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ARIZONA CORPORATION COMMISSION

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July 21, 2008 AZ CORP COMMISSION  
DOCKET CONTROL

ORIGINAL

CERTIFIED MAIL

Mr. Joe Cordovana  
Appaloosa Water Company  
7012 North 18<sup>th</sup> Street  
Phoenix, Arizona 85020

RE: APPALOOSA WATER COMPANY - APPLICATION FOR A RATE INCREASE,  
DOCKET NO. W-03443A-08-0313

LETTER OF DEFICIENCY

Dear Mr. Cordovana:

In reference to your rate application received on June 20, 2008, 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 sixteen copies of the corrected pages.

You have 15 calendar days, or until August 5, 2008, 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 sixteen copies of an updated application at a later date.

Arizona Corporation Commission  
DOCKETED

JUL 21 2008

DOCKETED BY	
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Mr. Joe Cordovana  
July 17, 2008  
Page 2

The Staff person assigned to your application is Charles R. Myhlousen. He can be reached at (602) 542-0863, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,



Elijah Abinah  
Assistant Director/Acting Chief Accountant  
Financial & Regulatory Analysis Section  
Utilities Division

EOA:CRM:tdp

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

**APPALOOSA WATER COMPANY  
DOCKET NO. W-03443A-08-0313  
TEST YEAR ENDED DECEMBER 31, 2007**

**ATTACHMENT OF DEFICIENCIES (07/21/2008)**

The entire application is deficient because the Company is a Class C utility and the rate increase application is filed on forms for a Class D or E utility.

However Staff is willing to waive this requirement if all of the deficiencies listed below are corrected in a timely manner.

- 1.1 Please furnish the completed page 1 of the application.
- 1.2 Page 6. On page 6 and page 18, the number of total customers stated on these pages are not the same. Please reconcile and submit correct page(s).
- 1.3 Page 18. The application states on page 16 that the system has 26 fire hydrants. On page 18 the question pertaining to fire hydrants was not completed. Please complete this question and submit a new page 18.
- 1.4 The bill count for the test year generates a different amount of revenue than shown on page 19, Schedule C-1. They should be the same. Please reconcile.
- 1.5 The bill count proposed revenue generates a different amount of proposed revenue than the proposed revenue shown on page 6. They should be the same. Please reconcile.
- 1.6 Please provide the invoices for water testing for the period of September through December 2007.
- 1.7 Please provide the Arizona Department of Environmental Quality MAP invoice.