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March 14, 2005

SW-03575A-04-0767
W-03576A-04-0767

Chairman Jeff Hatch-Miller
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007-2996

**RE: Application of Palo Verde Utility Company and Santa Cruz Water Company for
CC&N Extension**

Dear Chairman Hatch-Miller,

HallCraft Homes is the owner of an 85-acre parcel of property located northeast of the intersection of Bowlin Road and John Wayne Parkway in Maricopa, Arizona. Late last month, we began development of 351 single-family residential lots. Under the terms of our financing arrangements for the acquisition of the property, we are required to begin selling homes in this project no later than June 2005. In order for us to meet this schedule, we need to have our water and sewer utilities under construction within the next 60 days.

The Palo Verde Utility Company and Santa Cruz Water Company have agreed to provide water and sewer utility services to our project provided that they can obtain the appropriate governmental approvals. Our understanding is that they filed their original application for an expansion of their CC&N in October 2004, but as of this date they have not received a response to their request.

We are writing to respectfully request that you provide assistance in expediting the processing of this request. While we sincerely hope that you approve their request, we understand that your approval process requires you to carefully consider all of the impacts of this request on the consumer. Our biggest concern is that a decision be rendered relatively soon so that we can make the appropriate arrangements with our lenders to prevent any defaults under the terms of our agreements.

Arizona Corporation Commission
DOCKETED

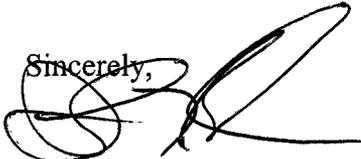
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16622 Avenue of the Fountains, Ste. 100 • Fountain Hills, AZ 85268
www.hallcrafthomes.com • ROC# 158871

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We appreciate anything you or your staff can do to expedite this processing.

Sincerely,

A handwritten signature in black ink, appearing to be 'E. Baker', written over the word 'Sincerely,'.

Eugene L. Baker
Co-President

cc: Commissioner Kristin K. Mayes
Commissioner William Mundell
Commissioner Mark Spitzer
Commissioner Mike Gleason
Mr. Brian McNeil
Mr. Ernest Johnson
Docket Control