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July 31, 2006

Arizona Corporation Commission  
DOCKETED

JUL 31 2006

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NE

**HAND-DELIVERED**

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

**Re: Perkins Mountain Water Company (Docket No. W-20380A-05-0490)  
Perkins Mountain Utility Company (Docket No. SW-20379A-05-0489)**

Ladies and Gentlemen:

On July 31, 2006, the Commission held a procedural conference in the above-captioned consolidated dockets regarding applications for certificates of convenience and necessity ("CC&Ns") to provide water and wastewater service to Golden Valley South, a master planned development in Mohave County being developed by Rhodes Homes Arizona, LLC ("Rhodes Homes Arizona"). At the procedural conference, information was provided regarding the status of construction of certain permanent off-site water infrastructure to serve Golden Valley South including wells, a 24" transmission main and a water storage tank. Counsel undersigned represented that Rhodes Homes Arizona has not commenced construction of any permanent water system infrastructure within Golden Valley South, although Rhodes Homes Arizona and/or its subcontractors have applied for approvals to construct certain permanent on-site water system infrastructure from the Arizona Department of Environmental Quality.

In prior correspondence filed in this docket, Commissioners Mayes and Mundell asked questions about the legal rights of Rhodes Homes Arizona and Perkins Mountain Water Company to commence construction of water system infrastructure prior to the issuance of CC&Ns to Perkins Mountain Water Company. At the procedural conference, a schedule was set for briefing a number of legal issues and oral argument was scheduled for August 30, 2006.

At the procedural conference, Commissioner Mayes asked whether Rhodes Homes Arizona would voluntarily agree to delay the start of construction of any permanent water system infrastructure within the proposed CC&N for Golden Valley South. This letter will confirm that Rhodes Homes Arizona will voluntarily delay the start of construction of any such permanent water system infrastructure within Golden Valley South until no sooner than Thursday, August

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31, 2006. Rhodes Homes Arizona is making this voluntary concession in a spirit of cooperation and as an accommodation to the Commission. As a consequence, Rhodes Homes Arizona's willingness to delay such construction should not be construed as an admission that the Commission has jurisdiction over Rhodes Homes Arizona. Rhodes Homes Arizona will continue with grading and site preparation activities within Golden Valley South, and will continue to use water pumped from a well owned by Rhodes Homes Arizona for these purposes. In addition, Rhodes Homes will continue to water landscaping that have been planted at the entrance to Golden Valley South.

Rhodes Homes Arizona believes that Golden Valley South will be a tremendous addition to Mohave County and is anxious to do business in Arizona. In addition, applicants Perkins Mountain Water Company and Perkins Mountain Utility Company are anxious to successfully complete their CC&N applications, and are eager to provide Utilities Division Staff with the information Staff needs to process the applications and recommend approval. We believe that Rhodes Homes Arizona's willingness to delay construction of permanent water system infrastructure will facilitate our reaching these objectives.

Very truly yours,

SNELL & WILMER



Jeffrey W. Crockett

JWC:gdb  
Enclosures

ORIGINAL and 15 copies filed this 31st day of July, 2006, with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

COPY hand-delivered this 31st day of July, 2006, to:

Commissioner Jeff Hatch-Miller, Chairman  
Arizona Corporation Commission  
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Commissioner William A. Mundell  
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Commissioner Mike Gleason  
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Commissioner Kristin K. Mayes  
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Commissioner Barry Wong  
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COPY mailed this 31st day of July, 2006, to:

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