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AZ CORP COMMISSION
DOCKET CONTROL

May 18, 2007

Arizona Corporation Commission
DOCKETED

MAY 18 2007

DOCKETED BY *nr*

Ms. Blessing N. Chukwu
Executive Consultant III
Utilities Division
Arizona Corporation Commission
1200 West Washington Avenue
Phoenix, Arizona 85007

RE: Palo Verde Utilities' Company, L.L.C. and Santa Cruz Water Company, L.L.C.
Docket Nos. SW-03575A-05-0307 and W-03576A-05-0307

Dear Ms. Chukwu:

On February 2, 2007, Palo Verde Utilities' Company, L.L.C. and Santa Cruz Water Company, L.L.C. (collectively, the "Global Utilities") filed a motion for extension of time regarding certain deadlines contained in Decision No. 68448. Staff's letter dated February 9, 2007 requested statements from developers explaining why the developments have been delayed and demonstrating their continued need for service. On March 21, 2007, the Global Utilities filed letters from the following developers:

- Trend Homes, Inc.
- JEKE Group, LLC
- Amarillo Creek, LLC
- Amarillo Marketplace, LLC
- Amarillo South Creek, LLC
- Picacho Landing Equities, LLC

On March 28, 2008, the Global Utilities filed additional letters from the following developers:

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Ms. Blessing N. Chukwu

May 18, 2007

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- Amarillo & Papago Investments, LLP
- JHC Amarillo 3, LLP
- Pecan Woods, LLC
- Miller & White 815, LLP

Since that time, the Global Utilities have received the following additional letters:

- Pinal 347, LLC
- Langley Farm Investments, LLC
- Hidden Valley Ranch I, LLC and Hidden Valley Ranch II, LLC
- Shea Homes Limited Partnership
- Vineyards, LLC

Each of these letters is attached. Each of these developers confirms that the developers are still in need of water and wastewater service. The letters each request an extension of time to sign main extension agreements to December 31, 2008. The Global Utilities therefore request that the deadline for filing Phase I main extension agreements be extended until December 31, 2008. The Global Utilities continue to request that the deadlines to file the Designation of Assured Water Supply and the Pinal County Franchise be extended until December 31, 2007.

As shown on the attached spreadsheet, the Global Utilities have received letters from the owners of 5,285 of the 8,232 acres covered by Decision No. 68448. The Global Utilities will continue to follow up with the remaining landowners. However, the Global Utilities believe that the existing letters have demonstrated that there continues to be a need for water, wastewater and reclaimed water services in this area.

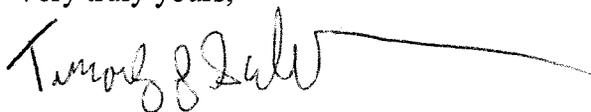
The Global Utilities have spent more than \$ 18 million in constructing facilities to serve this area in reliance on Decision No. 68448. In addition, many of the developer letters explain that they have expended considerable sums based on the availability of water, wastewater and reclaimed water services in this area from the Global Utilities. In light of this, and the substantial amount of responses from developers, the Global Utilities believe that the requested extensions of time are appropriate. The Global Utilities note that several developers have expressed puzzlement at Staff's request for a second letter requesting service especially given that the CC&N has already been issued. This may explain the slow response from some developers.

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Ms. Blessing N. Chukwu
May 18, 2007
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Please let us know if Staff has any further questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Timothy J. Sabo", with a long horizontal line extending to the right.

Timothy J. Sabo

TJS:da

cc: Yvette B. Kinsey, Esq.
Robin Mitchell, Esq.
Ms. Dorothy Hains
ACC Docket Control (Original + 13 copies).

SW Landowners	Developer	Acres	units	Letters Status
Palomino Ranch (residential)	Trend	600	2,100	Received
Palomino Ranch (Commercial)	Trend	21	72	Received
Amarillo Creek North Unit 3		222	776	Received
Amarillo Creek North Unit 1	Shea	171	600	Received
Amarillo Creek North Unit 2		221	773	Received
Amarillo Creek South		305	1,068	Received
Sunset Canyon	CHI	350	1,225	Received
HAM Maricopa, L.L.C.		42	148	Requested
HAM Papago, L.L.C.		119	416	Requested
HAM-Mesa, L.L.C.		675	2,361	Requested
Pecan Woods, LLC		166	581	Received
Terrazo/Miller & White 815, LLC		810	2,834	Received
HAM Maricopa, L.L.C./HAM Queen Creek, LLC		316	1,107	Requested
HAMS and Trusts		1,184	4,145	Requested
Hidden Valley Ranch 1, LLC		1,164	4,074	Received
Hidden Valley Ranch 2, LLC		320	1,120	Received
Dennis & Carolyn Peed		154	539	Requested
JEKE Group, LLC		227	795	Received
Vineyards, LLC		320	1,120	Received
RAJAC Dev Real Estate Partners, LLC		160	560	Requested
Stanfield Holdings, LLC		296	1,036	Requested
Langley Farms		80	280	Received
Pinal 347		309	1,082	Received
Total Acres		8,232		
Total Acres Recvcd		5,285		
Total Acres In Process and Requested		2,946		



April 11, 2007

Santa Cruz Water Company
Palo Verde Utilities Company
Attn: Cindy Liles
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

Re: Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C. –
Motion for extension of time docket Nos. SW-03575A-5-0307 and W-03576A-05-0307

Dear Ms. Liles:

As you know, we have requested Santa Cruz Water Company (SCWC) and Palo Verde Utilities Company (PVUC) supply water, sewer and reclaimed water services to our property within your expanded CC&N. Although the residential market for land has softened recently our prior request stands and remains essential.

After substantial economic analysis we strongly believe there will be a shortage of residential lots in certain geographic areas that either have no water or sewer service. Your long range planning has enabled us to move forward with entitlements. We are currently investing sizeable sums to ready this property for development sometime in 2008. Regardless of our efforts to ready our property, we achieve nothing without the aforementioned services.

At this time, we would ask for additional time to sign extension agreements to December 31, 2008. We request this extension so that prospective buyers of our property are in place prior to executing these agreements with SCWC and PVUC. If you have any questions, please feel free to call.

Sincerely,

Pinal 347, LLC

Stacy J. Brimhall
Attorney-In-Fact



April 11, 2007

Santa Cruz Water Company
Palo Verde Utilities Company
Attn: Cindy Liles
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

Re: Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C. –
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After substantial economic analysis we strongly believe there will be a shortage of residential lots in certain geographic areas that either have no water or sewer service. Your long range planning has enabled us to move forward with entitlements. We are currently investing sizeable sums to ready this property for development sometime in 2008. Regardless of our efforts to ready our property, we achieve nothing without the aforementioned services.

At this time, we would ask for additional time to sign extension agreements to December 31, 2008. We request this extension so that prospective buyers of our property are in place prior to executing these agreements with SCWC and PVUC. If you have any questions, please feel free to call.

Sincerely,

Langley Farm Investments, LLC

Steven G. Rees
Manager



Office: 480.362.1790 • 877.362.1790 • Fax: 480.362.1791

April 9, 2007

Santa Cruz Water Company
Palo Verde Utilities Company
Attn.: Cindy Liles
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

RE: Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C.-
Motion For Extension of Time Docket Nos. SW-03575A-5-0307 and
W-03576A-05-0307

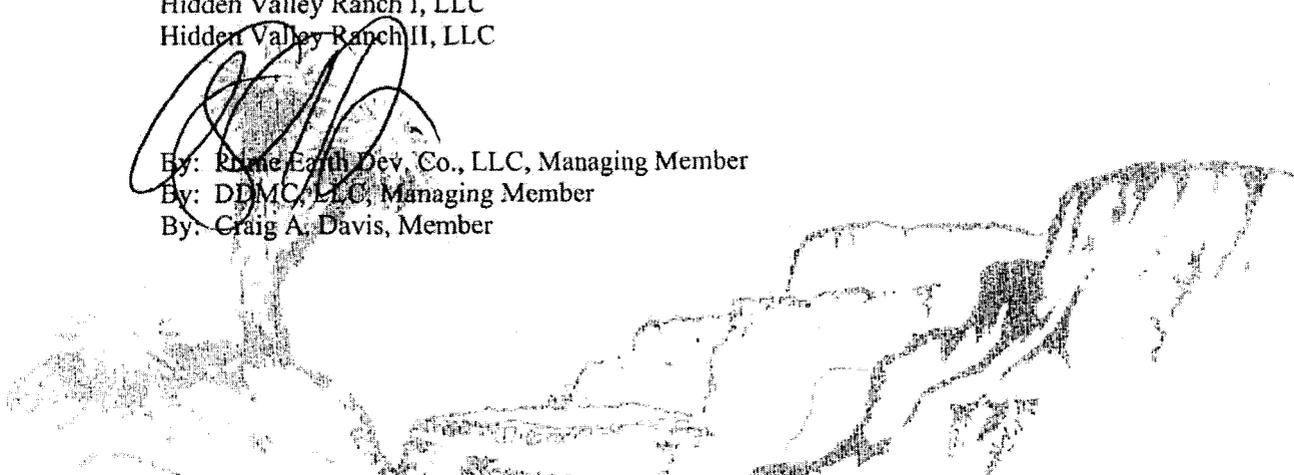
Dear Ms. Liles:

I understand the Arizona Corporation Commission staff has inquired as to whether we, as a developer and/or landowner, are still in need of water, wastewater and reclaimed water service for our land that was approved for services in an expansion application of the above referenced utilities in 2006. We understand the plant facilities will be substantially complete by the utilities during the summer of 2007. Although the real estate market in Maricopa, Arizona, surrounding areas and the nation has slowed, utilities are very much necessary for the land we own.

With the unexpected, yet cyclical, slow down, we do request an extension of time to sign main extension agreements with the utilities to December 31, 2008. If necessary, main extension agreements can be executed in 2007. However, to prevent assigning and revising main extension agreements, it is preferred to have the main extension agreements executed by the builders who will be purchasing individual parcels.

Sincerely,
Hidden Valley Ranch I, LLC
Hidden Valley Ranch II, LLC

By: Prime Earth Dev. Co., LLC, Managing Member
By: DDMC, LLC, Managing Member
By: Craig A. Davis, Member



9237 East Via De Ventura • Suite #125 • Scottsdale, Arizona 85258

SheaHomes

Limited Partnership

AZ Contractor's License No. ROC 125895

April 4, 2007

Santa Cruz Water Company
Palo Verde Utilities Company
Attn: Cindy Liles
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

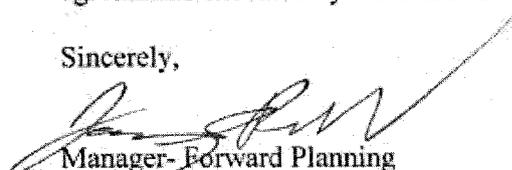
RE: Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C. –
Motion For Extension of Time Docket Nos. SW-03575A-5-0307 and W-03576A-
05-0307

Dear Ms. Liles:

I understand the Arizona Corporation Commission staff has inquired as to whether we, as a developer and/or landowner, are still in need of water, wastewater and reclaimed water service for our land, known as Amarillo Creek Unit 1, that was approved for services in an expansion application of the above referenced utilities in 2006. We understand the plant facilities will be substantially complete by the utilities during the summer of 2007. Although the real estate market in Maricopa, Arizona, surrounding areas and the nation has slowed, utilities are very much necessary for the land we own.

With the unexpected, yet cyclical, slow down, we do request an extension of time to sign main extension agreements with the utilities to December 31, 2008. If necessary, main extension agreements can be executed in 2007. However, to prevent assigning and revising main extension agreements, it is preferred to have the main extension agreements executed by the builders who will be purchasing individual parcels.

Sincerely,



Manager- Forward Planning
Shea Homes Limited Partnership
Arizona Division

8800 North Gainey Center Dr. Suite 350
Scottsdale, Arizona 85258

480.348.6000 T
480.948.8806 T

www.SheaHomes.com

HOGAN, PARKER, IVAN & MCDUFF, LLC

April 3, 2007

Santa Cruz Water Company
Palo Verde Utilities Company
Attn: Cindy Liles
21410 N. 19th Ave., Ste. 201
Phoenix, AZ 85027

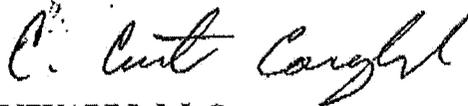
RE: Palo Verde Utilities Company, L.L.C. and Santa Cruz Water Company, L.L.C.
(collectively the "Utilities") - Motion For Extension of Time Docket Nos. SW-
03575A-5-0307 and W-03576A-05-0307

Dear Ms. Liles:

I understand the Arizona Corporation Commission staff has inquired as to whether we, as a developer are still in need of water, wastewater and reclaimed water service for our land that was approved for services in 2006 in an expansion application filed by the Utilities. While the local and national real estate market has slowed, it is crucial for our planning that we can rely on the availability of utility services as approved. We understand the plant facilities will be substantially completed during the summer of 2007.

However, to prevent assigning and revising main extension agreements, we prefer to have the main extension agreements executed by the builders who will be purchasing individual parcels. With the unexpected, yet cyclical, slow down, we are requesting an extension of time to sign main extension agreements with the Utilities to December 31, 2008. If necessary, main extension agreements can be executed in 2007.

Sincerely,



VINEYARDS, L.L.C.,
a Virginia limited liability company

by Curtis Coughlin, Vice President
Hogan, Parker, Ivan, & McDuff, LLC
the Project Manager