

ORIGINAL



0000074388

EARL, CURLEY & LAGARDE, P.C.  
ATTORNEYS AT LAW

RECEIVED

Telephone (602) 265-0094  
Fax (602) 265-2195

2007 JUN 29 P 1:52  
North Central Avenue  
Suite 1000  
Phoenix, Arizona 85012

AZ CORP COMMISSION  
DOCKET CONTROL

June 27, 2007

Arizona Corporation Commission  
1200 W. Washington  
Phoenix, Arizona

Arizona Corporation Commission  
DOCKETED

JUN 29 2007

Re: Docket No. W-01157A-05-0706

DOCKETED BY  
SW

Dear Commissioners:

I'm writing this letter to clarify the situation relative to water service for Walden Ranch. I'm writing this letter in lieu of providing testimony because I have an unavoidable conflict today.

I have been the zoning attorney involved in the rezoning of Walden Ranch since the very inception of this development. I was originally representing Mike Zipprich who was the proposed developer of Walden Ranch. In connection with that representation, Mike did petition Westend for water service. At that time, we took that action because we assumed that Westend was the only logical service provider. That assumption was based upon the fact that annexation of this area into the City of Surprise did not appear realistic and also because we did not believe that the City of Surprise would be in a position to provide sewer to this property if it were not annexed to the City. The City of Surprise like most other municipalities, historically has not provided sewer service to properties that are not annexed into their jurisdictional boundaries.

Mr. Zipprich sold his interest in Walden Ranch to Woodside Homes. Subsequent to the sale, the City of Surprise approached and informed us that 1) they would be willing to provide sewer service to this property in advance of annexation (which was a radical departure from normal municipal practice) and 2) they were pursuing an aggressive annexation strategy north along Grand Avenue which would ultimately increase the possibility that this property might be annexed into Surprise. The fact that the City was willing to provide sewer to the property was an extremely attractive offer from a developmental standpoint.

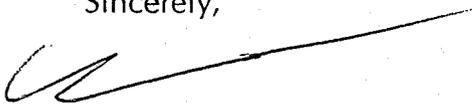
Due to the above-referenced facts, we withdrew our request for the Westend CC&N expansion. We believed then, and believe now, that the provision of water by the City of Surprise is an attractive marketing component because the home buying public feels more secure knowing that a City rather than a private company will be the service provider.

The above-referenced facts are the only reasons why the request for services by Westend was withdrawn. I was the main contact during all discussions with Surprise and at no time did anyone from the City of Surprise ever suggest, coerce, or strong arm me or my client into agreeing to withdraw our request for Westend water.

June 27, 2007  
Page 2

I hope that the above-referenced explanation is helpful.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Curley", written over a horizontal line.

Michael J. Curley

MJC/drm