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AZ CORP COMMISSION
DOCKET CONTROL

February 26, 2013

Mr. David Schofield, General Manager
Adaman Mutual Water Company
16251 W. Glendale Avenue
Litchfield Park, Arizona 85340-9524

RE: ADAMAN MUTUAL WATER COMPANY – APPLICATION FOR A RATE INCREASE,
DOCKET NO. W-01997A-12-0501

SECOND LETTER OF DEFICIENCY

Dear Mr. Schofield:

In reference to your rate application received on December 28,, 2012, 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 found your application deficient on January 25, 2013. The information the Company submitted on February 8, 2013, 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 sixteen copies of the corrected pages.

You have 15 calendar days, or until March 13, 2013, to correct the deficiencies or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and sixteen copies of an updated application at a later date.

The Staff person assigned to your application is Crystal S. Brown. She can be reached at (602) 542-0864, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

James Armstrong
Chief of Financial & Regulatory Analysis
Utilities Division

Arizona Corporation Commission

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JRA:CSB:red

Service List for: Adaman Mutual Water Company W-01997A-12-0501

Mr. David Schofield, General Manager
Adaman Mutual Water Company
1651 W. Glendale Avenue
Litchfield Park, Arizona 85340-9524

ADAMAN MUTUAL WATER COMPANY – DEFICIENCY LIST

1. Page 9, Current and Proposed Rates and Charges – Staff would first like to acknowledge the efforts made to address previously noted filing deficiencies. However, the filing deficiency still needs to be addressed. Please use the schedule emailed to you on 2/25/13 as a guide to complete the schedule correctly.
2. Metered Water Revenue – Staff has noted a difference between the number of bills reported in the application and in the Type 1 Report as follows:
 - a) 5/8-Inch Meter Bill Count, Page 27 of Application – During the process of reconciling the number of bills you provided on the quarterly bill count worksheets (page 27 of the application) to the “Rate Code Type 1 Report” that you provided in response to the deficiency letter, Staff noted the following differences in the number of bills for the 5/8-inch meter customers. Please explain and/or reconcile the difference.

Further, Staff notes that the individual quarterly bill counts for the 5/8-inch meter total 299, however the total reported on the “Bill Count Summary” page (page 31 of application) is 298. Please make all necessary corrections to the “Bill Count Summary” page and file a revised copy in Docket Control.

	Per 5/8-Inch Bill Count Quarterly Work sheet	Difference In Number of Bills	Per Rate Code Type 1 Report For Residential & Comm. 5/8-Inch Customers
July 2011			25
August 2011			25
September 2011			25
1st Quarter Totals	76	-1	75
October 2011			25
November 2011			25
December 2011			25
2nd Quarter Totals	74	+1	75
January 2012			25
February 2012			25
March 2012			25
3rd Quarter Totals	76	-1	75
April 2012			25
May 2012			25
June 2012			25
	73	+2	75
GRAND TOTALS	299*	+1	300

*The grand total that you reported on the bill count summary for the 5/8-inch meter is 298 rather than 299.

- b) 3/4-Inch Meter Bill Count, Page 27 of Application – During the process of reconciling the number of bills you provided on the quarterly bill count worksheets (page 27 of the application) to the “Rate Code Type 1 Report” that you provided in response to the deficiency letter, Staff noted the following differences in the number of bills for the ¾-inch meter customers. Please explain and/or reconcile the difference. If needed, please make all necessary corrections to the “Bill Count Summary” page (page 31 of the application) and file a revised copy in Docket Control.

	Per 3/4-Inch Bill Count Quarterly Work sheet	Difference In Number of Bills	Per Rate Code Type 1 Report For Residential & Comm. 3/4-Inch Customers
July 2011			37
August 2011			37
September 2011			37
1st Quarter Totals	111	0	111
October 2011			37
November 2011			37
December 2011			37
2nd Quarter Totals	112	-1	111
January 2012			37
February 2012			37
March 2012			37
3rd Quarter Totals	111	0	111
April 2012			37
May 2012			37
June 2012			37
	111	0	111
GRAND TOTALS	445	-1	444

- c) 1 ½ -Inch Meter Bill Count, Page 27 of Application – During the process of reconciling the number of bills you provided on the quarterly bill count worksheets (page 27 of the application) to the “Rate Code Type 1 Report” that you provided in response to the deficiency letter, Staff noted the following differences in the number of bills for the 1 ½-inch meter customers. Please explain and/or reconcile the difference. If needed, please make all necessary corrections to the “Bill Count Summary” page (page 31 of the application) and file a revised copy in Docket Control.

	Per 1 1/2-Inch Bill Count Quarterly Work sheet	Difference In Number of Bills	Per Rate Code Type 1 Report For Residential & Comm. 1 1/2-Inch Customers
July 2011			31
August 2011			31
September 2011			<u>31</u>
1st Quarter Totals	91	+2	93
October 2011			31
November 2011			31
December 2011			<u>31</u>
2nd Quarter Totals	93	0	93
January 2012			31
February 2012			31
March 2012			<u>31</u>
3rd Quarter Totals	93	0	93
April 2012			31
May 2012			31
June 2012			<u>31</u>
	92	+1	93
GRAND TOTALS	369	+3	372

- d) 2-Inch Meter Bill Count, Page 27 of Application – During the process of reconciling the number of bills you provided on the quarterly bill count worksheets (page 27 of the application) to the “Rate Code Type 1 Report” that you provided in response to the deficiency letter, Staff noted the following differences in the number of bills for the 2-inch meter customers. Please explain and/or reconcile the difference. If needed, please make all necessary corrections to the “Bill Count Summary” page (page 31 of the application) and file a revised copy in Docket Control.

	Per 2-Inch Bill Count Quarterly Work sheet	Difference In Number of Bills	Per Rate Code Type 1 Report For Residential & Comm. 2-Inch Customers
July 2011			15
August 2011			15
September 2011			15
1st Quarter Totals	42	+3	45
October 2011			15
November 2011			15
December 2011			15
2nd Quarter Totals	43	+2	45
January 2012			15
February 2012			15
March 2012			15
3rd Quarter Totals	42	+3	45
April 2012			15
May 2012			15
June 2012			15
	45	0	45
GRAND TOTALS	172	+8	180

- e) 3-Inch Meter Bill Count, Page 27 of Application – During the process of reconciling the number of bills you provided on the quarterly bill count worksheets (page 27 of the application) to the “Rate Code Type 1 Report” that you provided in response to the deficiency letter, Staff noted the following differences in the number of bills for the 3-inch meter customers. Please explain and/or reconcile the difference. If needed, please make all necessary corrections to the “Bill Count Summary” page (page 31 of the application) and file a revised copy in Docket Control.

	Per 3-Inch Bill Count Quarterly Work sheet	Difference In Number of Bills	Per Rate Code Type 1 Report For Commercial 3-Inch Customers
July 2011			2
August 2011			2
September 2011			2
1st Quarter Totals	6	0	6
October 2011			2
November 2011			2
December 2011			2
2nd Quarter Totals	6	0	6
January 2012			2
February 2012			2
March 2012			4
3rd Quarter Totals	6	+2	8
April 2012			4
May 2012			4
June 2012			3
	8	+3	11
GRAND TOTALS	26	+5	180