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ARIZONA CORPORATION COMMISSION

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2010 JUN -4 P 4: 04

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ORIGINAL

June 4, 2010

CERTIFIED MAIL

Mrs. Valerie Betts
President
Heart Cab Co., Inc. dba Sulger Water Company #2
1380 W. Caroline Lane
Tempe, Arizona 85284

Arizona Corporation Commission

DOCKETED

JUN - 4 2010

DOCKETED BY	
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RE: HEART CAB CO., INC - IN THE MATTER OF THE APPLICATION OF HEART CAB CO., INC. DBA SULGER WATER COMPANY #2 - APPLICATION FOR A RATE INCREASE (DOCKET NO. W-02355A-09-0275)

SECOND LETTER OF DEFICIENCY

Dear Mrs. Betts:

In reference to your rate application received on May 5, 2010, 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 found that your application was deficient on July 1, 2009. The Company submitted information in response to that letter. The information submitted did not sufficiently or completely address some of the deficiencies. The continued deficiencies 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 June 21, 2010, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application.

Mrs. Valerie Betts

June 4, 2010

Page 2

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.

Sincerely,



Nancy Scott
Chief, Financial & Regulatory Analysis Section
Utilities Division

NLS:JMM:tdp

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

HEART CAB CO., INC. DBA SULGER WATER COMPANY #2
RATE APPLICATION
DOCKET NO. W-02355A-09-0275
TEST YEAR ENDED DECEMBER 31, 2009
LIST OF DEFICIENCIES (6/4/2010)

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

1. On page 6 of the application, please state in dollar terms what the Company is seeking for a revenue increase. If the Company is seeking no increase, please state so.
2. On page 6 of the application, please state what the Company's total annual operating revenues will be if the Company is granted the rate adjustment. If the Company is seeking no increase, please state so.
3. On page 9 of the application, the monthly minimum rate approved in the emergency rate case, Decision No. 70619 was \$31.00 for all meter sizes. Please revise all of your meter size monthly minimum charges to reflect this.
4. Please submit a new tariff, with the current rates approved in the Emergency Rate Case, Decision No. 70619, dated November 19, 2008.
5. On page 13 of the application (Plant Additions and Retirements by Year), the years 1980 through 1996 and the years 2001 through 2003 are missing. If there were no additions or retirements for those years, please indicate so; otherwise, please revise accordingly.
6. On page 14 of the application (Plant Summary), please fill in Column A, Plant in Service Per Prior Decision.
7. The Utility Plant in service in the amount of \$162,443 and the accumulated depreciation amount of \$28,412 on page 21 of the application do not match the corresponding amounts of \$151,458 and \$38,312 on page 15. Please correct.
8. On page 31 of the application, for the 5/8" x 3/4" metered customer, please total the amounts from quarters 1 through 4 and put the sum in the totals column.
9. On page 31 of the application, for the 1" metered customer, please total the amounts from quarters 1 through 4 and put the sum in the totals column.
10. The bill counts do not produce the test year metered revenues or proposed metered revenues. Please reconcile.

HEART CAB CO., INC. DBA SULGER WATER COMPANY #2
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11. Please provide a complete balance sheet. The Long-term debt amount on page 22 should be consistent with the amount listed on page 23.
12. On page 23 of the application, the Company lists 3 long-term loans. Please state the Arizona Corporation Commission Decision Number and date in which these loans were approved. In addition, please fill out all parts of the form. For instance, the net proceeds, amount outstanding, date of maturity, and current year interest.

Other items:

1. Does the Company intend to file a financing application along with this case?