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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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[Signature]

- 1
- 2 GARY PIERCE
CHAIRMAN
- 3 BOB STUMP
COMMISSIONER
- 4 SANDRA D. KENNEDY
COMMISSIONER
- 5 PAUL NEWMAN
COMMISSIONER
- 6 BRENDA BURNS
COMMISSIONER

7 IN THE MATTER OF THE APPLICATION OF
8 LITCHFIELD PARK SERVICE COMPANY, AN
9 ARIZONA CORPORATION, FOR A DETERMINATION
10 OF THE FAIR VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS
WASTEWATER RATES AND CHARGES FOR
UTILITY SERVICE BASED THEREON.

Docket No. SW-01428A-09-0103

11 IN THE MATTER OF THE APPLICATION OF
12 LITCHFIELD PARK SERVICE COMPANY, AN
13 ARIZONA CORPORATION, FOR A DETERMINATION
OF THE FAIR VALUE OF ITS UTILITY PLANTS AND
PROPERTY AND FOR INCREASES IN ITS WATER
RATES AND CHARGES FOR UTILITY SERVICE
BASED THEREON.

Docket No. W-01427A-09-0104

14 IN THE MATTER OF THE APPLICATION OF
15 LITCHFIELD PARK SERVICE COMPANY, AN
16 ARIZONA CORPORATION, FOR AUTHORITY (1) TO
17 ISSUE EVIDENCE OF INDEBTEDNESS IN AN
18 AMOUNT NOT TO EXCEED \$1,755,000 IN
CONNECTION WITH (A) THE CONSTRUCTION OF
TWO RECHARGE WELL INFRASTRUCTURE
IMPROVEMENTS AND (2) TO ENCUMBER ITS REAL
PROPERTY AND PLANT AS SECURITY FOR SUCH
INDEBTEDNESS.

Docket No. W-01427A-09-0116

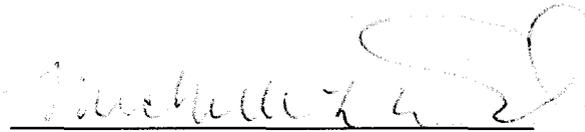
19 IN THE MATTER OF THE APPLICATION OF
20 LITCHFIELD PARK SERVICE COMPANY, AN
21 ARIZONA CORPORATION, FOR AUTHORITY (1) TO
22 ISSUE EVIDENCE OF INDEBTEDNESS IN AN
23 AMOUNT NOT TO EXCEED \$1,170,000 IN
24 CONNECTION WITH (A) THE CONSTRUCTION OF
ONE 200 KW ROOF MOUNTED SOLAR
GENERATOR INFRASTRUCTURE IMPROVEMENTS
AND (2) TO ENCUMBER ITS REAL PROPERTY AND
PLANT AS SECURITY FOR SUCH INDEBTEDNESS.

Docket No. W-01427A-09-0120

1 **RUCO'S NOTICE OF FILING**

2 The Residential Utility Consumer Office ("RUCO) submitted its Exceptions to the
3 Recommended Opinion and Order ("ROO") on November 2, 2011. RUCO intended to
4 include Attachment A to the Exceptions.¹ Because RUCO in error did not submit the
5 exhibit with its Exceptions, RUCO submits it now by this Notice of Filing Attachment A.

6 RESPECTFULLY SUBMITTED this 3rd day of November, 2011.

7
8 
9 Michelle L. Wood
10 Counsel

11 AN ORIGINAL AND THIRTEEN COPIES
12 of the foregoing filed this 3rd day
13 of November, 2011 with:

14 Docket Control
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, Arizona 85007

18 COPIES of the foregoing hand delivered/
19 mailed or emailed this 3rd day of November, 2011 to:

20 Dwight D. Nodes, Asst. Chief
21 Administrative Law Judge
22 Hearing Division
23 Arizona Corporation Commission
24 1200 West Washington
Phoenix, Arizona 85007

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Steve Olea, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington
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¹ See Footnote 13 to the exceptions which cross-references Comments of Jodi Jerich dated October 11, 2011 in the matter of Johnson Utilities, docket No. WS-02987A-08-0180 as Attachment A.

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Cheryl Fraulob

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ORIGINAL



RESIDENTIAL UTILITY CONSUMER OFFICE

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October 11, 2011

Arizona Corporation Commission

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OCT 11 2011

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Governor

Jodi A. Jerich
Director
jjerich@azruco.gov

Chairman Gary Pierce
Commissioner Bob Stump
Commissioner Sandra D. Kennedy
Commissioner Paul Newman
Commissioner Brenda Burns
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

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Dear Chairman Pierce and Commissioners:

**Re: Johnson CAGR D Surcharge – 10-11-11 Open Meeting Agenda
Item U-12: Docket No. WS-02987A-08-0180**

Since I put a slip in too late to speak on this Open Meeting agenda item today, I wish to place my intended comments into the record in letter form.

RUCO would like to put into the record our appreciation for Staff's diligent efforts in correctly calculating the Johnson Utility CAGR D surcharge.

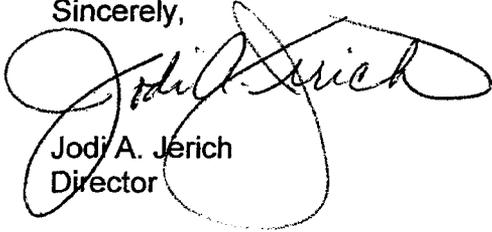
RUCO notes that in order to verify Johnson's proposed CAGR D surcharges, Staff had to hold several meetings with Johnson Utilities, meet with the CAGR D staff, and conduct additional discovery. As a result of this work, Staff found that Johnson's claim that it had under collected its CAGR D surcharge for Phoenix AMA customers by (\$569,743.99) was incorrect based on several miscalculations – that all went to the benefit of the utility.¹ By Staff's analysis, the utility had actually over collected \$84,778 – a swing of over \$650,000! RUCO also recalls the October 5, 2010 Staff Report that informed the Commission that Johnson Utility was collecting the CAGR D surcharge four months before its authorized implementation date.

¹ Johnson Utilities also claimed that it under collected the CAGR D surcharge for Pinal AMA customers by (\$6,938.31). Staff found Johnson Utility had over collected by \$3,872.

The Commission is well aware that RUCO originally voiced concerns over the creation of this surcharge. However, Staff's vigilance has lessened these concerns to some degree.

As a result of Staff's work, the Commission was able to have information before it in order to approve a CAGRDR surcharge that was accurate and based on verifiable data. Johnson ratepayers will now pay a CAGRDR surcharge that is significantly less than what the utility had originally claimed it was entitled to collect.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jodi A. Jerich". The signature is written in black ink and is positioned above the printed name and title.

Jodi A. Jerich
Director

Cc: Steve Olea, Utilities Director
Parties to the Docket