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ORIGINAL

EAGLETAIL WATER CO., LLC

P.O. Box 157
Tonopah, AZ 85354
928-372-2236

RECEIVED

2008 OCT 24 P 2: 56

October 18, 2008

W 03936A-04-0840

AZ CORP COMMISSION
DOCKET CONTROL

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Arizona Corporation Commission

DOCKETED

OCT 24 2008

Re: Eagletail Water Co., LLC compliance with decision
Decision No. 67982

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|-------------|-----------|
| DOCKETED BY | <i>MM</i> |
|-------------|-----------|

As per your letter dated September 5th, 2008 we are submitting the following information:

>We have filled our quarterly leak fund as required by Decision No. 67982 in our report dated October 18, 2008.

>We have reimbursed our leak fund \$632.28 as instructed. This line item is shown in our leak fund report dated October 18, 2008. I have been out of the country from September 4th thru October 2nd. Therefore I was not able to reimburse the \$632.28 until October; in fact I was not aware of your decision until I returned.

>We believe the increase in non-account water in 2007 was mainly due to a gradual increase in loss thru a 6" blow-off valve in an area where there are no customers and weeds and vegetation grow wild. Water on the surface is not visible in the area.

>In 2008 we have increased our line inspections to enable us to find leaks sooner, and have asked our customers to report areas showing surface water.

>We estimate having 5 to 7 leaks in 2007. We did not itemize leaks then as we are now doing.

So far in 2008 we have documented 10 leaks repaired, with another 2 needing repair. These 2 will be repaired as soon as we can have them dug, probably within 1 week.

>We believe we have now reached our goal of 10% or less non-account water. This past August we dropped to 24% and for September we dropped to .5%, our figures showing only a 2000 gal loss. While we need a longer history of being below 10% we feel we will be after repairing the 6" main leak.

I hope we have addressed your concerns as we do strive to remain in compliance. Our franchise incorporates 11 sections of land in a very rural area approximately 7 mi long and 5 mi wide. We operate almost exclusively with volunteer help since we don't generate enough income to hire regular full time employees. We are in the water business as a community effort to insure a source of good potable water.

If there are any questions regarding this report please call 928-372-2236 or contact us at the above address.

Respectfully,
Eagletail Water Co., LLC