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ARIZONA CORPORATION COMMISSION

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January 26, 2012

2012 JAN 26 P 2:00

Arizona Corporation Commission

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DOCKET CONTROL

DOCKETED

JAN 26 2012

CERTIFIED MAIL

Ms. Karen A. Samuel  
Bidegain Water Company.  
c/o Samuel Accounting Service  
247 South Hill Street  
Globe, Arizona 85501

DOCKETED BY 

RE: BIDEGAIN WATER COMPANY – APPLICATION FOR A RATE INCREASE DOCKET  
NO. W-02026A-11-0470

LETTER OF INSUFFICIENCY

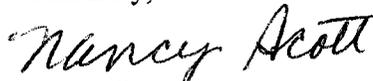
Dear Ms. Samuel:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on December 27, 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 February 8, 2012, 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.

Sincerely,



Nancy L. Scott  
Chief Finance and Rates  
Utilities Division

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

**Bidegain Water Company**  
Docket No. W-02026A-11-0470  
For the test year ended December 31, 2010  
Rate Application

List of Deficiencies

1. The plant additions and retirements (page 13) do not provide plant additions and retirements by year information for all years from the prior decision test year (1989) to the ending test year used in this application (2010) as it should. Please explain.
2. Page 14, plant summary. Column A, plant in service per prior decision total should be \$17,596, column B, total additions should be \$21,700, and column D, the test year end total should be \$39,296. Please correct.
3. Page 6, statement in support of rate request, should state that "The Company is requesting a(n) increase in revenues in the amount of" \$4,809.34. Please correct.
4. Page 16, utility plant in service. Column A, original cost total should be \$39,296, and column B, accumulated depreciation total should be \$36,296. Please correct.
5. Page 21, calculation of depreciation expense. Column A, original cost total should be \$39,296, and column B, depreciation percentage for each plant account should be 5% and column C total should be 0.00. All plant accounts are fully depreciated except land.
6. The Company did not provide a copy of the current Arizona Department of Revenue certificate of compliance letter of good standing. Attached is a copy of the Arizona Department of Revenue tax clearance application. Please complete the application and forward it to the Arizona Department of Revenue for processing.
7. Please provide copy of invoices for each plant addition and retirement in excess of \$150 since the utility's prior test year (1989) to the ending test year used in this application (2010). No invoices were furnished with this application.
8. Please provide copy of chemical expense invoices over \$50 for the test year. No invoices were furnished with this application.
9. Please provide copy of office supplies and expense invoices over \$50 for the test year. No invoices were furnished with this application.
10. Please provide copy of outside services expense invoices over \$50 for the test year. No invoices were furnished with this application.

11. The Company currently is without a Certificate of Convenience and Necessity and will be contacted by Staff to get information so Staff can make a determination that Mr. Wallace is fit and proper to operate the public utility.
12. Page 33 of the application, customer notice, does not state the dollar amount of the revenue increase. Please correct.
13. The Company needs to re-notice the customer with the tariff pages (pages 9 and 11) attached to the customer notice. The notice can be sent with the monthly regular billing.