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ARIZONA CORPORATION COMMISSION

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2009 MAY 12 P 4: 10

May 11, 2008

AZ CORP COMMISSION  
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Arizona Corporation Commission  
**DOCKETED**

Mr. Donald J. Unthank  
11802 E. Blue Wash Rd  
Cave Creek, AZ 85331

MAY 12 2009

DOCKETED BY	
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RE: Tonto Hills Utility Company- Application for Approval of the Sale of Assets and for Cancellation of the Certificate of Convenience and Necessity ("CC&N")  
Docket No. W-02483A-09-0064 & W-20083A-09-0064

**SECOND INSUFFICIENCY LETTER**

Dear Mr. Unthank:

In reference to the above-mentioned application docketed on February 17, 2009, by Tonto Hills Utility Company ("Tonto Hills" or "Company"), this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code ("A.A.C") R14-2-602. The following information needs to be provided in order to determine sufficiency:

1. Please provide the name and ADEQ certification number of the person who is the current certified operator of the water system.
1. The Company was asked to provide a complete listing of the water company's assets. On the list provided, the Company was asked to indicate those assets, if there were any that would not be transferred to the Tonto Hills Domestic Water Improvement District ("District"). The Company's 2007 Commission Annual Report lists a well (ADWR ID No. 55-524-069) on the sheet labeled "Water Company Plant Description". Explain why this well was not listed and the disposition of the asset.
2. Explain how the proposed transaction and control under the District ensures control of the 100-year CAP water allocation (see Company response to Staff DR #8).

Staff would like to use this opportunity to bring the following to your attention:

- Pursuant to the A.A.C. R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 days for its substantive review. This includes conducting a hearing and preparing an Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(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, please do not hesitate to contact me at 602-542-0818 or Del Smith at 602-542-7277.

Sincerely,

A handwritten signature in cursive script that reads "Vicki Wallace".

Vicki Wallace  
Executive Consultant

Cc: Docket Control  
Del Smith  
Barbara Wells  
Lyn Farmer