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ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission
February 5, 2005

DOCKETED

FEB 15 2005

Mr. Scott W. Gray, President
Diversified Water Utilities, Inc.
2850 East Camelback Road, Suite 200
Phoenix, Arizona 85016-4316

DOCKETED BY	KJ
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RE: Docket No. W-02859A-00-0774 ; Decision No. 64062

LETTER OF NON-COMPLIANCE

Dear Mr. Gray:

This notice will inform you that Diversified Water Utilities, Inc. has not met certain compliance requirements ordered by the Commission in the above-referenced Decision. In that Decision, the Commission conditioned approval of the application upon Diversified Water Utilities, Inc. filing certain documents with the Commission within a specific time period. As a result of this non-compliance, the Certificate of Convenience and Necessity ("CC&N") for the parcels indicated in the decision did not issue to Diversified Water Utilities, Inc. and is void.

Specifically, there are a number of individual compliance delinquencies currently due, as shown on the attached Compliance Delinquencies Report. Pursuant to Decision No. 64062, four of these items include Null and Void language which, upon the Company's failure to timely comply, resulted in the CC&N extension area becoming void on October 6, 2003 without further order of the Commission.

In a conversation with Commission employee John Bulanowski on February 5, 2003, you indicated that you intended to docket a letter explaining the rationale for non-compliance to the Decision. As of this date, we have not received such a filing. If you intend to file such a letter, you will also need to include a request for re-certification due to the voided status of your CC&N for the indicated parcels.

If I can answer any questions, please contact me at 602-542-0852 or contact Mr. John Bulanowski at 602-542-0850.

Sincerely,

Brian K. Bozzo
Manager, Compliance and Enforcement
Utilities Division

Enclosure

Cc: Docket Control, with fifteen copies

RECEIVED
2005 FEB 15 A 10:28
AZ CORP COMMISSION
DOCUMENT CONTROL

Compliance Delinquencies Report

Report Date: February 11, 2005

COMPANY: Diversified Water Utilities, Inc.
DOCKET NO. W-02859A-00-0774
DECISION NO. 64062 **DECISION DATE** 10/4/2001

COMPLIANCE ACTION: Certificate conditioned on Company filing within two years of the effective date of the Commission's Decision, a copy of the developers Certificate of Assured Water Supply issued by the ADWR for parcels 2, and 24. Failure to submit this documentation in the Docket or failure to correct any major or minor violation within 90 days from the date of notice of violation to cure the defect or request an extension from the Commission in order to remedy the violation should result in the Certificate authorized in the Commission's Decision becoming null and void without further order of the Commission. Failure to meet this condition within the time specified, the Certificate for the respective parcel will be considered null and void without further Order by the Commission.

COMPLIANCE DUE DATE 10/6/2003 OR,

COMPLIANCE ACTION: Certificate conditioned on Company filing within two years of the effective date of the Commission's Decision, a copy of its Approval to Construct to be issued by the ADEQ for parcels 2, and 24. Failure to submit this documentation in the Docket or failure to correct any major or minor violation within 90 days from the date of notice of violation to cure the defect or request an extension from the Commission in order to remedy the violation should result in the Certificate authorized in the Commission's Decision becoming null and void without further order of the Commission. Failure to meet this condition within the time specified, the Certificate for the respective parcel will be considered null and void without further Order by the Commission.

COMPLIANCE DUE DATE 10/6/2003 OR,

COMPLIANCE ACTION: After the Company's request for Certificate review, Staff shall have 120 days to file a report containing one of the three recommendations contained within the Commission's Decision.

COMPLIANCE DUE DATE 2/3/2004 OR,

Compliance Delinquencies Report

Report Date: February 11, 2005

COMPANY: Diversified Water Utilities, Inc.
DOCKET NO. W-02859A-00-0774
DECISION NO. 64062 **DECISION DATE** 10/4/2001

COMPLIANCE ACTION: Certificate conditioned on Company filing within 30 days of the anniversary date of the Commission's Decision each year for the next two years, documentation from the ADEQ indicating that the Company has been in compliance with the ADEQ for each year. Failure to submit this documentation in the Docket or failure to correct any major or minor violation within 90 days from the date of notice of violation to cure the defect or request an extension from the Commission in order to remedy the violation should result in the Certificate authorized in the Commission's Decision becoming null and void without further order of the Commission. Failure to meet this condition within the time specified, the Certificate for the respective parcel will be considered null and void without further Order by the Commission.

COMPLIANCE DUE DATE 11/3/2003 OR,

COMPLIANCE ACTION: Certificate conditioned on Company filing within two years from the effective date of the Commission's Decision, a copy of its franchise for parcels 2, and 24. Failure to submit this documentation in the Docket or failure to correct any major or minor violation within 90 days from the date of notice of violation to cure the defect or request an extension from the Commission in order to remedy the violation should result in the Certificate authorized in the Commission's Decision becoming null and void without further order of the Commission. Failure to meet this condition within the time specified, the Certificate for the respective parcel will be considered null and void without further Order by the Commission.

COMPLIANCE DUE DATE 10/6/2003 OR,

Compliance Delinquencies Report

Report Date: February 11, 2005

COMPANY: Diversified Water Utilities, Inc.
DOCKET NO. W-02859A-00-0774
DECISION NO. 64062 **DECISION DATE** 10/4/2001

COMPLIANCE ACTION: Certificate conditioned on Company filing within two years from the effective date of the Commission's Decision, a copy of all Certificates of Approval of Construction AND CERTIFICATES OF APPROVAL TO CONSTRUCT issued by the ADEQ for all of the development in each of the remaining respective parcels approved in the Commission's Decision. Failure to submit this documentation in the Docket or failure to correct any major or minor violation within 90 days from the date of notice of violation to cure the defect or request an extension from the Commission in order to remedy the violation should result in the Certificate authorized in the Commission's Decision becoming null and void without further order of the Commission. Failure to meet this condition within the time specified, the Certificate for the respective parcel will be considered null and void without further Order by the Commission.

COMPLIANCE DUE DATE 10/6/2003 OR,
