

**ORIGINAL**



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**ARIZONA CORPORATION COMMISSION**

**UTILITY COMPLAINT FORM**

Investigator: Michael Buck

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2014 - 120198

Date: 12/23/2014

Complaint Description: 09D Rates/Tariffs - Explanation of  
N/A Not Applicable

First:

Last:

Complaint By: Steve

Pratt

Account Name: Steve Pratt

Home:

Street:

Work:

City: San Tan Valley

CBR:

State: AZ Zip: 85143

is:

Utility Company: Johnson Utilities L.L.C. d/b/a Johnson Utilities Company

Division:

Contact Name:

Contact Phone:

Nature of Complaint:

DOCKET NO. WS-02987A-08-0180

From: Util-PublicComment  
Sent: Friday, December 12, 2014 8:20 AM  
To: Util-PublicComment  
Cc:  
Subject: Public Comment

Name: Steve Pratt  
Date: Dec. 12, 2014  
Address:  
Phone:  
CityStateZip: San Tan Valley, Az. 85143  
Cell:  
Docket: Johnson Utilities Rate Cast  
DocketNo: WS-02987A-08-0180  
Utility: Johnson Utilities LLC  
Position: Other  
Email:

Arizona Corporation Commission  
**DOCKETED**  
DEC 30 2014

DOCKETED BY

RECEIVED  
2014 DEC 30 P 12: 27  
AZ CORP COMMISSION  
DOCKET CONTROL

Comments: On August 12, 2014 the Commission issued Decision 74695 requiring Johnson Utilities to file an annual earnings statement and, among other things, authorized an imputed income tax rate of 25%. This rate was agreed to by Johnson Utilities and RUCO in a formal Settlement Agreement that was approved. On August 29, 2014 Michael Belaski, on behalf of Johnson Utilities, LLC, submitted a document that alleged to comply with Decision 74695. On Schedule 1 this filing shows an earned return for 2013 of 9.40%, 1.22% higher than the authorized return. However, on Schedule 3 of the August 29 submittal, an imputed income tax rate of 37% is used, overstating expenses authorized by the Commission, and understating realized earnings, by approximately \$112,000. The actual rate of return for 2013 is over 11% versus the alleged 9.40% percent return

12/23/14

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the submission would have the Commission and its Staff believe. Please require JU to follow Decision 74695 and resubmit its earnings calculation for 2013. Please also direct JU to follow Commission decisions and the Settlement Agreement to which it is a signatory in all future submissions. If JU wishes to argue for a higher tax allowance in a future case, that is fine. But for now, JU should use what it agreed to. Thank you.

\*End of Complaint\*

**Utilities' Response:**

**Investigator's Comments and Disposition:**

12/23/14 DOCKETED CLOSED

Reference complaint filed in UCF, please see No.120197

\*End of Comments\*

**Date Completed: 12/23/2014**

**Opinion No. 2014 - 120198**

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