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ARIZONA CORPORATION COMMISSION **RECEIVED**

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September 1, 2006

AZ CORP COMMISSION
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Richard L. Sallquist
Sallquist & Drummond, P.C.
4500 S. Lakeshore Drive Suite 339
Tempe, Arizona 85282

Arizona Corporation Commission
DOCKETED

SEP 01 2006

Mr. Donald L. Schnepf, President
41502 N. Schnepf Road
Queen Creek, Arizona 85242

DOCKETED BY	<i>WLL</i>
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RE: H2O COMPLIANCE WITH DECISION NO. 64062 DOCKET NOS. W-02234A-00-0371, W-01395A-00-0784, WS-02987A-99-0583, WS-02987A-00-0618 AND W-02859A-00-0774

Dear Mr. Sallquist:

To complete its review of your August 9, 2006 letter to Mr. Bozzo requesting a time extension to comply with Decision No. 64062, dated October 4, 2001, Staff needs additional information. Staff intends to verify the current and expected progress toward compliance and ultimately toward serving customers in the parcels for which H2O received an extension of its Certificate of Convenience and Necessity. Please provide signed statements from the developers in each parcel and Section 13 which describes the progress each developer has made toward acquiring the necessary permits, certificates, etc., the physical progress made toward development and when the first customer in each development is expected to be served.

Please provide this information by October 1, 2006. If you have any questions, please call me at 602-542-0859.

Yours truly,

Linda A. Jaress
Executive Consultant III

LAJ:mfm

Cc: Brian Bozzo, Compliance Manager