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ARIZONA CORPORATION COMMISSION

January 13, 2006

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AZ CORP COMMISSION
DOCUMENT CONTROL

Mr. E. H. Lewis
Sonoita Valley Water Company
P.O. Box 85160
Tucson, Arizona 85754

RE: E. H. Lewis dba Sonoita Valley Water Company – Application for approval of the transfer of assets to Sonoita Valley Water Company, an Arizona Corporation - Docket Nos. W-04199A-05-0905 and W-20435A-05-0905
INSUFFICIENCY LETTER

Dear Mr. Lewis:

In reference to the above mentioned application filed on December 16, 2005, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Please provide a list of all the assets that E. H. Lewis dba Sonoita Valley Water Company is proposing to transfer to Sonoita Valley Water Company, an Arizona Corporation.
2. Please provide a copy of the transfer of City or County Franchise from the Transferor to the Transferee. If the franchise agreement has not been issued, please inform Staff of the status of the application for the franchise agreement.
3. On what date did Sonoita Valley Water Company, an Arizona Corporation, issue the 1,000 shares of stock that is referenced on page 6 of the application?
4. Utilities Division Staff (“Staff”) is unable to determine whether or not Mr. Lewis also intends to transfer E. H. Lewis dba Sonoita Valley Water Company’s Certificate of Convenience and Necessity (“CC&N”) to Sonoita Valley Water Company, an Arizona Corporation, through this instant application. Please confirm whether or not Mr. Lewis intends to also transfer its CC&N along with the assets. **Please note: pursuant to the Arizona Administrative Code (“A.A.C.”), a CC&N is required in order for any person or entity to construct and/or operate a water utility within the State of Arizona.**

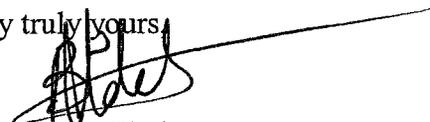
Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the A.A.C. R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

Please file one original and thirteen copies of your response to this Insufficiency Letter with Docket Control.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 and Del Smith at 602-542-7277.

Very truly yours,


Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Vicki Wallace