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SALLQUIST, DRUMMOND & O'CONNOR, P.C.
ATTORNEYS AT LAW
TEMPE OFFICE
4500 S. LAKESHORE DRIVE
SUITE 339
TEMPE, ARIZONA 85282

RICHARD L. SALLQUIST

PHONE (480) 839-5202
FACSIMILE (480) 345-0412
E-MAIL dick@sd-law.com

December 11, 2007

Shauna Lee-Rice
Arizona Corporation Commission
Docket Control
1200 W. Washington
Phoenix, AZ 85007

Re: Keaton Development Company-Docket No. W-02169A-07-0098; Comments on Amended Staff Report

Dear Ms. Lee-Rice:

We have reviewed the Amended Staff Report dated December 7, 2007 in the Subject Docket and hereby provide our comments as instructed by Judge Stern. We agree that the Amended Report contains all revisions made orally by Staff to Exhibit S-1 in evidence. The Company has no objection to the Amended Staff Report. We thank Staff for clarifying their position.

In the event you have any questions regarding these matters, please do not hesitate to call.

Sincerely,

Richard L. Sallquist

cc: Judge Marc Stern
Robin Mitchell
Blessing Chukwa
Bill Scott

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