

**ORIGINAL**

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**AZ CORP COMMISSION  
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Arizona Corporation Commission  
**DOCKETED**  
SEP 08 2006

September 8, 2006

DOCKETED BY

**BY HAND DELIVERY**

Blessing Chuckwu, Executive Consultant III  
Utilities Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Re: New River Utility Company - Application for Extension of its Certificate of Convenience and Necessity (CC&N) Docket No. W-01737A-06-0171

Dear Ms. Chuckwu:

I am in receipt of your third Letter of Insufficiency dated August 1, 2006, in the above-captioned matter. Please accept this correspondence as New River Utility Company's ("New River") response to the specific issues raised in your letter. With this response, New River believes it has met the Commission's sufficiency requirements, and respectfully requests that Staff begin processing New River's application for an extension of its certificate of convenience and necessity.

1. Please provide a copy of Peoria approved construction plan or Peoria's permit for this construction project.

**RESPONSE:** The City of Peoria has approved the construction plans submitted with New River's original application. A copy of the permit will be filed as a supplemental exhibit once received from the developer of the project.

2. Please provide an alternative arsenic removal plan if Glendale is not going to sell its treated CAP water to New River Utility Company for its blending plan.

**RESPONSE:** Actually, taking treated CAP water from the City of Glendale is New River's secondary plan for arsenic removal/reduction in the water supply, provided such removal/reduction is necessary. The purchase of treated CAP water from Glendale involves

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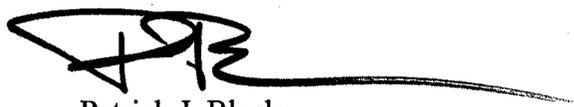
issues beyond arsenic removal/reduction, including water supply. New River's primary blending plan to address arsenic contaminant levels is to blend water produced by three (3) existing wells on the system (which all produce water with arsenic content far below the ten parts per billion MCL limit) with water produced by a fourth well that, depending on the time period such well is tested, may contain arsenic at levels just slightly above the MCL. A secondary plan is to remove any non-compliant well from service, and use the remaining wells for water production.

3. Please explain who will finance the arsenic removal treatment facility and how it will be financed.

**RESPONSE:** Since an arsenic removal treatment facility is not a part of New River's primary and secondary plans for arsenic remediation, this question is inapplicable. To the extent that New River's blending of internal water sources creates operating expenses, New River suggests that such expense is de minimus (i.e. labor costs to increase water production at the uncontaminated wells).

New River appreciates Staff's willingness to meet and discuss these issues, and is confident this information will provide Staff what it needs to determine the application sufficient. Should you have any further questions, please do not hesitate to call. Thank you for your time and assistance in this matter.

Sincerely,



Patrick J. Black

cc: Docket Control  
Robert Fletcher, New River Utility Company

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