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1241 W. Calle De La Plaza
Sahuarita, Az. 85629
September 28, 2005
Phone 520 625 - 3327

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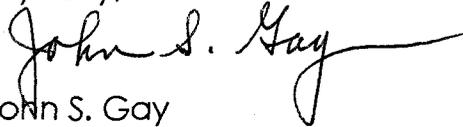
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Judge Lyn Farmer and Judge Jane Rodda:

W-01583A-04-0178
W-01583A-05-0326
W-01583A-05-0340

This is a note to apologize for an error I had on page one of my letters of September 26th to both of you. I mailed this letter to the two of you on Sept. 26th and the next morning when I made copies and envelopes to send out the last four copies I realized that on page one in the first line of the second paragraph I had written **August** and it should have been **September**.

I am very sorry for any trouble I may have caused you. I have attached the page one with the same correction I made on the letters to the other people.

Very sorry,


John S. Gay

AZ CORP COMMISSION
DOCUMENT CONTROL

2005 SEP 30 12:41

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1241 W. Calle De La Plaza
Sahuarita, Az.. 85629
September 26, 2005
Phone (520) 625 - 3327

Lyn Farmer
Chief Administrative Law Judge
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

RE: Las Quintas Serenas Water Co. ("LQS")
Docket Nos. W-01583A-04-0178, W-01583A-05-0326 and
W-01583A-05-0340

Dear Lyn Farmer:

Thank you for your letter of Sept. 21st to Steve Gray (should be Gay) and Lawrence V. Robertson, Jr. I am overwhelmed at your quick response.

LQS had a Directors meeting Friday afternoon, ~~August~~ ^{Sept.} 23rd, and we had your letter in our information packet. We do not have Directors meetings very often and not on a schedule. The previous one was on June 7, 2005. At the Friday Directors meeting Kaycee Conger, LQS Office Manager, told us that she had talked on the phone to Lawrence Robertson, LQS Attorney, and he had talked to an attorney at the Az. Corporation Commission and was told that the Corp. Comm. was not satisfied with our proposed arsenic removal system and wanted to have a "Pilot Test" of our system. *JS*

My guess is that it was Staff that was not satisfied, because I was told that at the August 10, 2005 meeting between representatives of the Commission's Staff and LQS that a Staff member presented a letter stating that LQS water was special, and our system would not work.

At our Friday Directors meeting no one had any idea how big, expensive, etc. the Pilot Test was to be. Rohn Householder, one of LQS three Directors, wondered if the Corp. Comm. expected LQS to pay for the Pilot Test, and if we would be given a new water rate where we would recover this cost. Someone thought that they wanted the test to be run by a university.