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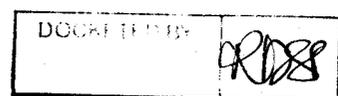
July 23, 2010

Arizona Corporation Commission

DOCKETED

JUL 23 2010

Mr. William Shirley  
14545 East Rincon Creek Ranch Road  
Tucson, Arizona 85747



RE: APPLICATION FOR APPROVAL OF SALE AND TRANSFER OF CERTIFICATE OF CONVENIENCE AND NECESSITY OF RINCON CREEK WATER COMPANY TO MR. MICHAEL W. SCHULTZ. (DOCKET NO: W-03783A-10-0172)

**LETTER OF INSUFFICIENCY**

Dear Mr. Shirley:

Staff is currently reviewing your application and requests the following information for further review:

- Please provide an explanation of why the current owner is selling the Water Company. Please provide details regarding the current state of the Company and any information that would help Staff get a clear picture of what is driving the sell at this time. Please provide as many background details regarding the Company as possible.
- Please inform Staff of the numbers of gallons of water that was sold and gallons pumped year around for the year 2009. Please account for explain the operation of the system.
- The Annual Reports for the Company is not complete hence the information Staff is requesting the missing material. Staff does not know if the system as an arsenic problem. Staff needs information regarding the types of sampling test done by the operating company.
- Please explain why there are only three meters listed in the annual reports while there are five customers listed.
- Staff also needs to have more information regarding the second well. Please state who has ownership of that well and if there is a service agreement.

- Staff has not been able to get in contact with Arizona Water Measurement can the Company supply Staff with the pertinent information from Arizona Measurement that would help address.
- Previous questions about the water quality and system operation.

If you have any questions concerning this matter, please do not hesitate to contact me Kiana Sears at 602-542-0754 or Utilities Engineer Dorothy Hains at 602-542-7274.

Gratefully,



Kiana Maria Sears  
Executive Consultant I

KMS:red

CC: Del Smith  
Lyn Farmer  
Brian Bozzo