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February 15, 2007

Arizona Corporation Commission  
**DOCKETED**

FEB 15 2007

VIA FACSIMILE AND REGULAR MAIL

Brian McNeil, Executive Director  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

DOCKETED BY  
NR

**Re: Perkins Mountain Water Company and Perkins Mountain Utility Company  
(Docket Nos. W-20380A-05-0490 and SW-20379A-05-0489)**

Dear Mr. McNeil:

I have received Commissioner Mayes' letter dated February 14, 2007 requesting that the Commission issue a subpoena for Jim Rhodes to attend the hearing scheduled to begin today in the above-captioned dockets. In our Notice of Filing Witness Summaries filed February 13, 2007, we stated that Mr. Fred Chin would attend the hearing to provide testimony and answer questions regarding the facts and circumstances of litigation matters and settlements pertaining to various affiliates of Perkins Mountain Water Company and Perkins Mountain Utility (the "Applicants") within the Rhodes family of companies. Mr. Chin is the Chief Operating Officer of Sagebrush Enterprises, Inc., the parent company of the Applicants, and he is more familiar with the litigation matters and settlements pertaining to the Rhodes family of companies, which we understand to be the basis for requesting Mr. Rhodes' attendance. Thus, we believe that Mr. Chin is the appropriate witness.

However, in response to Commissioner Mayes' request to compel Mr. Rhodes' attendance at the CC&N hearing, Mr. Rhodes will be available to attend telephonically on either February 21, 22 or 23 to provide testimony and to answer questions. I will plan to discuss the Commission's preference of a date at the hearing later this morning. In light of this agreement, there is no need to issue the subpoena.

Very truly yours,

SNELL & WILMER

Jeffrey W. Crockett

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LLP

Brian McNeil, Executive Director  
February 15, 2007  
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cc: Chairman Jeff Hatch-Miller  
Commissioner William A. Mundell  
Commissioner Mike Gleason  
Commissioner Kristin K. Mayes  
Commissioner Gary Pierce  
Administrative Law Judge Dwight Nodes  
Chris Kempley, Chief Counsel  
Ernest Johnson, Director, Utilities Division  
Docket Control (15 copies)  
Parties to the Docket