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2008 MAY -5 P 2:36

May 2, 2008 AZ CORP COMMISSION DOCKET CONTROL Arizona Corporation Commission DOCKETED

MAY -5 2008

Mr. Lawrence V. Robertson, Jr.
P.O. Box 1448
Tubac, Arizona 85646

DOCKETED BY *ne*

RE: Ridgeline Water Company, L.L.C. Application for Certificate of Convenience and Necessity (CC&N) Docket No. W-20589A-08-0173

INSUFFICIENCY LETTER II

Dear Sir:

1. Please reconcile all plant and depreciation rate differences. Some NARUC Accounts and depreciation rates listed in Appendix H, do not agree with Staff's typical and customary Water Depreciation Rates (see attached Table). For example: NARUC Account No. 320.1, 320.2, 330.1, 330.2, 334, 340.1, 348.
2. Please provide an itemized breakdown of cost and relevant details such as, number of wells, casing size, casing depth, well depth, etc. in reference to the Company's Appendix H, Account No. 307 - Wells and Springs, this account shows an estimate of \$235,856.
3. Please refer to the Company's Appendix N, Curtailment Plan Tariff (page 3, Stage 4(b) and include the following standard restriction:
"The Company's operation of its standpipe service is prohibited."
4. Please review material prepared by Greg Carlson Engineering, that were transmitted to Mr. Bourassa in order to produce Appendix H, to answer the following:
 - a). Please reconcile all plant differences. The engineering estimated costs in Appendix H's proposed plant-in-service do not agree. One example is hydrants: Engineering at \$174,000 vs. Appendix H at \$191,400.
 - b). Please provide supporting documents explaining how the proposed plant-in-service were grouped in each NARUC account, detailing how the engineering estimated costs were classified into each NARUC account in Appendix H.

- c). Please resubmit the 8 pages of "other cost information" and spreadsheets the pages of the April 23, 2008 response these were not clear due to formatting issues. Please provide supporting documents showing how the "other cost information" were classified into each NARUC account in Appendix H.
5. Please reference Appendix G, Wells Production Capacity of your application to provide engineering calculations of the anticipated demand for the 136 lots, in order for Staff to determine if the projected 400gpm water production wells are appropriate for this development. Please reference Appendix G, Wells Production Capacity of your application
6. Please submit the above requested documents to docket control, include the original and 13 copies.

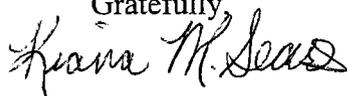
Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C) for water and R-14-2-610(C) for wastewater, upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and

Pursuant to A.A.C. R14-2-411(C)(3) and R-14-2-610(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

If you have any questions concerning this matter, please do not hesitate to contact me Kiana Sears at 602-542-0754 or Katrin Stukov in Engineering at 602-542-0941.

In addition to the sufficiency items, please observe the following question as a data request:

1. Has the company contacted any other water companies, in the vicinity of the proposed development, that could provide water services to the customers, Ridgeline is applying to serve? If, yes. Please provide the responses from the companies contacted.

Gratefully,

Kiana Maria Sears
Executive Consultant I

KMS

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