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ARIZONA CORPORATION COMMISSION

2002 DEC 23 P 4: 32

December 23, 2002

*Via facsimile and electronic mail*

AZ CORP COMMISSION  
DOCUMENT CONTROL

Norman D. James, Esq.  
Jay L Shapiro, Esq.  
Fennemore Craig  
3003 North Central Avenue, Suite 2600  
Phoenix, Arizona 85012

RE: ARIZONA-AMERICAN WATER COMPANY, INC. - APPLICATIONS FOR RATE INCREASES, DOCKET NOS. WS-01303A-02-0867, WS-01303A-02-0868, WS-01303A-02-0869, AND WS-01303A-02-0870

LETTER OF DEFICIENCY

Gentlemen:

In reference to your rate applications received on November 22, 2002, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff has found several deficiencies with your application, which are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket Control receives an original and thirteen copies of the corrected pages.

You have 15 calendar days, or until January 7, 2003, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and ten copies of an updated application at a later date.

Arizona Corporation Commission

DOCKETED

DEC 23 2002

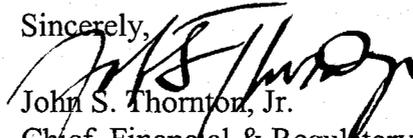
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The Staff person assigned to your application is Darron W. Carlson. He can be reached at (602) 542-0834, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,



John S. Thornton, Jr.

Chief, Financial & Regulatory Analysis Section  
Utilities Division

Enclosure

CC: Docket Control Center (thirteen copies)  
Robert Kennedy, Consumer Services  
Delbert Smith, Engineering  
Lyn Farmer, Hearing Division

ARIZONA CORPORATION COMMISSION  
STAFF'S LIST OF ITEMS CAUSING  
THE FILING TO BE INSUFFICIENT  
DECEMBER 23, 2002

ARIZONA-AMERICAN WATER COMPANY, INC.  
DOCKET NO. WS-01303A-02-0867

Sun City West Water

1. The book revenue exceeds the bill count revenue by 1.34 percent with no reconciliation.
2. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
3. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.
4. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 - 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
5. Dollar values are not presented on all Schedules D.
6. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.
7. Missing present and proposed rates on Schedule H-4, page 13.

Sun City West Wastewater

1. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
2. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.
3. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 - 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
4. Dollar values are not presented on all Schedules D.
5. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.
6. Missing present and proposed rates on Schedule H-3, page 2.

ARIZONA CORPORATION COMMISSION  
STAFF'S LIST OF ITEMS CAUSING  
THE FILING TO BE INSUFFICIENT  
DECEMBER 23, 2002

ARIZONA-AMERICAN WATER COMPANY, INC.  
DOCKET NO. WS-01303A-02-0868

Sun City Water

1. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
2. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.
3. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 – 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
4. Dollar values are not presented on all Schedules D.
5. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.
6. Missing present and proposed rates on Schedule H-4, pages 10 & 12.

Sun City Wastewater

1. The book revenue exceeds the bill count revenue by 1.61 percent with no reconciliation.
2. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
3. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.
4. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 - 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
5. Dollar values are not presented on all Schedules D.
6. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.
7. Missing present and proposed rates on Schedule H-3, page 2.

ARIZONA CORPORATION COMMISSION  
STAFF'S LIST OF ITEMS CAUSING  
THE FILING TO BE INSUFFICIENT  
DECEMBER 23, 2002

ARIZONA-AMERICAN WATER COMPANY, INC.  
DOCKET NO. WS-01303A-02-0869

Havasu Water

1. The book revenue exceeds the bill count revenue by 1.45 percent with no reconciliation.
2. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
3. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.
4. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 - 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
5. Schedule B-2, page 4 does not appear to be consistent with Schedule B-2, pages 2 and 3.
6. Schedule C-2, page 14 needs a dollar value entry.
7. Dollar values are not presented on all Schedules D.
8. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.

Mohave Water

1. The book revenue exceeds the bill count revenue by 1.25 percent with no reconciliation
2. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
3. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.
4. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 - 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
5. Schedule B-2, page 4 does not appear to be consistent with Schedule B-2, pages 2 and 3.
6. Schedule C-2, page 14 needs a dollar value entry.
7. Dollar values are not presented on all Schedules D.
8. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.
9. Missing present and proposed rates on Schedule H-4, page 18, 19, 36, 44, 54, 55, 56, 62, and 94.

ARIZONA CORPORATION COMMISSION  
STAFF'S LIST OF ITEMS CAUSING  
THE FILING TO BE INSUFFICIENT  
DECEMBER 23, 2002

ARIZONA-AMERICAN WATER COMPANY, INC.  
DOCKET NO. WS-01303A-02-0870

Anthem Water

1. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
2. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.
3. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 - 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
4. Depreciation expense adjustment is not consistent on Schedule C-2, page 2 and Schedule C-2, page 6.
5. Dollar values are not presented on all Schedules D.
6. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.

Agua Fria Water

1. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
2. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.
3. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 - 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
4. Dollar values are not presented on all Schedules D.
5. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.
6. Missing present and proposed rates on Schedule H-4, page 8, 9, 10, 11, 13, and 17.

Anthem/Agua Fria Wastewater

1. Plant in service on Schedule B-2, pages 1 & 2 does not tie to plant in service on Schedules B-2, page 5 and E-1, page 1.
2. Accumulated depreciation on Schedule B-2, pages 1 & 2 does not tie to accumulated depreciation on Schedules B-2, page 5 and E-1, page 1.

3. The presentation of advances in aid of construction and contributions in aid of construction on lines 13 - 17 of Schedule B-2, page 1 and Schedule B-3 do not clearly show the intended adjustments to the respective accounts.
4. Dollar values are not presented on all Schedules D.
5. Plant balance on Schedule E-5, page 1 does not tie to total plant on Schedule B-2, pages 1 or 2.