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ARIZONA CORPORATION COMMISSION

ORIGINAL

June 4, 2010

CERTIFIED MAIL

Winchester Water Company LLC
Attn: Phil Auernheimer, Managing Partner
7635 North La Cholla Boulevard #136
Tucson, Arizona 85741

RE: WINCHESTER WATER COMPANY LLC - APPLICATION FOR A RATE
INCREASE (DOCKET NO. W-04081A-10-0173)

LETTER OF INSUFFICIENCY

Dear Mr. Auernheimer:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on May 5, 2010, did not meet the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103. Staff 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 June 19, 2010, to correct the deficiencies, or make other arrangements with Staff to remedy you 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 original and 15 copies of an updated application using an updated test year at a later date.

Arizona Corporation Commission
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ARIZONA CORPORATION COMMISSION

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Phil Auernheimer, Managing Partner

June 4, 2010

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The Staff person assigned to your application is Gary T. McMurry. He can be reached at (602) 542-2044, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,



Nancy L. Scott
Chief, Financial & Regulatory Analysis Section
Utilities Division

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

WINCHESTER WATER COMPANY, LLC
DOCKET NO. W-04081A-10-0173
APPLICATION FOR RATE INCREASE
DEFICIENCY LIST
JUNE 4, 2010

1. Bill Count does not reconcile to the income statement as it should.
2. Customer Notification percentage appears incorrectly calculated. Application cites a \$27,893 or 40 percent increase in rates; however, this amount equates to a 67.4 percent increase (27,893 / 41,367).
3. The individual (Phil Auernheimer) requesting rate increase on behalf of Company has not received approval for the sale of assets and transfer of CC&N by the ACC. Mr. Auernheimer filed an application to transfer the assets and CC&N on April 12, 2010 (10-0145). Mr. Auernheimer needs to provide documentation from the ostensible owner of Winchester Water Company that he is an authorized representative of Company with respect to this rate case.
4. The application for a rate increase, which was filed on May 5, 2010, uses a 2008 test year. Staff notes that the Company filed its 2009 Annual Report with the Utilities Division in April 2010. Accordingly, if the Company does not make correction to its application within 15 days, Staff will require the Company to file an updated application using a more current test year.