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MEMORANDUM

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TO: Docket Control Center

Arizona Corporation Commission

FROM: Steven M. Olea  
Director  
Utilities Division

DOCKETED AZ CORP COMMISSION  
DOCKET CONTROL

MAR 04 2015

DATE: March 4, 2015

DOCKETED BY

ORIGINAL

RE: JOHNSON UTILITIES, L.L.C. - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINES (DOCKET NO. WS-02987A-07-0487 - DECISION NO. 70849)

In Decision No. 70849, dated March 17, 2009, the Arizona Corporation Commission ("ACC" or "Commission") approved the application of Johnson Utilities, L.L.C. ("Johnson") for extension of Johnson's existing sewer Certificate of Convenience and Necessity ("CC&N").

As part of Decision No. 70849, the Commission ordered the following:

**"... that Johnson Utility L.L.C. shall file with the Docket Control, as a compliance item in this docket, a copy of the Arizona Department of Environmental Quality Certificate of Approval to Construct for the wastewater facilities needed to serve each of the developments in the requested extension areas, within three years of the effective date of this Decision".**

Decision No. 70849 included an ordering paragraph stating that the CC&N would become effective on the first day of the month following Johnson's proof of its compliance with its Pecan Water Reclamation Plant ("Pecan Plant"). Johnson's Pecan Plant was subsequently found compliant by the Commission on July 25, 2011 via Decision No. 72502. The CC&N therefore became effective on the first day of the month following that date or August 1, 2011. Since the Commission provided a 3 year timeframe for providing the Certificates of Approval to Construct ("ATC") outlined above, the pending due date for that requirement is August 1, 2014.

On July 30, 2014, Johnson docketed a request for extension of time seeking approval of a two year extension for the provision of the required ATC's for the developments in the requested extension areas. The application states that:

**"Market conditions have delayed the anticipated start of the developments by the developers; however, the developers still require service and have provided updated requests for service attached hereto as Attachment 1."**

The referenced updated request for service letters were docketed by the McRae Group of Companies and the United Engineering Group, the developers of the Skyline Estates and Quail Ranch projects, respectively. Each company requests continued utility service from Johnson as a pre-cursor and ultimate requirement to expected development.

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Based on the application and all of the above, Staff does not object to the Company's two-year request for an extension of time in this matter. Staff therefore recommends that the due date for provision of the ATC for the wastewater facilities in the requested extension areas be extended until August 1, 2016.

Staff also notes that the July 30, 2014 application for extension of time was docketed a day before the August 1, 2014 due date for the compliance requirement. Staff further recommends that the Company be required to file requests for extension of time (if doing so in the future) at least 90 days prior to the existing due date (in this or any other docket). Staff further recommends that the applications for extension of time for CC&N's (in this or any other docket) should also include 100 percent of the ownership letters when originally filed.

SMO:BKB:vsc

Originator: Brian K. Bozzo

SERVICE LIST FOR: JOHNSON UTILITIES, LLC.  
DOCKET NO. WS-02987A-07-0487

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