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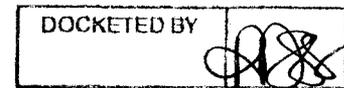
ADMITTED TO PRACTICE IN:  
ARIZONA, COLORADO, MONTANA,  
NEVADA, TEXAS, WYOMING,  
DISTRICT OF COLOMBIA

February 25, 2011

Arizona Corporation Commission  
**DOCKETED**

FEB 28 2011

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



Re: Pineview Water Company, Inc.  
Docket No. W-01676A-10-0400

To Whom It May Concern:

Enclosed for filing on behalf of Pineview Water Company, Inc. ("Pineview") in the above-referenced proceeding are the original and thirteen (13) copies of Pineview's Response to Commission Staff Report ("Response").

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 in advance for your assistance. Please advise me if you have any questions.

Sincerely,

Angela R. Trujillo  
Assistant to  
Lawrence V. Robertson, Jr.

AZ CORP COMMISSION  
DOCKET CONTROL

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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

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- GARY PIERCE, Chairman
- BOB STUMP
- SANDRA D. KENNEDY
- PAUL NEWMAN
- BRENDA BURNS

AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF )  
 PINEVIEW WATER COMPANY, INC. FOR AN ) **DOCKET NO. W-01676A-10-0400**  
 OPINION AND ORDER (i) AUTHORIZING )  
 SALE AND TRANSFER OF WATER SYSTEM ) **PINEVIEW WATER COMPANY,**  
 ASSETS, AND (ii) CANCELLING CERTIFICATE ) **INC.'S RESPONSE TO**  
 OF CONVENIENCE AND NECESSITY. ) **COMMISSION STAFF REPORT**

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Pursuant to the Commission's January 6, 2011 Procedural Order, Pineview Water Company, Inc. ("Pineview"), submits its Response to the Commission Staff's February 15, 2011 Staff Report in the above-captioned and above-docketed proceeding.

Pineview is pleased that the Commission's Staff is recommending approval of Pineview's October 4, 2010 application for an opinion and order of the Commission (i) approving the sale and transfer of Pineview's water system assets to the City of Show Low, Arizona ("Show Low"), and (ii) canceling Pineview's related certificates of convenience and necessity. In that regard, the two (2) conditions to the Commission Staff's recommendation are acceptable to both Pineview and Show Low.

In addition, Pineview is also appreciative of the promptness of the Commission Staff in processing Pineview's October 4, 2010 application. In that regard, it is Pineview's understanding that Pineview's application was one of the first (if not the first) application(s) to be processed under the Commission's recently revised rules and regulations governing the transfer of water utility assets. So the timeliness and comprehensiveness of the Commission Staff's work is particularly commendable.

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1 In connection with the foregoing, Pineview does have two (2) minor corrections to the  
2 aforesaid Commission Staff Report to suggest. First, in "The Pineview Water System"  
3 description set forth at the bottom of page 2 of the February 15, 2011 Staff Report, Pineview's  
4 aggregate well production capacity should be changed from 553 GMP to 663 GMP. The latter  
5 figure appears on page 1 of Exhibit 2 to the Commission Staff Report; and, 663 GMP is the  
6 correct figure. Second, and with reference to the "City of Show Low's Organization and  
7 Operation" description set forth at the bottom of page 3 of the Commission Staff Report, the  
8 term of a member of the Show Low City Council should be corrected to be 4 years, and not the  
9 14 years currently shown.

10 With the exception of the two (2) corrections suggested above, Pineview supports the  
11 February 15, 2011 Commission Staff Report as written,<sup>1</sup> and the two (2) conditions to the  
12 Commission Staff's recommendation of approval of Pineview's October 4, 2010 application in  
13 the instant proceeding.

14  
15 Dated this 25<sup>th</sup> of February 2011.

16 Respectfully submitted,

17 

18 Lawrence V. Robertson, Jr.  
19 Attorney for Pineview Water Company, Inc.

20 Original and thirteen (13) copies of the  
21 foregoing Response will be mailed for  
22 filing this 25<sup>th</sup> day of February 2011 to:

23  
24 <sup>1</sup> Numbered paragraphs 3 and 4 of "The Asset Purchase Agreement" description set forth at page 2 of the February  
25 15, 2011 Commission Staff Report note that the Asset Purchase and Sale Agreement executed by Pineview and  
26 Show Low currently provides that the contemplated transaction must Close on or before March 31, 2011, absent an  
27 extension of that Closing deadline by mutual agreement of the signatory parties. Inasmuch as the evidentiary  
28 hearing in the instant proceeding does not occur until March 15, 2011, Pineview and Show Low have prepared a  
February 18, 2011 Second Amendment of Asset Purchase and Sale Agreement, which extends the date for Closing  
until June 30, 2011. Pineview's President has already executed the aforesaid Second Amendment of Asset Purchase  
and Sale Agreement, and it is currently anticipated that the Show Low City Council will consider and act upon the  
same during its forthcoming meeting on March 1, 2011. A copy of the Second Amendment of Asset Purchase and  
Sale Agreement, as executed by both parties, will be filed with the Commission's Docket Control before  
commencement of the March 15, 2011 evidentiary hearing.

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Arizona Corporation Commission  
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