true-up
12 in the following year. Also, it may be more efficient to time the filing of the
13 semiannual report to coincide with the reset filing.

14 33. Therefore, Staff intends to meet with both Sahuarita and Johnson
15 to discuss alternatives that might streamline the process and eliminate the
16 use of estimates in the calculations. If it is determined that changes to the
17 conditions in the original order are appropriate, Staff will bring those
18 recommendations to the Commission at a later date.

19 Subsequently, Staff, Johnson and Sahuarita Water Company LLC discussed several
20 alternatives and agreed upon one that would eliminate the use of estimates in the annual calculations.
21 Therefore, it is now recommended that the filing date for the adjustor reset be changed from August
22 25 each year to October 25 each year, that the adjustor be calculated using actual collections at the
23 date of filing, that the new rate be applied to all water sales billed after December 1, and that these
24 changes become effective with the reset filing that would have been due August 25, 2012.³ The
25 changes would mean that, for this year only, the collection period would include less than twelve
26 months of collections, which would slightly inflate the new adjustor rate; however, the lower present
27 rate would remain in effect for fourteen months. Thereafter, the adjustor would reset every twelve
28 months and be based on twelve full months of actual collections. It is further recommended that,
since the information contained in the required October semi-annual report is necessary for the
calculation of the adjustor reset, the October report be required as part of the reset filing, rather than
as a separate filing requirement. The requirement to file a report in the last week of April would
remain unchanged.

³ Rather than a due date of August 25, 2012, the adjustor reset filing would be due by October 25, 2012.

1 For the reasons set forth above, Johnson and Staff request that the Commission grant this
2 request to amend Decision No. 71854, as described herein.

3 RESPECTFULLY SUBMITTED this 20 day of June, 2012.

4
5 
6 Robin Mitchell
7 Legal Division
8 Arizona Corporation Commission
9 1200 West Washington Street
10 Phoenix, Arizona 85007
11 (602) 542-3402

9 Original and thirteen (13) copies
10 of the foregoing filed this
11 20 day of June, 2012 with:

11 Docket Control
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

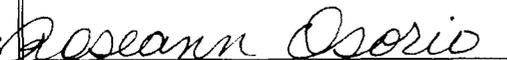
13 Copies of the foregoing mailed this
14 20 day of June, 2012 to:

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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE, Chairman
BOB STUMP, Commissioner
SANDRA D. KENNEDY, Commissioner
PAUL NEWMAN, Commissioner
BRENDA BURNS, Commissioner

IN THE MATTER OF THE APPLICATION)
OF JOHNSON UTILITIES LLC DBA)
JOHNSON UTILITIES COMPANY FOR AN)
INCREASE IN ITS WATER AND)
WASTEWATER RATES)

DOCKET NO. WS-02987A-08-0180
DECISION NO. _____
**ORDER AMENDING
DECISION NO. 71854**

Open Meeting
_____, 2012
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Johnson Utilities LLC dba Johnson Utilities Company (“Johnson” or “Company”) is engaged in providing water and waste water service within Pinal County, Arizona.
2. Johnson’s current rates were approved in Decision No. 71854 (August 25, 2010) as amended by Decision No. 72579 (September 15, 2011).
3. Decision No. 71854 also authorized the Company to implement an adjustor mechanism, subject to certain conditions, to recover the costs paid to the Central Arizona Groundwater Replenishment District (“CAGRDR”) for replenishment of excess groundwater withdrawn.
4. The conditions require the Company to submit, by August 25 of each year, for Commission consideration, its proposed CAGRDR fees for the next twelve-month period (along with documentation from the relevant state agencies to support the calculations), to apply to all water sold after October 1.¹

¹ Dec. No. 71854 at 38-39.

1 IT IS THEREFORE ORDERED that Decision No. 71854 is modified by the Commission
 2 as follows: (a) the filing date for the adjustor reset shall be changed from August 25 each year to
 3 October 25 each year, (b) the new adjustor rate shall be calculated using actual collections at the
 4 date of filing, (c) the new adjustor rate shall be applied to all water sales billed after December 1,
 5 (d) the semi-annual report due in October shall be required as part of the reset filing, rather than as
 6 a separate filing requirement, and (e) these changes shall become effective with the adjustor reset
 7 filing that would have been due August 25, 2012.

8 IT IS FURTHER ORDERED that all other matters set forth in Decision No. 71854, as
 9 amended by Decision No. 72579, continue to be in full force and effect except where inconsistent
 10 with this Decision.

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

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13 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

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CHAIRMAN

COMMISSIONER

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COMMISSIONER

COMMISSIONER

COMMISSIONER

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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 _____ day of _____, 2012.

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ERNEST G. JOHNSON
 EXECUTIVE DIRECTOR

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DISSENT: _____

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DISSENT: _____

1 SERVICE LIST FOR: Johnson Utilities LLC dba Johnson Utilities Company,
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