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ARIZONA CORPORATION COMMISSION
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Arizona Corporation Commission
DOCKETED

JUL - 9 2010

DOCKETED BY	<i>MM</i>
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ORIGINAL

2010 JUL July 9 2010 8:05

AZ CORP COMMISSION
DOCKET CONTROL

Mr. James Shiner
Goodman Water Company
6340 North Campbell Avenue, Suite 278
Tucson, Arizona 85718

RE: COMPLIANCE ITEM FROM GOODMAN WATER COMPANY, DOCKET NO. W-02500A-06-0281, DECISION NO. 69404, DATED APRIL 16, 2007

Dear Mr. Shiner:

Your rate review application was received on March 25, 2010. This filing was made pursuant to Decision No. 69404 dated April 16, 2007, requiring Goodman Water Company ("Company") to file a rate review three years from the effective date of that Decision. This is to inform you that your rate review filing fulfills that compliance requirement of Decision No. 69404.

Staff's review of the unaudited financial information provided by you indicates that:

1. The Company is earning a 2.28 percent rate of return on its estimated rate base.
2. The Company appears to have an unauthorized long-term loan in excess of \$500,000.

Staff recommends that the Company file a rate increase application as soon as may be practicable. Staff further recommends that the Company file a financing application for any long-term debt it maintains.

Staff will proceed to file a notice of non-compliance if a financing application request covering your unauthorized debt is not received within 45 days of the date of this letter. (Form is available on our website at <http://www.azcc.gov/divisions/utilities/forms/financeApp.pdf>.)

If you have any questions, please contact Brendan Aladi at (602) 542-0785, or toll free at (800) 222-7000.

Sincerely,

Nancy L Scott

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

cc: 13 copies