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ARIZONA CORPORATION COMMISSION

December 22, 2009

Arizona Corporation Commission
DOCKETED

DEC 23 2009

DOCKETED BY

CERTIFIED MAIL

Mr. Eric Young
Chaparral Water Company
2601 West Dunlap, # 10
Phoenix, AZ 85021

RE: CHAPARRAL WATER COMPANY – APPLICATION FOR A RATE INCREASE DOCKET NO. W-02393A-09-0539

LETTER OF INSUFFICIENCY

Dear Mr. Young:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on November 23, 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 15 copies of the corrected pages.

You have 15 calendar days, or until January 6, 2010, 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 an original and 15 copies of an updated application at a later date.

The Staff person assigned to your application is Brendan Aladi. He can be reached at (602) 542-0785, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

Elijah Abinan
Assistant Director
Utilities Division

SMO:BCA:red

Attachment

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

RECEIVED
2009 DEC 23 P 12:30
AZ CORP COMMISSION
DOCKET CONTROL

Chaparral Water Company
Rate Application
For the test year ended June 30, 2009
Docket No. W-02393A-09-0539
List of Deficiencies

1. The revenue generated by the billing determinants (page 9) does not reconcile to the income statement (page 19) as required.
2. The revenue generated by the proposed billing determinants (page 9) does not reconcile to the proposed revenue (page 6) as shown.
3. Page 9, current and proposed rates and charges Schedule. There are no free gallons in the minimum charge, Standpipe flat rate is not \$2.50 per month and current rates break over points do not match the gallons approved in Decision No. 66395. Please correct.
4. Page 11, current and proposed service charges schedule. The current charges for deposit and deposit interest are not listed correctly. Please correct.
5. The 1-inch meter size bill count summary page (page 31) is not completed correctly.
6. The 2-inch meter size bill count worksheet for the quarters 1, 2, and 3 are missing. Please complete and file the missing worksheets.
7. The 2-inch meter size bill count worksheet (page 30) is not completed correctly.
8. The bill count worksheets (Page 27 through 31) are mislabeled as 3/4-inch meter size instead of 5/8 x 3/4-inch. Please provide the correct labeling.
9. Page 14, Plant Summary Schedule. The amount listed for structure and improvements in Column A does not match the amount approved in Decision No. 66395. Please correct.
10. Page 14, Plant Summary Schedule. No amount is shown in Column B for other tangible plant. Other Tangible Plant was added in 2004. Please include in this column all plant additions from the attached schedule.
11. Page 14, Plant Summary Schedule. The amounts shown in Column C appear to be accumulated depreciation amounts. Plant may have been retired since 2002. Please include in this column all plant retirements for all years from 2002 through June 30, 2009.
12. Page 13, plant Additions and Retirements by Year Schedule. Please list all retirements for each year starting 2002 through June 30, 2009.

13. Please provide copies of all plant invoices over \$150 and retirement information, from any plant additions and retirements in the years 2002 through June 30, 2009. No plant invoices were furnished with the application.
14. The Company noticed its customers on November 19, 2009. However, the rates listed on the attachments to the notice do not match the rates approved in Decision No. 66395. The Company has been allowing 1,000 gallons in the minimum charge with incorrect break over points in its customer billings. The Company should re-notice its customers immediately.