

ORIGINAL



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6 Attorneys for Antelope Run Water Company

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2010 DEC 29 P 3: 58

AZ CORP COMMISSION  
DOCKET CONTROL

**BEFORE THE ARIZONA CORPORATION COMMISSION**

**COMMISSIONERS**

8 KRISTIN K. MAYES, CHAIRMAN  
9 GARY PIERCE  
10 PAUL NEWMAN  
11 SANDRA D. KENNEDY  
12 BOB STUMP

Arizona Corporation Commission

DOCKETED

DEC 29 2010

DOCKETED BY

13 **ANTELOPE RUN WATER COMPANY'S**  
14 **APPLICATION FOR A PERMANENT**  
15 **INCREASE IN ITS WATER RATES**

Docket No. W-02327A-10-0169

**MOTION REGARDING**  
**SUFFICIENCY OF RATE**  
**APPLICATION**

**(hearing requested)**

19  
20 On or about April 30, 2010, Antelope Run Water Company ("Company")  
21 submitted an application for a permanent increase in its water rates. Soon thereafter the  
22 Company filed a finance application requesting authority to incur debt to make system  
23 repairs and improvements in cooperation with two related companies (East Slope Water  
24 Company and Indiada Water Company). On May 28, 2010 the Company received a  
25 Letter of Deficiency requesting significant changes to the rate application. On August  
26  
27  
28

1 27, 2010 the Company submitted its revised rate application making changes requested  
2 by the Arizona Corporation Commission Staff (“Staff”).  
3

4 On or about September 27, 2010, the Company received a Second Letter of  
5 Deficiency. This second letter of deficiency listed engineering issues that did not relate  
6 to the Company’s rate application, but instead raised issues concerning the finance  
7 application. See Attachment 1. Put another way, Staff found the Company’s rate  
8 application insufficient because they wanted more information regarding the finance  
9 application, **not** the rate application.  
10  
11

12 The Company’s position is that the rate application is sufficient and should move  
13 forward regardless of the finance application. If Staff believes the financing application  
14 is insufficient, then it should make such a determination and request additional  
15 information in the financing docket. But it should not withhold its finding of sufficiency  
16 regarding the rate application. The Company has discussed the issue with Staff several  
17 times to determine how to move forward, but Staff has taken the position that they will  
18 not find the rate application sufficient because their request for additional information on  
19 the finance application has not been fulfilled.  
20  
21

22 Therefore, the Company moves this Court to find the information requested in  
23 Staff’s deficiency letter is not required for the Company’s rate application to be deemed  
24 sufficient, and order that the rate application be found sufficient regardless of how Staff  
25 treats the finance application.  
26  
27  
28

1 RESPECTFULLY SUBMITTED this 29<sup>th</sup> day of December, 2010.

2 **Moyes Sellers & Sims**

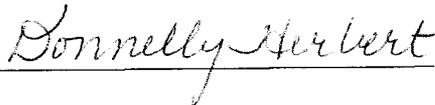
3  
4   
5 Steve Wene

6  
7  
8 Original and 15 copies of the foregoing  
9 filed this 29th day of December, 2010, with:

10 Docket Control  
11 Arizona Corporation Commission  
12 1200 West Washington  
13 Phoenix, Arizona 85007

14 Copy of the foregoing mailed this  
15 29th day of December, 2010, to:

16 Robin Mitchell, Attorney  
17 Legal Division  
18 Arizona Corporation Commission  
19 1200 W. Washington Street  
20 Phoenix, Arizona 85007  
21 [rmitchell@azcc.gov](mailto:rmitchell@azcc.gov)

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# **ATTACHMENT 1**

ORIGINAL



COMMISSIONERS  
KRISTIN K. MAYES - Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

ARIZONA CORPORATION COMMISSION

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2010 SEP 27 P 2:02

September 27, 2010

AZ CORP COMMISSION  
DOCKET CONTROL

Ms. Sonn S. Rowell, CPA  
Desert Mountain Analytical Services PLLC  
PO Box 51628  
Ahwatukee, Arizona 85076

RE: ANTELOPE RUN WATER COMPANY - APPLICATION FOR A RATE INCREASE DOCKET  
NO. W-02327A-10-0169

**SECOND LETTER OF DEFICIENCY**

Dear Ms. Rowell:

In reference to your rate application received on April 30, 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 previously found that your application was deficient on May 28, 2010. 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 16 calendar days, or until October 13, 2010, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application.

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 L. Scott, Esq.  
Chief, Financial & Regulatory Analysis Section  
Utilities Division Arizona Corporation Commission

DOCKETED

SEP 27 2010

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

DOCKETED BY

**ANTELOPE RUN WATER COMPANY**  
**Rate Application**  
**Docket No. W-02327A-10-0169**  
**Test Year Ended December 31, 2009**  
**List of Deficiencies**

**Engineering Issues**

1. Referring to a Preliminary Statement on page 2 of Finance Application, "The Company is seeking to finance improvements to **water production** and distribution systems, which will cost an estimated \$3,000,000.00." However, according to the Opinion of Probable Costs in Exhibit 1, there are no proposed improvements to water production. For clarification purposes please identify those items that specifically enhance water production and those items that are related to distribution.
  
2. In order for Staff to accurately evaluate the Finance Application, please provide a report prepared by the Company's Engineer. The report should include a map (a map should identify respective CC&Ns, a layout of existing plant by system and proposed improvements), analysis of each system deficiencies and recommendations of the most efficient and appropriate improvements with detailed description of the proposed construction cost and timeline.