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AZ CORP COMMISSION  
DOCKET CONTROL

June 26, 2007

Commissioners  
Judge Marc Stern  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: The Application of West End Water Company for an Extension of its CC&N,  
Docket No. W-01157A-05-0706 (Walden Ranch)

Dear Commissioners and Judge Stern:

The City of Surprise continues to support the recommended opinion and order prepared by the Commission Hearing Division in this docket. That recommended opinion and order was considered by the Commission at open meeting on April 11, 2007. Two days prior to the open meeting, on April 9, 2007, Mr. Marvin Collins of the West End Water Company ("West End") filed in this docket a letter addressing the status of West End's application for a franchise with Maricopa County.

At first glance, Mr. Collins' letter appears to suggest that the West End's franchise is still valid. However, the proof Mr. Collins offers – a letter from Ms. Lerma, Assistant Deputy Clerk, Board of Supervisors – states only that West End's *application* for extension is still valid at this time . . ." (emphasis added). Ms. Lerma did not state, and could not have represented, that the franchise remains valid. An express condition of the West End franchise, approved by a vote of the Board of Supervisors, rendered that franchise void as of August 1, 2006. Only the Board of Supervisors can vote to rescind or change that condition, and no such vote has occurred. West End does not have a franchise from Maricopa County for the requested expansion area.

Without a valid franchise, West End's pending CC&N extension application cannot be granted. *See* R14-2-402(2)(l) (requiring a complete CC&N application to include the "appropriate city, county and/or state agency approvals"). As suggested by Judge Stern at the April 11<sup>th</sup> open meeting, the Commission could, pursuant to A.R.S. § 40-282(D), grant West End an Order Preliminary, which conditions the Commission's approval of West End's application on West End obtaining, and submitting to the Commission within one year of the Commission's decision, a valid franchise from the appropriate city, county and/or state agency.

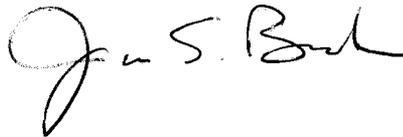
Commissioners

June 26, 2007

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As discussed at open meeting, the Commission need not address the franchise issue if the recommended order and opinion is adopted and the CC&N extension request is denied without prejudice.

Very truly yours,

A handwritten signature in black ink, appearing to read "Joan S. Burke". The signature is fluid and cursive, with the first name "Joan" being the most prominent.

Joan S. Burke

cc: Lupe Lerma, Assistant Deputy Clerk, Board of Supervisors  
Mr. Scott Rhodes, counsel to West End Water Company  
Mr. Charles Hains, Arizona Corporation Commission Legal Division

Original and 15 copies filed with Docket  
Control this 26<sup>th</sup> Day of June, 2007.