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**ARIZONA CORPORATION COMMISSION**



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March 24, 2014

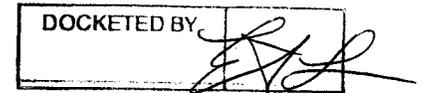
Arizona Corporation Commission

**DOCKETED**

MAR 24 2014

RE: Johnson Utilities WS-02987A-13-0477

**ORIGINAL**



Parties to the Docket:

During the recent March 20, 2014 Staff Meeting the Commission discussed the possible procedural options regarding the process to evaluate the application by Johnson Utilities to transfer its assets to the Town of Florence and to cancel an existing CCN. No final decision was made concerning the process.

During my review of the underlying application, I identified certain questions which I believe could inform my deliberations when the matter is brought before us for final decision on the merits. I have several questions which I hope the parties could address:

1. Do the parties agree that Johnson Utilities currently serves customers who reside or are located outside the municipal boundaries of the Town of Florence? If so, please provide an estimate of the number of such customers.
2. Should provisions be made to ensure that existing customers who reside or are located outside of the municipal boundaries will be served by the Town of Florence? Why or why not?
3. If customers outside the municipal boundaries will be served by the Town of Florence, should provisions be made to ensure that such are treated on an equal footing with those customers who reside or are located within the municipal boundaries? Why or why not?
4. If such provisions should be made, please provide some recommendations regarding the nature and substance of methods or processes to ensure equal treatment.
5. I note that in the application, Johnson Utilities states "For a period of 18 months following the acquisition the Town has no plans to change the rates charged to existing customers of Johnson Utilities." Please provide comments regarding the duration and specific terms of this commitment.

I will appreciate your thoughtful responses to these questions, by April 3, 2014 either individually or by the submission of a joint response.

Sincerely,

Susan Bitter Smith  
Commissioner

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