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May 20, 2011

Gary Pierce, Chairman
Bob Stump, Commissioner
Sandra D. Kennedy, Commissioner
Paul Newman, Commissioner
Brenda Burns, Commissioner
Arizona Corporation Commission
Commissioners Wing
1200 W. Washington - 2nd Floor
Phoenix, Arizona 85007

Lakin Cattle Company

4456 S. DYSART ROAD
AVONDALE, ARIZONA 85323
623-932-3970

Arizona Corporation Commission
DOCKETED

MAY 20 2011

DOCKETED BY *MM*

Re: Docket No. W-01808A-10-0390 - In the Matter of the Application of Rigby Water Company for Approval of Transfer of Assets and Conditional Cancellation of its Certificate of Convenience and Necessity

Mr. Chairman and Commissioners:

We apologize for the lateness of these comments regarding this matter, but we only recently became aware of the Recommended Order and Opinion ("ROO") issued on May 9, 2011. We are not a current customer of Rigby Water Company and we did not receive direct notice of the pending Commission proceeding regarding cancellation of Rigby's CC&N. Our review of the ROO revealed inconsistencies that we believe the Commission should be aware of before approving the ROO.

By way of background, The Ranch at Lakin Farms ("Lakin Ranch") is an approximately 1,126 acre proposed development located in portions of Sections 23, 24, 25 and 26, T1N, R1W in unincorporated Maricopa County. Approximately 466 acres of Lakin Ranch is within the Rigby Water Company ("Rigby") CC&N. Lakin Ranch makes up nearly 25% of the current Rigby CC&N. An exhibit showing the relationship between The Ranch at Lakin Farms and the Rigby Water Company CC&N is attached. Also attached is a draft development map for The Ranch at Lakin Farms.

In July 2009, prior to the City of Avondale's ("City") condemnation, Rigby provided a will-serve letter for Lakin Ranch, subject to customary conditions for utility service.

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On that issue, Finding of Fact No. 55 in the ROO states in part:

In this case, the evidence shows that the City is ready to provide and intends to provide service to every person within Rigby's CC&N area and thus no person in the affected area will be left without water utility service as a result of the transfer of assets and cancellation of Rigby's CC&N. There also is no evidence to suggest that the transfer and cancellation will be injurious to the public.

This Finding of Fact and related Conclusion of Law No. 5, appear to be based on testimony or filings by the City that "the City is ready, willing, and able to provide service to Rigby's entire CC&N area." Unfortunately, that finding is inconsistent with the information being provided to us by the City relating to provision of water service to Lakin Ranch.

Based on meetings and correspondence with the City, we understand that the City is willing to provide water service to Lakin Ranch only if certain additional, City-imposed prerequisite conditions are met. Specifically, the City has indicated that properties within the Rigby CC&N will be provided service only if the property agrees to be annexed into the City and agrees to pay, as a condition of annexation, a pro-rata share of the City's cost of condemnation/acquisition of Rigby. As a condition of water service for Lakin Ranch, the City is requiring that we annex into the City and pay approximately \$1,000,000 as a pro-rata share of the City's condemnation/acquisition costs for the Rigby acquisition.

Based on City expectations and requirements to date, we have no desire to annex Lakin Ranch into the City or pay the City's condemnation/acquisition costs as a condition of service. Instead, we intend to develop Lakin Ranch within unincorporated Maricopa County. Based on these circumstances, it appears the City is unwilling to provide water service to Lakin Ranch on reasonable terms and conditions. As a result, we expect to file an application for a new CC&N to provide water service to Lakin Ranch in the near future. We are concerned that the City may seek intervention in that case and object to issuance of a CC&N for Lakin Ranch. As a result, we have no choice but to bring these issues to the Commission's attention in this letter.

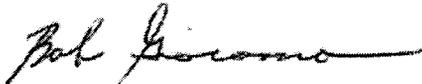
We do not wish to adversely impact or in any way delay Commission action on the ROO. Our goal is to insure the record is accurate and disclose to the Commission that we expect to apply for a new CC&N to provide water service to Lakin Ranch in the near future. If the Commission grants the ROO and ultimately cancels the CC&N of Rigby, then Lakin Ranch would not be located within any certificated water service area. In order to avoid disputes in the future, we would ask that the Commission acknowledge that issuance of the ROO does not

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prejudice our rights to obtain water service from another entity in the event that the City fails to honor the obligations of Rigby to provide service to Lakin Ranch on reasonable terms.

Having made these factual corrections and with full disclosure to the Commission, we do not object to the approval of Rigby's application for transfer of assets and for cancellation of its CC&N. We also would note that a representative of Lakin Ranch will be in attendance at the open meeting next week and would be available to answer any questions. Should you have any questions in the interim, please contact Kelly House at (602) 399-3011.

Sincerely,



Bob Giacomo
Vice President

Original and 13 copies filed
on May 20, 2011 with:

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Enclosures

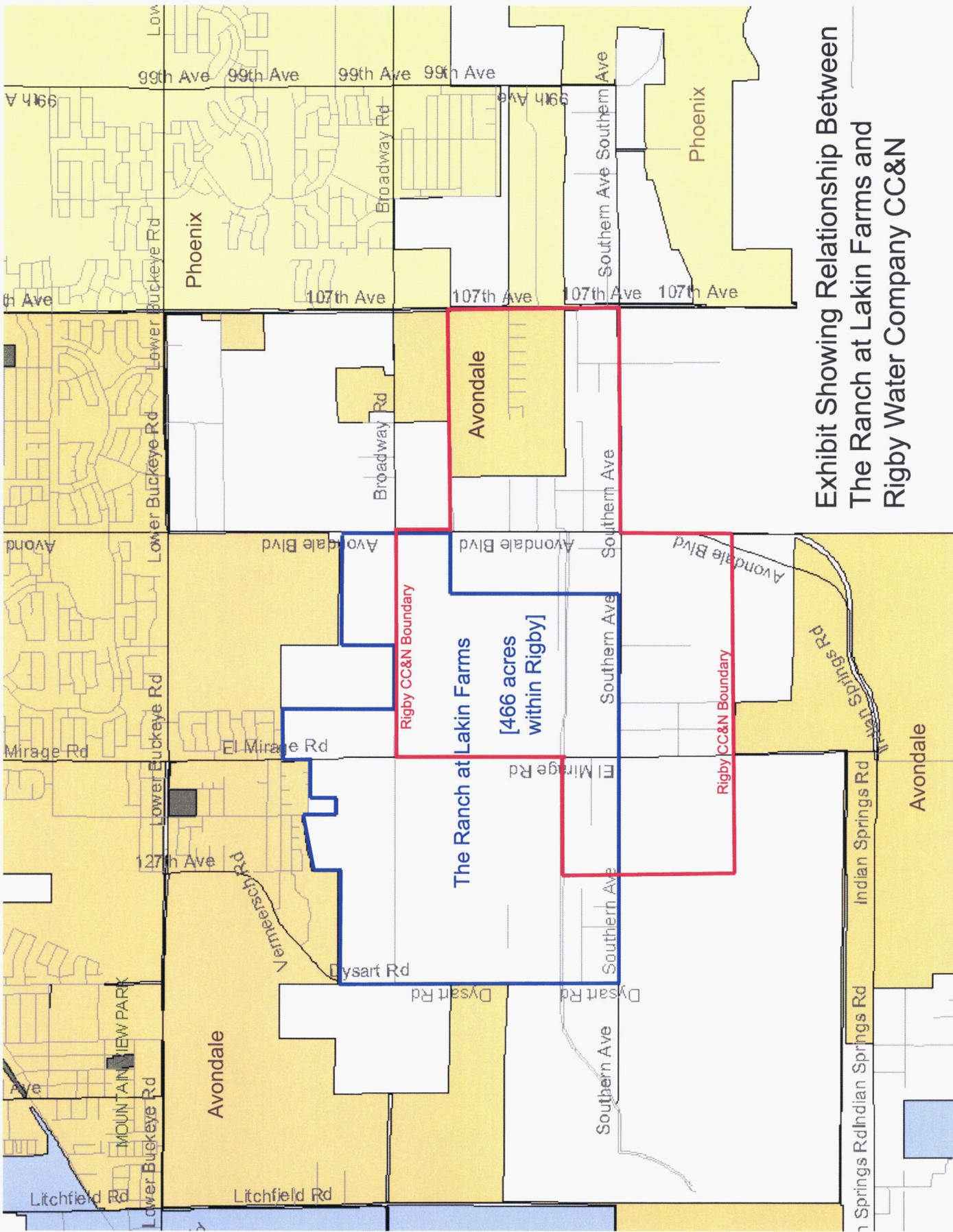


Exhibit Showing Relationship Between
 The Ranch at Lakin Farms and
 Rigby Water Company CC&N

