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August 24, 2006
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Mr. William P. Sullivan
Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
2712 North Seventh Street
Phoenix, Arizona 85006-1090

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RE: WATER UTILITY OF GREATER TONOPAH – APPLICATION FOR EXTENSION OF A CERTIFICATE OF CONVENIENCE AND NECESSITY WATER UTILITY OF GREATER TONOPAH – APPLICATION FOR EXTENSION OF A CERTIFICATE OF CONVENIENCE AND NECESSITY DOCKET NO. W-02450A-06-0253

SECOND LETTER OF INSUFFICIENCY

Dear Mr. Sullivan,

The application of Water Utility of Greater Tonopah to extend its Certificate of Convenience and Necessity, Docket No. W-02450A-06-0253, has not met the sufficiency requirements as outlined in the Arizona Administrative Code (“A.A.C.”).

Staff reviewed the Company’s Filing of Supplemental and Amended Information (“Amendment”) filed June 19, 2006 and the Tonopah Desert Potable Water Master Plan submitted on July 18, 2006. The Amendment made significant changes to the application. The application remains insufficient. To correct the deficiencies, please provide the following information.

1. In Exhibit 1 of the Amendment, the Company estimated costs of \$3.8 million for the first year and \$2.35 million for the second year. Of those costs, please provide the costs for the WPE #3 well upgrade to convert the irrigation well to a drinking water well with production rate of 1,800 gallons per minute; the costs for the APS power system repair; the costs for storage tank(s) and pressure tank(s); the cost of the water treatment plant; and the costs of the booster pump station.
2. Does the Company still plan to install a 1.7 million gallon storage tank? If the Company does not, what will be the size of the tank the Company installs?
3. According to Maricopa County Department of Environmental Services (“MCDES”), the Company’s WPE #6 System and Dixie System are not in compliance with the water

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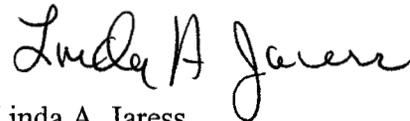
quality requirements of the Safe Drinking Water Act. Provide the Company's plan of action to reach compliance including an estimated date of compliance.

4. Regarding the water treatment plant for removal of arsenic, nitrate and fluoride, describe the means of disposal of the wastewater generated by the plant.

Per the Arizona Administrative Code, upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This time period includes a hearing, the preparation of a Recommended Opinion and Order and the consideration of and vote on the Recommended Opinion and Order by the Commission at an Open Meeting.

Should you have any questions or concerns on this matter, please contact me at (602) 542-0839 or Dorothy Hains at (602) 542-7274.

Sincerely,



Linda A. Jaress
Executive Consultant III
Utilities Division

LAJ:mfm

Cc: Docket Control
Del Smith, Engineering Supervisor
Brian Bozzo, Compliance Manager
Lyn Farmer, Chief Administrative Law Judge
Jim Dorf, Chief Accountant