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OPEN MEETING AGENDA



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September 27, 2001

Arizona Corporation Commission

DOCKETED

OCT 02 2001

VIA HAND DELIVERY

William A. Mundell, Chairman
James Irvin, Commissioner
Marc Spitzer, Commissioner
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

DOCKETED BY	
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Re: *Sun City Water/Sewer Company and Sun City West Utilities Company*
(CC&N Extensions/Transfer)
Docket Nos. W-01656A-00-0777, et. al.

Dear Commissioners:

By this letter, Sun City Water Company, Sun City Sewer Company and Sun City West Utilities Company (the "Companies") respond to a letter sent to you and filed with Docket Control by the Sun City Taxpayers Association (SCTA) on September 28, 2001. We just received that letter in today's afternoon mail. As a result, the Companies response is brief and we would be more than happy to address these issues at tomorrow's open meeting.

The Companies respond to SCTA's letter relating to the above-referenced docket on three points. First, contrary to SCTA's September 28, 2001 letter, the above-referenced docket does not involve unwarranted or illegal expansions of the Companies service territories. Instead, the Companies extension filings relate to service areas contiguous to Sun City Water Company's, Sun City Sewer Company's and Sun City West Utilities Company's existing certificated areas. As a result, the Companies originally provided service to those contiguous areas outside their certificated areas under Ariz. Rev. Stat. § 40-281(B) and A.A.C. R14-2-402(C), R14-2-406. The Companies water and sewer services to those contiguous service areas was lawful and proper.

Second, the reason the Companies filed the pending application was that the Commission issued Decision No. 60172 on May 7, 1997 (in the Companies' rate cases under Docket No. E-1032-95-417) and adopted Staff's recommendation that "Citizens should be ordered to file

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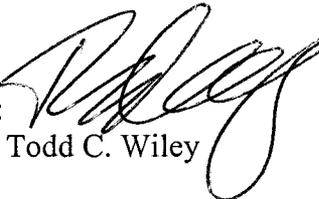
applications to extend its CC&N to encompass all areas where customers are being served." See Decision No. 60172, p. 21. In essence, Staff recommended that the Companies file an extension application to clean up and clarify their certificated areas. The Companies filed the pending application to follow that recommendation.

Finally, it bears emphasis that SCTA did not intervene or contest the pending application. The Companies' extension application was recommended and approved by Commission Staff, and uncontested at hearing.

We appreciate your consideration of this letter and look forward to addressing these issues at tomorrow's open meeting, if necessary.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: 
Todd C. Wiley

Original and 10 copies filed
with Docket Control this date.

Copy of the foregoing hand-delivered
this 15th day of October, 2001 to:

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