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BEFORE THE ARIZONA CORPORATION

**COMMISSIONERS**

BOB STUMP - Chairman  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

Arizona Corporation Commission

**DOCKETED**

OCT 17 2013

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IN THE MATTER OF THE APPLICATION  
OF JOHNSON UTILITIES, L.L.C. FOR  
APPROVAL TO EXTEND ITS  
CERTIFICATES OF CONVENIENCE AND  
NECESSITY FOR WATER AND  
WASTEWATER SERVICES.

DOCKET NO. WS-02987A-12-0136

**STAFF'S RESPONSE TO MOTION FOR  
LEAVE TO LATE-FILE COMMENTS ON  
STAFF'S MODIFIED RECOMMENDATIONS  
AS SET FORTH IN STAFF'S REPLY AND  
NOTICE OF FILING LETTERS FROM ADEQ  
RESOLVING NOTICES OF VIOLATION.**

Utilities Division Staff ("Staff") filed its Closing Brief in this docket on May 22, 2013, and a Supplement to Closing Brief on June 17, 2013. On July 8, 2013, Johnson Utilities, L.L.C., ("Johnson Utilities" or the "Company") filed its Response to Staff's Closing Brief and Supplement. On August 6, 2013, Staff filed its Reply to the Company's Response. On September 20, 2013, the Company filed its Motion for Leave to Late-File Comments on Staff's Modified Recommendations as set forth in Staff's Reply and Notice of Filing Letters from ADEQ Resolving Notices of Violation ("Motion for Leave to Late-File Comments"). And on October 9, 2013, Staff filed a Stipulation to Extension for of Time and for Leave to File Comments. Staff now responds to Johnson Utilities' Motion for Leave to File Comments.

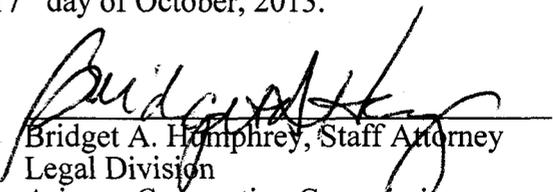
Staff has reviewed the late filed Letters from Arizona Department of Environmental Quality ("ADEQ") and the assertions of the Company in its Motion. Staff's position remains the same as set forth in its recommendations stated in its Reply: the additional information submitted by the Company does not warrant issuance of Certificates of Convenience and Necessity ("CC&N"s) with conditions rather than Orders Preliminary.

First, as to the letters from ADEQ submitted by the Company, Staff would note that these letters do not affirmatively state that the outstanding Notices of Violation ("NOV"s) have been fully

1 resolved. In order for Staff to reach that conclusion, Staff would need to see a Drinking Water  
2 Compliance Status Report and a Waste Water Compliance Report so indicating. Staff would further  
3 note that, in assessing another matter involving Johnson Utilities, Staff received a Drinking Water  
4 Compliance Status Report, dated October 10, 2013, which indicates that ADEQ cannot determine if  
5 the system in question in question, which had been the subject of an NOV issued June 17, 2013, was  
6 delivering water that meets water quality standards. A true and correct copy of that Report is attached  
7 hereto as Exhibit A and incorporated herein by this reference.

8 Similarly, there has been no change in Staff's position regarding the updated engineering  
9 analysis filed in this docket on May 21, 2013. In its Reply of August 6, 2013, Staff addressed the  
10 necessary additional information required, which was not provided with said engineering analysis. As  
11 that information remains absent, Staff stands by its recommendations set forth in that Reply and in its  
12 revision thereof in its August 9, 2013, Notice of Errata.

13 RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of October, 2013.

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15   
16 Bridget A. Humphrey, Staff Attorney  
17 Legal Division  
18 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
(602) 542-3402

19 Original and thirteen (13) copies  
20 of the foregoing filed this  
17<sup>th</sup> day of October, 2013 with:

21 Docket Control  
22 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85006

23 Copy of the foregoing mailed and/or emailed  
24 this 17<sup>th</sup> day of October, 2013 to:

25 Jeffrey W. Crockett  
26 BROWNSTEIN HYATT  
27 FARBER SCHRECK, LLP  
One E. Washington St., Suite 2400  
Phoenix, AZ 85004  
Attorneys for Johnson Utilities L.L.C.

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**Arizona Department of Environmental Quality**  
 Drinking Water Monitoring and Protection Unit  
 Mail Code 5415B-2  
 1110 West Washington Street  
 Phoenix, AZ 85007

### Drinking Water Compliance Status Report

<b>System Name</b>	<b>System Type</b>	<b>Is system consecutive?</b>
JOHNSON UTILITIES	<input checked="" type="checkbox"/> Community	<input type="checkbox"/> Yes, to PWS #
<b>System ID #</b>	<input type="checkbox"/> Non-transient Non-community	<input checked="" type="checkbox"/> No
11128	<input type="checkbox"/> Transient Non-community	

<b>Overall compliance status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
<b>Monitoring and Reporting status</b>	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

<b>Operation and Maintenance status</b>	<input type="checkbox"/> No major deficiencies	<input checked="" type="checkbox"/> Major deficiencies
<b>Date of last Sanitary Survey</b>	6-12-13	<b>Inspector</b>
		Joe Reyes, PHX
Major unresolved/ongoing operation and maintenance deficiencies:		
<input checked="" type="checkbox"/> unable to maintain 20psi	<input type="checkbox"/> inadequate storage	
<input type="checkbox"/> cross connection/backflow problems	<input type="checkbox"/> surface water treatment rule	
<input type="checkbox"/> treatment deficiencies	<input type="checkbox"/> ATC/AOC	
<input type="checkbox"/> certified operator	<input type="checkbox"/> other =	
Comments: During a complaint inspection on 6/7/13, ADEQ staff installed data loggers, which measured pressure at two-minute intervals from 6/7/13 to 6/12/13. As a result of the information collected, a Notice of Violation (NOV) was issued on 6/17/13 for the failure to maintain a pressure of at least 20 pounds per square inch at ground level at all points in the potable water distribution system under all conditions of flow.		

<b>Is an ADEQ administrative order in effect?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Comments: None		

System Information	
Population Served	59640
Service Connections	21300
Number of Entry Points to the Distribution System	8
Number of Sources	12
Initial Monitoring Year	2000
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>Evaluation completed by</b>	Donna Calderon, Manager  Drinking Water Monitoring and Protection Unit		
<b>Phone</b>	602-771-4641	<b>Date</b>	October 10, 2013
<input type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and <b>PWS is in compliance.</b>		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ <b>cannot determine</b> if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or <b>PWS is not in compliance.</b>		
<input checked="" type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ <b>cannot determine</b> if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or <b>PWS is not in compliance.</b>		

***This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.***