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EXCEPTION
BEFORE THE ARIZONA CORPORATIC
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AZ CORP COMMISSION
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Arizona Corporation Commission

DOCKETED

OCT 14 2014

ORIGINAL

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IN THE MATTER OF THE APPLICATION
OF JOHNSON UTILITIES, L.L.C. FOR AN
EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY FOR
WATER AND SEWER SERVICES.

DOCKET NO. WS-02987A-12-0136

**NOTICE OF FILING JOHNSON
UTILITIES' PROPOSED
AMENDMENT #2**

Brownstein Hyatt Farber Schreck, LLP
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On August 27, 2014, the Administrative Law Judge issued a Recommended Opinion and Order (“ROO”) in this docket. On September 5, 2014, Johnson Utilities, L.L.C. (“Johnson Utilities” or the “Company”) filed exceptions and a proposed amendment to the ROO.¹ On October 2, 2014, Staff filed an Update Regarding Johnson Utilities’ Compliance Status which attached a copy of an August 27, 2014, ADEQ Wastewater Compliance Report for the Pecan WRP previously submitted by the Company and a new ADEQ Wastewater Compliance Report dated September 18, 2014, for the San Tan WRP. Based upon the ADEQ Compliance Status Reports, Staff concurred that all four of Johnson Utilities’ WRPs are in compliance. As a result, Staff no longer opposes the issuance of a conditional CC&N for each of the requested CC&N extension areas with the exception of the last four phases of Anthem at Merrill Ranch, which Staff believes should be subject to an OP.

Johnson Utilities has revised the proposed amendment submitted on September 5, 2014, to reflect Staff’s October 2, 2014 update. Attached hereto is the Company’s Proposed Amendment #2 which supersedes and replaces the proposed amendment submitted on September 5, 2014. Johnson Utilities urges the Commission to adopt Proposed Amendment #2.

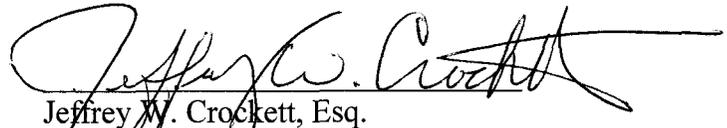
¹ The amendment was identified as Proposed Amendment #1.

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RESPECTFULLY submitted this 14th day of October, 2014.

BROWNSTEIN HYATT FARBER SCHRECK LLP



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ORIGINAL and thirteen (13) copies filed
this 14th day of October, 2014, with:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing hand-delivered
this 14th day of October, 2014, to:

Lyn Farmer, Chief Administrative Law Judge
Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

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PROPOSED AMENDMENT # 2

DATE PREPARED: October 14, 2014

COMPANY: Johnson Utilities, L.L.C.

DOCKET NO.: WS-02987A-12-0136

OPEN MEETING DATES: October 16, 2014

AGENDA ITEM: U-24

Page 6, line 26,

ADD the following new text:

On September 4, 2014, Pulte filed a Third Public Comment in this docket urging the Commission to issue a conditional CC&N for all portions of the Merrill Ranch Expansion One.

On September 5, 2014, Johnson filed exceptions which attached updated Wastewater Compliance Status Reports dated August 27, 2014, for the Pecan and San Tan WRPs showing that those plants are operating in compliance with applicable requirements of ADEQ, with no material violations that would prompt ADEQ to take enforcement action.

On October 2, 2014, Staff filed an Update Regarding Johnson's Compliance Status which attached a copy of the August 27, 2014, ADEQ Wastewater Compliance Report for the Pecan WRP previously submitted by the Company and a new ADEQ Wastewater Compliance Report dated September 18, 2014, for the San Tan WRP. Based upon the ADEQ Compliance Status Reports, Staff concurred that all four of Johnson's WRPs are in compliance. As a result, Staff does not oppose the issuance of a conditional CC&N for each of the requested CC&N extension areas except for the last four phases of Anthem at Merrill Ranch, which Staff believes should be subject to an OP.

On October 10, 2014, Pulte filed a Fourth Public Comment in this docket again requesting that the Commission grant a conditional CC&N to Johnson for all areas within the requested CC&N extension area.

Page 14, lines 17-18,

DELETE the last sentence of Finding of Fact 37 which begins "As a result..."

Page 14, line 19,

ADD new FINDINGS OF FACT 38 AND 39, as follows:

38. On September 4, 2014, Johnson filed copies of updated ADEQ Wastewater Compliance Status Reports dated August 27, 2014, showing that the Pecan and San Tan WRPs are operating in compliance with applicable requirements of ADEQ, with no material violations that would prompt ADEQ to take enforcement action. In addition, the updated status reports show that Johnson has met the compliance conditions associated with the May 30, 2013, NOV at the San Tan WRP.
39. In its October 2, 2014 update, Staff filed a copy of the August 27, 2014, ADEQ Wastewater Compliance Report for the Pecan WRP previously submitted by the Company and a new ADEQ Wastewater Compliance Report dated September 18, 2014, for the San Tan WRP. Based upon the ADEQ Compliance Status Reports, Staff concurred that all four of Johnson's WRPs are in compliance. As a result, Staff does not oppose the issuance of a conditional CC&N for each of the requested CC&N extension areas except for the last four phases of Anthem at Merrill Ranch, which Staff believes should be subject to an OP.

RENUMBER the existing Finding of Fact 38 and the remaining Findings of Fact.

Page 15, lines 7-9,

DELETE the last sentence of Finding of Fact 40 which begins "However, Staff continues to recommend...."

Pages 15 and 16,

DELETE FINDINGS OF FACT 42 through 45 and REPLACE with the following new FINDING OF FACT 42:

42. The recent filings by Johnson and Staff show that the Company's four WRPs are operating in compliance with applicable ADEQ requirements, with no material violations that would prompt ADEQ to take enforcement action. In addition, the filings show that the Company has met the compliance conditions associated with the May 30, 2013, NOV at the San Tan WRP. Therefore, we will not adopt Staff's recommendation for the issuance of an OP.

RENUMBER the remaining Findings of Fact.

Page 16, lines 14-17,

DELETE the last sentence of Finding of Fact 46 which begins “As such, once the Company establishes....”

Page 17, line 1,

DELETE from CONCLUSION OF LAW 5 the words “an Order Preliminary” and replace with “a Conditional CC&N.”

Page 17, line 5,

DELETE from the ORDERING PARAGRAPH the words “an Order Preliminary” and replace with “a Conditional CC&N.”

Page 17, lines 9-21,

DELETE the three ORDERING PARAGRAPHS.

Make all other conforming changes.