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ARIZONA CORPORATION COMMISSION

September 8, 2008

ORIGINAL

CERTIFIED MAIL

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

Arizona Corporation Commission
DOCKETED

SEP - 8 2008

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

SECOND 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 had found your application deficient on July 21, 2008. The information the Company submitted on July 29, 2008, and August 7, 2008, did not sufficiently or completely address some of the deficiencies. The continued deficiencies 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 September 23, 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 administrative closure of your docket number. 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.

RECEIVED
2008 SEP - 8 P 3:48
AZ CORP COMMISSION
DOCKET CONTROL

Mr. Joe Cordovana
September 08, 2008
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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,

A handwritten signature in black ink, appearing to read "Elijah Abinah". The signature is fluid and cursive, with a prominent initial "E" and a long, sweeping tail.

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

EA:CRM:kdh

CC: Docket Control Center (sixteen copies)
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 (09/08/2008)

- 2.1 Number 1.4 on the first deficiency list was not corrected or completed. The bill count for the test year generates a different amount of revenue than shown on page 19 of the application. They should be the same. Please reconcile.

- 2.2 Number 1.5 on the first deficiency list was not corrected or completed. The bill count proposed revenue generates a different amount of proposed revenue than the proposed revenue shown on page 6 of the application. They should be the same. Please reconcile.