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ARIZONA CORPORATION COMMISSION  
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January 31, 2011

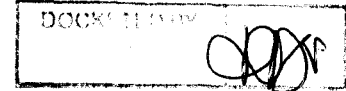
Arizona Corporation Commission  
DOCKETED

JAN 31 2011

CERTIFIED MAIL

Mr. Patrick J. Black., Esq.  
Fennemore Craig, PC  
3003 North Central Avenue, Suite 2600  
Phoenix, Arizona 85012

REC'D CORP COMMISSION  
DOCKET CONTROL



RE: BERMUDA WATER COMPANY – APPLICATION FOR A RATE INCREASE  
DOCKET NO. W-01812A-10-0521

LETTER OF INSUFFICIENCY

Dear Mr. Black:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on December 30, 2010; did not meet the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103. Staff found a number of deficiencies with the application which 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 the original and 15 copies of the corrected pages.

You have 15 calendar days, or until February 14, 2011, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application. If corrections or other arrangements are not made by that date, Staff will request that the docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file original and 15 copies of an updated application at a later date.

The Staff person assigned to your application is Gary T. McMurry. He can be reached at (602) 542-2044, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Elijah O. Abinah".

Elijah O. Abinah  
Assistant Division Director  
Utilities Division

EOA:GTM:tdp

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

**Bermuda Water Company**  
**Docket No. W-01812A-10-0521**  
**Application for rate increase**

**Deficiency List**  
**January 31, 2011**

1. Schedule H-5 has two 2-inch school bill counts and two 1-inch wholesale bill counts. These appear to be typographical errors that should be corrected.
2. Based on discussions with Company personnel, the gross revenue conversion factor (schedule C-3) calculation is incorrect and should be revised.
3. Schedules D-1 and D-2 show the parent company's (Utilities Inc.) capital structure. Please provide a D-1 and D-2 that presents the capital structure of the utility (Bermuda Water Company) and reconciles to Schedule E-1.
4. <http://www.azcc.gov/divisions/utilities/water/forms.asp>, Staff would need the following items for sufficiency:
  - a. An ADEQ Compliance Status Report for the Company's water system.
  - b. A completed Water Use Data Sheet for the test year.
  - c. A plant inventory of the Company's plant-in-service at the end of test year. A suggested format is included in the supplemental link provided on the Commission's website.