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ARIZONA CORPORATION COMMISSION

2010 JUL 27 P 2: 54

July 23, 2010

AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUL 27 2010

Winchester Water Company, LLC
7608 North La Cholla Blvd.
Tucson, Arizona 85741

DOCKETED BY *[Signature]*

Phil and Phyllis Auernheimer
5625 West Frier Drive
Glendale, Arizona 85301

RE: APPLICATION FOR APPROVAL OF SALE OF ASSETS AND TRANSFER OF CERTIFICATE OF CONVENIENCE AND NECESSITY OF WINCHESTER WATER COMPANY TO NEW MANAGING PARTNERS PHIL AUERNHEIMER AND PHYLLIS AUERNHEIMER (DOCKET NO: W-04081A-10-0145)

LETTER OF INSUFFICIENCY

Dear Sir and Madame:

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 explain why the Company is being sold for a mere \$5K (five thousand dollars), when there is an assumption by Staff that the Company is valued at several times that amount.
- Please explain the relationship between the current managing partners Charles D. Cardinal and Penny Cardinal and Phil and Phyllis Auernheimer.
- Please provide information regarding the amount of utility experience of the Auernheimer's. Feel free to provide any information regarding the experience of the Auernheimer's that will contribute decision making process of Commission.

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- Staff has concerns regarding the proximity of the Certified Operator in relation to the location of the Water Company. Please address Staff's concerns and explain the Company's contingency plan in an emergency situation.

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

Gratefully,


Kiana Maria Sears
Executive Consultant I

KMS:red

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
Vicki Wallace