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Arizona Corporation Commission  
August 1, 2008

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**ORIGINAL**

Mr. Richard L. Sallquist  
Sallquist, Drummond & O'Connor, P. C.  
4500 South Lakeshore Drive  
Tempe, AZ 85282

DOCKETED BY	
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RE: APPLICATION OF KEATON DEVELOPMENT COMPANY FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR THE PROVISION OF WATER SERVICE IN PORTIONS OF LA PAZ COUNTY, ARIZONA STATE. DOCKET NO. W-02169A-08-0301.

**INSUFFICIENCY LETTER**

Dear Mr. Sallquist:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that the application of Keaton Development Company for an extension of its Certificate of Convenience and Necessity ("CC&N"), received on June 13, 2008 and revised on July 3, 2008, has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-402. The deficiencies are:

1. For the Amended Application (new added 73 lot subdivision by Laser Development Partners) only:
  - a. Please submit a drinking water design report which clarifies how water will be provided to the proposed CC&N area.
    - i. The report should identify existing and future sources, the capacities of existing sources, the estimated capacities of future sources and any existing demand on the present water sources.
    - ii. The report should include the estimated water demand from a typical dwelling unit, the estimated demand from the proposed CC&N area.
    - iii. The report should identify the location of future and existing transmission mains and include the timing or construction phasing of facilities.
    - iv. Please provide any other information which will allow the Commission to analyze and conclude that the company has sufficient water production capacity, or can develop enough drinking water capacity to service the existing and future demands from the proposed CC&N area.
  - b. Please provide a set of design plans for the proposed water facilities. If final plans are not available, preliminary design plans should be provided.

- c. Please provide an estimate of the water construction costs to the Applicant, necessary to serve the proposed CC&N. The costs should include a description of the major components with the cost of the component (i.e., wells, number and size of storage tanks, water treatment plant, etc.). The method of financing for the major components should be specified.

Also, please treat the following questions as Staff's First Set of Data Request:

1. Please provide a copy of the Arizona Department of Water Resources ("ADWR") Water Provider Compliance Status Report.
2. Please provide Arizona Department of Environmental Quality (ADEQ) Compliance Status Report for PWS Number 15-029 (dated within 3 months).

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0857 or Jian Liu at 602-542-7276.

Sincerely,



Alexander Ibhade Igwe, CPA  
Executive Consultant III

AII

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