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ARIZONA CORPORATION COMMISSION

2011 JUN 30 P 3:57

June 30, 2011

AZ CORP COMMISSION  
DOCKET CONTROL

CERTIFIED MAIL

Picacho Peak Water Company.  
Attn: Bill McCabe  
28784 Stonehenge Drive  
Chesterfield, Michigan 48047

RE: PICACHO PEAK WATER COMPANY - APPLICATION FOR A RATE DECREASE  
DOCKET NO. W-02351A-11-0231

*LETTER OF INSUFFICIENCY*

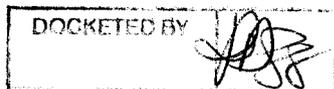
Dear Mr. McCabe:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on June 1, 2011, did not meet the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103. Staff has 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 July 15, 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 an original and 15 copies of an updated application at a later date.

The Staff person assigned to your application is Brendan Aladi. He can be reached at (602) 542-0785, or toll free at (800) 222-7000, if you have any questions or concerns.

Arizona Corporation Commission  
**DOCKETED**  
JUN 30 2011



Sincerely,

*Nancy Scott*

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

NLS:BA:kdh

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

**PICACHO PEAK Water Company**  
Docket No. W-02351A-11-0231  
For the test year ended December 31, 2010  
Rate Application

List of Deficiencies

1. The bill count for the test year generates a different amount of revenue than that shown on page 19a of the application. Please reconcile.
2. Pages 27b through 31b of the application show bill count information for ¾-inch Commercial customers for Picacho Peak Water Company. However, the commodity tariff rates for ¾-inch commercial customers were mistakenly left out of the tariff schedule. Please explain how the ¾-inch commercial customers are being billed.

Please treat the following as data request items:

3. Please provide copy of repairs and maintenance invoices over \$50 for the test year. No invoices were furnished with this application.
4. Please provide a copy of one bill for each of the following customer types:
  - ¾-inch residential.
  - ¾-inch commercial.
  - 2-inch commercial.