

ORIGINAL



0000168558

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

- DOUG LITTLE – Chairman
- BOB STUMP
- BOB BURNS
- TOM FORESE
- ANDY TOBIN

DOCKETED

FEB 26 2016

2016 FEB 26 A 8:38

AZ CORP COMMISSION DOCKET CONTROL

DOCKETED BY [Signature]

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

DOCKET NO. WS-02987A-08-0180

PROCEDURAL ORDER

BY THE COMMISSION:

On March 31, 2008, Johnson Utilities, LLC, dba Johnson Utilities Company ("Johnson Utilities" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for an increase in its water and wastewater utility rates.

The parties to this docket are Johnson Utilities, Swing First Golf, LLC ("Swing First"), the Town of Florence ("Florence"), the Residential Utility Consumer Office ("RUCO"), and the Commission's Utilities Division ("Staff").

On August 25, 2010, the Commission issued Decision No. 71854. Decision No. 71854 approved new rates for Johnson Utilities and also authorized Johnson Utilities to implement an adjustor mechanism for Central Arizona Groundwater Replenishment District ("CAGR") fees, subject to conditions.

Decision No. 71854 was subsequently amended, by Decision No. 72579 (September 15, 2011)(modifying the rates approved in Decision No. 71854); by Decision No. 73284 (July 30, 2012)(modifying CAGR adjustor calculations and filing requirements); by Decision No. 73992 (July 16, 2013)(modifying rates to include recovery of income tax expense as requested in Johnson Utilities' March 8, 2013 petition); and by Decision No. 74701 (August 21, 2014)(modifying a condition on CAGR adjustor mechanism in regard to required segregation of funds collected by Johnson Utilities under CAGR adjustor mechanism).

1 The Commission has also issued the following Decisions in this docket: Decision No. 71910
2 (September 28, 2010)(correcting Decision No. 71854 *nunc pro tunc* and granting extensions of time
3 for tariff compliance filings, including filing requirements for the CAGR D adjustor mechanism);
4 Decision No. 72089 (January 20, 2011)(approving implementation of CAGR D adjustor fees); Decision
5 No. 72533 (August 17, 2011)(approving best management practice (“BMP”) Tariffs); Decision No.
6 72634 (October 14, 2011)(approving CAGR D adjustor fee reset and inclusion of CAGR D annual
7 membership dues (“AMD”) in the CAGR D adjustor); Decision No. 73617 (December 12,
8 2012)(approving CAGR D adjustor fees); Decision No. 74238 (January 7, 2014) (approving CAGR D
9 adjustor fee reset and ordering Johnson Utilities to segregate all CAGR D collections, with payments
10 to be made only to the CAGR D and not to Johnson Utilities); Decision No. 74861 (December 18,
11 2014)(approving CAGR D adjustor fee reset); Decision No. 74947 (February 9, 2015)(approving
12 CAGR D adjustor fee reset); Decision No. 75129 (June 26, 2015)(amending Decision No. 74701 to
13 remove a limitation requiring Johnson Utilities to reimburse itself for advancing shortfalls in the
14 CAGR D account at the rate of 1/12th of the shortfall per month); and Decision No. 75462 (February
15 16, 2016)(approving CAGR D adjustor fee reset).

16 On August 12, 2014, the Commission issued Decision No. 74695, an Opinion and Order on
17 Rehearing of Decision No. 73992. Decision No. 74695 approved a settlement agreement between
18 Johnson Utilities and the Residential Utility Consumer Office (“RUCO”) (“Settlement Agreement”)
19 which resolved disagreements between Johnson Utilities and RUCO, both of which had filed requests
20 for rehearing of Decision No. 73992, and both of which the Commission granted.

21 Pursuant to the Settlement Agreement, Decision No. 74695 modified Decision No. 73992 by
22 decreasing Johnson Utilities’ authorized wastewater rates to reflect a reduction in its authorized
23 imputed income tax rate from 36.6558 percent down to 25 percent. Decision No. 74695 also adopted
24 a provision in the Settlement Agreement that modified a requirement of Decision No. 73992 that
25 Johnson Utilities file a full rate case with the Commission no later than June 30, 2015, using a 2014
26 calendar test year. Decision No. 74695 required instead that Johnson Utilities file a full rate case no

27

28

1 later than June 30, 2016, using a 2015 calendar test year.¹

2 Decision No. 74695 ordered Johnson Utilities, pursuant to a provision of the Settlement
3 Agreement, to file annual earnings reports for calendar years 2013, 2014, and 2015, using the form of
4 schedules attached as Exhibit A to the Settlement Agreement. Decision No. 74695 set the filing
5 deadline for the 2015 earnings report at February 29, 2016.

6 On February 12, 2016, Johnson Utilities docketed a letter to the Commission, signed by its
7 Chief Operating Officer, titled "Request for Additional Time to Complete and File 2015 Earnings
8 Report." The letter states that completion of the earnings report is dependent upon the completion of
9 substantial accounting work for the 2015 calendar year, that Johnson Utilities is awaiting accounting
10 reports from its outside accountant, and that Johnson Utilities has additional internal accounting work
11 to complete before filing the 2015 earnings report. The letter requests that the Commission extend the
12 filing date for the 2015 Earnings Report to May 31, 2016.

13 The letter was not served on the parties to this case. The parties should be provided with a copy
14 of the letter and be given an opportunity to respond. A copy of the February 12, 2016 letter is attached
15 to this Procedural Order.

16 IT IS THEREFORE ORDERED that the parties to this docket shall file, by March 7, 2016,
17 responses to the attached February 12, 2016 letter.

18 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
19 Communications) applies to this proceeding and shall remain in effect until the Commission's Decision
20 in this matter is final and non-appealable.

21 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
22 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

23 ...
24 ...
25 ...
26 ...

27

1 On June 26, 2015, the Commission issued Decision No. 75130. Decision No. 75130 extended to June 30, 2017, the June
28 30, 2016 deadline set by Decision No. 74695 for Johnson Utilities to file a rate case.

1 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend, or
2 waive any portion of this procedural order either by subsequent procedural order or by ruling at hearing.

3 DATED this 26th day of February, 2016.

4
5
6 
7 TEENA JIBILIAN
ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered
9 this 26th day of February, 2016 to:

10 Jeffrey W. Crockett
11 CROCKETT LAW GROUP, PLLC
12 2198 E. Camelback Rd., Suite 305
13 Phoenix, AZ 85016
14 Attorneys for Johnson Utilities, LLC

James E. Mannato, Town Attorney
TOWN OF FLORENCE
P.O. Box 2670
775 North Main Street
Florence, AZ 85232-2670

15 Craig A. Marks
16 CRAIG A. MARKS, PLC
17 10645 North Tatum Blvd., Suite 200-676
18 Phoenix, Arizona 85028
19 Attorney for Swing First Golf, LLC

Janice Alward, Chief Counsel
Robin R. Mitchell, Staff Attorney
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007-2927

20 Daniel Pozefsky, Chief Counsel
21 RESIDENTIAL UTILITY
22 CONSUMER OFFICE
23 1110 West Washington Street, Suite 220
24 Phoenix, AZ 85007-2958

Thomas Broderick, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, AZ 85007-2927

25 By: Rebecca Unquera
26 Rebecca Unquera
27 Assistant to Teena Jibilian
28



February 12, 2016

RECEIVED

RECEIVED

2016 FEB 12 P 12:44

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

FEB 12 2016

AZ CORP COMMISSION
DOCKET CONTROL

RE: Docket No. WS-02987A-08-0180
Request for Additional Time to Complete and File 2015 Earnings Report

Dear Arizona Corporation Commission:

Johnson Utilities, L.L.C., ("Johnson Utilities" or the "Company") hereby requests an extension of the date for filing the 2015 earnings report that is currently due on February 29, 2016, pursuant to Decision 74695. Verbal authorization was provided by Elijah Abinah, Assistant Director, Utilities Division on February 11, 2016 with the condition that a formal request to Docket Control is provided. Extensions have been granted in years prior.

Completion of the earnings report is dependent upon the completion of substantial accounting work for the 2015 calendar year. Johnson Utilities is awaiting accounting reports from its outside accountant, and the Company has additional internal accounting work to complete before it is in a position to prepare the 2015 earnings report.

Public utilities are required to file annual reports for the prior year by April 15 of the current year. This filing date acknowledges that there is substantial work that goes into the preparation of such reports after year-end.

Johnson Utilities requests that the Commission extend the date for filing the 2015 earnings report until May 31, 2016. Approval of the requested extension will not prejudice any party in this docket.

Respectfully submitted this 12th day of February, 2016.

Brad Cole
Chief Operating Officer
Johnson Utilities, LLC

cc: Docket Control, 13 copies
Tom Broderick, Director, Utilities Division
Elijah Abinah, Assistant Director, Utilities Division
Jim Armstrong, Chief of Financial and Regulatory Analysis, Utilities Division
Jeff Crockett, Crockett Law Group PLLC