

**ORIGINAL**  
**PEEPLES VALLEY WATER CO**



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April 6, 2007

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Docket Control  
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Utilities Division  
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Phoenix, Az 85007-2927

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AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission  
**DOCKETED**

APR -9 2007

Re: Dockets RW -00000B-07-0051 Water Rulemaking  
RSW- 00000A-07-0051 Sewer Rulemaking

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Commissioners;

Included herein are an original and 13 copies of Peeples Valley Water Company's (Peeples') comments regarding the above referenced matter.

Peeples is a small rural (200 customers) water utility located in Yavapai County. We are a slow growing rural water company adding maybe 4 new customers a year. Our certificated service area, as well as most of Arizona, has experienced unprecedented drought conditions over the past several years. These drought conditions have caused customers relying on well water, outside of Peeples' certificated area to request water service because their well has gone dry. Most of these customers are contiguous - according to R-14-2-402(C)(2) - to our certificated area. However, several are located about .1 to .2 of a mile away from our certificated area. The Arizona Corporation Commission (ACC) has requested that we submit a request for an extension of our CC &N to accommodate those customers who do not "touch" Peeples' existing boundaries. All of these customers have connected to our existing mains with service lines. There has been no extension of the water mains.

Accordingly, Peeples believes the existing and proposed language of R-14-2-402 is unduly burdensome on small rural water utilities who are simply trying to accommodate those people that have lost their water supply -- We experience maybe 1 or 2 of these requests a year. In particular, we believe the definition of "contiguous" should be expanded to include those customers who are near an existing water main, consist of not more than 5 customers, require no, or short extension, of the water main and are not within another water utilities certificated service area. The water company would continue to provide the ACC with written notification of such a request, including a copy of a letter from customer(s) requesting service and reasons for such request. The requirements of hiring an engineer, surveyor and other professionals just to extend our CC&N to accommodate a few customers is, in our opinion, very costly and unduly burdensome.

You can be sure that if the drought conditions ever subside and the customer's wells come back into production they will discontinue taking service from the water company.

Also, we believe R-14-2-402 should be subdivided into small and large water companies. Small rural water companies, less than 500 customers, generally do not have developers come in with large developments. Developers in our area may want to build 3 to 5 houses, not several hundred or thousands. In these circumstances the only major requirement may be the extension of a main, not the installation of storage tanks, new wells and mains. The requirements of R-14-2-402 make the application for just a few new customers unduly burdensome on small rural water companies.

We appreciate the opportunity to provide these comments and look forward to participating in the proposed rulemakings.

Sincerely,



 Richard L. Darnall  
Peoples Valley Water Company