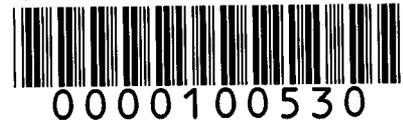


COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



ARIZONA CORPORATION COMMISSION

ORIGINAL

July 10, 2009

Mr. Chuck Swysgood
President
Sun Leisure Estates Utilities Company, Inc.
Post Office Box 1074
Yuma, Arizona 85366-1074

RE: SUN LEISURE ESTATES UTILITIES COMPANY, INC. - IN THE MATTER OF THE
APPLICATION OF SUN LEISURE ESTATES UTILITIES COMPANY, INC. -
APPLICATION FOR A RATE INCREASE DOCKET NO. W-02386A-09-0308

LETTER OF DEFICIENCY

Dear Mr. Swysgood:

In reference to your rate application received on June 10, 2009, 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 a number of deficiencies with the rate 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 15 copies of the corrected pages.

You have 15 calendar days, or until July 27, 2009 to correct the deficiencies, or make other arrangements with Staff to remedy your rate application.

The Staff person assigned to your application is Jeffrey M. Michlik. He can be reached at (602) 364-2034, or toll free at (800) 222-7000, if you have any questions or concerns.

Arizona Corporation Commission
DOCKETED

JUL 13 2009

DOCKETED BY

Sincerely,

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

EOA:JMM:tdp

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

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL
2009 JUL 10 P 4: 15
RECEIVED

Sun Leisure Estates Utilities Company, Inc.
Rate Application
Docket No. W-02386A-09-0308
Test Year Ended December 31, 2008
List of Deficiencies (07/10/2009)

The specific items that have caused a finding of deficiency are as follows:

1. The bill counts do not produce the test year metered revenues or proposed metered revenues. Please reconcile.
2. The Company submitted its Water Use Data Sheets by Month for the Test Year 2008. The water system reports its gallons sold was 533,740, and the gallons pumped was 295,260 for April 2008. This is impossible. There are similar problems for Aug and Oct. Please explain and verify the correctness of the submitted Water Use Data Sheet.

Other items:

1. Although this is not a deficiency item. On page 3 of the application, the Company states they need to drill a new well for back-up. Does the Company intend to file a financing application along with this case?
2. Although this is not a deficiency item. Please provide a copy of the Arizona Department of Water Resources ("ADWR") Water Provider Compliance Status Report for Company's water system.