



ORIGINAL
 VAIL WATER COMPANY
 1010 N Finance Center Dr., Suite 200, Tucson, AZ 85710



June 27, 2011

Arizona Corporation Commission
 Utilities Division Director
 1200 West Washington
 Phoenix, AZ 85007-2996

Arizona Corporation Commission
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RE: Docket No. W-01651-99-0351^B
 Decision No. 62450
 Decision Compliance Status Report

Dear Sir or Madam:

Regarding the action to submit annual reports beginning July 1, 2001 detailing the progress of plans to use CAP water directly in Vail Water's service territory and plans for actual construction of any necessary facilities, please be advised that we are investigating alternative plans to use the CAP water in our service territory but no physical action has taken place to date. Vail Water has had discussions with Tucson Water about a potential wheeling agreement that would result in CAP water being used directly into its service area.

If you have any questions please do not hesitate to contact me at (520) 571-1958, extension 105 or via fax at (520) 571-1961.

Sincerely,



Christopher T. Volpe
 Vice President

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