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ADMITTED TO PRACTICE IN:  
ARIZONA, COLORADO, MONTANA,  
NEVADA, TEXAS, WYOMING,  
DISTRICT OF COLUMBIA

OF COUNSEL TO  
MUNGER CHADWICK, P.L.C.

September 19, 2007

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

SEP 20 2007

DOCKETED BY 

AZ CORP COMMISSION  
DOCKET CONTROL

2007 SEP 20 P 12: 02

RECEIVED

Re: Red Rock Utilities, L.L.C.  
Docket No. WS-04245A-07-0363

To Whom It May Concern:

Enclosed for filing in the above-referenced proceeding are the original and thirteen (13) copies of a Response to Commission Staff Report on behalf of Red Rock Utilities, L.L.C.

Also enclosed are two (2) additional copies of the Response. I would appreciate it if you would "filed" stamp the same and return them to me in the enclosed stamped and addressed envelope.

Thank you for your assistance.

Sincerely,

Angela R. Trujillo  
Secretary

Lawrence V. Robertson, Jr.

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **RECEIVED**

3 **COMMISSIONERS**

4 2007 SEP 20 P 12: 02

5 **MIKE GLEASON, Chairman**  
6 **WILLIAM A. MUNDELL**  
7 **JEFF HATCH-MILLER**  
8 **KRISTIN K. MAYES**  
9 **GARY PIERCE**

AZ CORP COMMISSION  
DOCKET CONTROL

10 IN THE MATTER OF THE APPLICATION OF )  
11 RED ROCK UTILITIES, L.L.C. FOR A ) DOCKET NO. WS-04245A-07-0363  
12 CERTIFICATE OF CONVENIENCE AND )  
13 NECESSITY TO PROVIDE WATER SERVICE ) APPLICANT'S RESPONSE TO  
14 TO AND WITHIN AN UNINCORPORATED ) COMMISSION STAFF REPORT  
15 AREA IN PIMA COUNTY, ARIZONA. )

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16 Pursuant to the Eighth Ordering Paragraph of the July 31, 2007 Procedural Order issued  
17 in the above-captioned and docketed proceeding, Red Rock Utilities, L.L.C. ("Red Rock"),  
18 hereby submits its Response to the September 10, 2007 Staff Report filed by the Commission's  
19 Utilities Division in said proceeding.

20 Red Rock is pleased that the Staff Report concludes that (i) there is a need for water  
21 service in the proposed new CC&N area, (ii) both the current and new CC&N will be managed  
22 by an individual with experience in utility operations, and (iii) it is in the public interest for the  
23 Commission to approve Red Rock's Application. In addition, Red Rock is pleased that the Staff  
24 Report concludes that Red Rock's proposed water system will have adequate infrastructure to  
25 serve the requested new CC&N area, and that the contemplated plant facilities and estimated  
26 plant costs are reasonable and appropriate. Further, Red Rock is pleased that the Staff Report  
27 concludes that Red Rock's five-year projections for plant values, operating revenues, operating  
28 expenses and number of customers are generally reasonable, with the exception of certain  
revenue and property taxes which the Commission Staff has increased; and, that Red Rock's  
contemplated capital structure is appropriate. Finally, Red Rock is pleased that the Staff Report

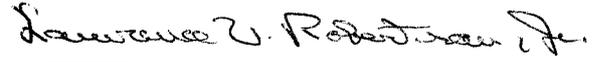
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1 concludes that Red Rock's proposed water minimum monthly charges and commodity rates, as  
2 well as its service charges and meter and service line charges, are appropriate.

3 With reference to "compliance item" recommendations 1 through 11, as set forth in both  
4 the Executive Summary and pages 4-5 of the Staff Report, each of these is acceptable to Red  
5 Rock.

6  
7 Dated this 19<sup>th</sup> day of September 2007.

8  
9 Respectfully submitted,

10 

11 Lawrence V. Robertson, Jr.  
12 Attorney for Red Rock Utilities, L.L.C.

13 The original and thirteen (13)  
14 copies of the foregoing Response to the  
15 Staff Report have been mailed this 19<sup>th</sup>  
16 day of September 2007 to:

17 Docket Control  
18 Arizona Corporation Commission  
19 1200 West Washington  
20 Phoenix, Arizona 85007

21 A copy of the foregoing Response  
22 has been mailed/mailed  
23 this 19<sup>th</sup> day of September 2007 to:

24 Judge Jane Rodda  
25 Arizona Corporation Commission  
26 400 West Congress, Suite 218  
27 Tucson, Arizona 85701

28 Ernest Johnson, Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Linda Jaress  
Utilities Division  
Arizona Corporation Commission

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