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BEFORE THE ARIZONA CORPORATION

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ARIZONA CORPORATION COMMISSION DOCKET CONTROL

Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF JOHNSON UTILITIES, L.L.C., DBA JOHNSON UTILITIES FOR AN INCREASE IN ITS WATER AND WASTEWATER RATES FOR CUSTOMERS WITHIN PINAL COUNTY, ARIZONA.

DOCKET NO. WS-02987A-08-0180

CLOSING BRIEF OF JOHNSON UTILITIES IN SUPPORT OF SETTLEMENT AGREEMENT

Brownstein Hyatt Farber Schreck, LLP One East Washington, Suite 2400 Phoenix, AZ 85004

Johnson Utilities, L.L.C., (“Johnson Utilities” or the “Company”) hereby files its Closing Brief in support of the Proposed Settlement Agreement (“Settlement Agreement”) dated November 1, 2013, in this docket.<sup>1</sup> The evidence in this case clearly shows that the public interest will be served by immediately reducing the Company’s wastewater rates in the approximate amount of \$286,000 annually pursuant to the terms of the Settlement Agreement. Conversely, Staff has failed to provide credible evidence that a one-year delay in the rate case test year requirement of Decision 73992 will have any adverse effect on the public interest, especially in light of the fact that the test year issue becomes moot once the Arizona Corporation Commission (“Commission”) approves the Company’s transfer of assets to the Town of Florence in Docket WS-02987A-13-0477.

I. INTRODUCTION.

On July 16, 2013, the Commission issued Decision 73992 authorizing an increase in the water and wastewater rates of Johnson Utilities to include income tax expense and requiring that the Company file a full rate case for both its water and wastewater divisions no later than June

<sup>1</sup> The Settlement Agreement was admitted at the hearing as Exhibit A-4.