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ARIZONA CORPORATION COMMISSION **RECEIVED**

ORIGINAL

March 30, 2009

2009 MAR 30 P 3:51

CERTIFIED MAIL

AZ CORP COMMISSION
DOCKET CONTROL

Mr. John V. Wallace
Grand Canyon State Electric Cooperative Association
120 North 44th Street, Suite 100
Phoenix, Arizona 85034

RE: GRAHAM COUNTY UTILITIES, INC. – APPLICATION FOR A RATE INCREASE;
DOCKET NO. G-02527A-09-0088

LETTER OF INSUFFICIENCY

Dear Mr. Wallace:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on February 26, 2009, did not meet the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103. Staff has found a number of deficiencies with the 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 the original and 13 copies of the corrected pages.

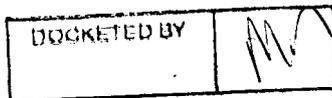
You have 15 calendar days, or until April 14, 2009, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application. If corrections or other arrangements are not made by that date, Staff will request that the docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file the original and 13 copies of an updated application at a later date.

The Staff person assigned to your application is Julie McNeely-Kirwan. She can be reached at (602) 542-0833, if you have any questions or concerns.

Arizona Corporation Commission

DOCKETED

MAR 30 2009



Sincerely,

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

EOA:JKM:tdp

Cc: Docket Control Center
Russ Barney, Graham County Electric Cooperative, Inc.

**GRAHAM COUNTY UTILITIES
RATE APPLICATION
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2008
DOCKET NO. G-02527A-09-0088**

1. Schedule A-4: Schedule E-3A is listed as a supporting schedule, but was not filed in the docket.
2. Schedule A-4/Schedule E-1/Schedule E-5: Utility Plant in Service amounts for Test Year Ended 9/30/08 do not agree across these schedules (Schedule A-4 and Schedule E-5 agree, but do not agree with Schedule E-1). Please explain and/or correct the amounts across the listed schedules.
3. Schedule B-1/Schedule B-5/Schedule E-1: Description and/or amounts for Materials and Supplies and Prepayments do not agree across these schedules. (Is the \$20,562 amount Other Current and Accrued Assets or Prepayments? Is the \$32,417 amount Underbilled Consumers Fuel Cost or Materials and Supplies?) Please explain and/or correct the amounts and descriptions for these items across the listed schedules.
4. Schedule B-1/Schedule B-2: Distribution Gross Plant and Accumulated Distribution and General and Intangible Gross Plant and Accumulated Distribution do not agree with Schedule B-2 amounts.
5. Schedule E-1/Schedule E-5: Footnote A on Schedule E-1 supports the \$101,760 Construction Work In Progress amount. Please explain where this amount is supported on Schedule E-5.
6. Schedule E-1/ E-2: Plant Acquisition Adjustment Amounts do not agree.
7. Schedule E-7: Schedule E-7-1 is listed as a supporting schedule, but not filed in the docket.
8. Schedule F-2/A-5: Cash Flows at Proposed Rates for Operations in Schedule F-2 do not agree with Proposed Rates for Operations in A-5; docketed Schedule A-5 amount also does not match Excel file for Schedule A-5.
9. Schedule F-2/A-5: Cash Flows at Present Rates for Operations in Schedule F-2 do not agree with Present Rates for Operations in Schedule A-5; docketed Schedule A-5 amount also does not match Excel file for Schedule A-5.
10. Schedule F-2/A-5: Balance at end of year totals from Schedule F-2 do not agree with totals on Schedule A-5.
11. Schedule F-3: Plant total does not reflect amount of \$57,887 from Acct. 2396.00 on Schedule E-5.
12. Schedule F-3/Schedule F-2: F-2 is listed as a recap schedule for Schedule F-3; clarification is required regarding where the Schedule F-3 figures roll up to on Schedule F-2.