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2003 SEP -8 P 3:13

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

September 8, 2003

Mr. Fred Washburn
Bonita Creek Land and Homeowner's Association
HC7 Box 271-E
Payson, Arizona 85541

RE: BONITA CREEK AND HOMEOWNER'S ASSOCIATION - APPLICATION FOR A
RATE INCREASE, DOCKET NO. W-02195B-03-0293

SECOND LETTER OF DEFICIENCY

Dear Mr. Washburn

In reference to your rate application received on May 8, 2003, and amended on August on August 7, 2003, 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 August 25, 2003, which is the date the Company submitted its revised rate increase application.

The Staff person assigned to your application is Charles R. Myhlhousen. He can be reached at (602) 542-0863, 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

CC: Docket Control Center (sixteen copies)
Lyn Farmer, Hearing Division
Delbert Smith, Engineering
Consumer Services
Legal Division

Arizona Corporation Commission
DOCKETED

SEP 08 2003

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List of Deficiencies

1. Page 6 – The dollar amount of the increase in revenues is incorrect.

The dollar amount of the total annual operating revenue (if the Company is granted the rate adjustment) is incorrect.

The date when the company notified its customers of its application adjustment should be changed to reflect the date of the new customer notification date.
2. Page 9 – Current and Proposed Rates and Charges. The current rates must be filled out to reflect the current tariff. The proposed rates must be filled out to reflect the requested rates even if the rates are to remain the same as the current rates.
3. Page 11 – Current and Proposed Service Charges. Current Charges must match the current tariff amounts. The Proposed Charges must be filled in with the requested charges. If no change is requested use the current tariff charges.
4. Page 13 – Plant Additions and Retirements by Year. This page should reflect plant additions and retirements from the prior test year ended of 1995 through the end of the current test year. This increase must be reflected on page 13 by plant items and year. You may use additional pages if necessary to reflect the additions and retirements.
5. Page 14- Plant Summary. The Total Additions, Total Retirements and Test Year End Total columns must be completed to reflect the correct plant balances.
6. Page 15 – Utility Plant in Service. Column A original cost must be the same as the amount reported on page 20. Column B, Accumulated Depreciation must be shown separately for each plant item. The OCLD (Original Cost Less Depreciation) Column C must show the balance for each plant item. The accumulated depreciation amount must be the same as the amount shown on page 21.

The Utility Plant in Service must be the same as the amount shown on Page 15.

The Accumulated Depreciation amount must be the same as the amount shown in page 15.

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7. Page 25 – The Gross Contributions in Aid of Construction page is incorrect.
8. Page 32 – Customer Notification. The page must indicate an increase or decrease in revenue requested.

The increase or decrease amount of revenue or the percent is incorrect.

The customer notification letter and the public notary cover letter needs to be resubmitted.

9. Page 35 – You must request from the Arizona Department of Revenue a Tax Clearance Application Form and submit it with the application.

Service List for: Bonita Creek Land and Homeowner's Association
Docket No. W-02195B-03-0293

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Payson, Arizona 85541

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