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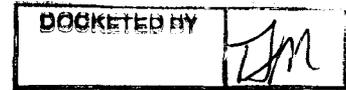
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APR 22, 2013
AZ CORP COMMISSION
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Arizona Corporation Commission

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APR 22 2013



Jeffrey W. Crockett
Brownstein Hyatt Farber Schrek
1 E. Washington, Suite 2400
Phoenix, Arizona 85004

RE: Southwest Environmental Utilities, LLC. – Application for a Certificate of Convenience and Necessity (CC&N) to provide Water and Wastewater. Docket No. WS-20878A-13-0065
INSUFFICIENCY LETTER

Dear Mr. Crockett:

In reference to the above mentioned application filed on March 22, 2012, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code. The deficiencies are:

1. Please clarify the type of service to be provided if the application is approved. On Page 1 of the application, the Company seeks approval for water and on subsequent pages; it seeks approval for both water and wastewater.
2. The following minimum requirements of R14-2-402-B5 for water were not submitted:
 - n. A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met;
 - o. The estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof;
 - p. Documentation establishing the applicant's financial condition, including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application;
 - s. A detailed description of the proposed construction timeline for facilities, with estimated starting and completion dates and, if construction is to be

- phased, a description of each separate phase of construction;
- dd. A backflow prevention tariff that complies with Commission standards, if not already on file; (Please use template on ACC's website)
 - ee. A curtailment tariff that complies with Commission standards, if not already on file; (Please use template on ACC's website)
 - ff. A copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval;
3. The following minimum requirements of R14-2-601-B5 for wastewater were not submitted:
- n. A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each sewer system and the principal components of each sewer system (e.g., collection mains, trunk lines, lift station, treatment plants effluent disposal areas, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(p) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met;
 - o. A copy of the Aquifer Protection Permit issued by the Arizona Department of Environmental Quality for the proposed service area or extension area or, if not yet obtained, the status of the application for such Aquifer Protection Permit;
 - p. The estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof;
 - q. Documentation establishing the applicant's financial condition, including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application;
 - t. A detailed description of the proposed construction timeline for facilities, with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction;

Staff would like to use this opportunity to bring the following to your attention:

Southwest Environmental Utilities, LLC (WS-20878A-13-0065)

Insufficiency Letter

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- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C), upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

Please file your response to this Insufficiency Letter with Docket Control.

If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 or Jian Liu at 602-542-7276.

Very truly yours,



Blessing N. Chukwu
Executive Consultant III

BNC

cc: Docket Control
Del Smith
Lyn Farmer
Brian Bozzo
ConnieWalczak