

ORIGINAL

COMMISSIONERS
SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE



0000163664

RECEIVED
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2015 JUL 15 July 15, 2015

Arizona Corporation Commission
DOCKETED

JUL 15 2015

CERTIFIED MAIL

Pine Valley Water Company
Attn : Lance Wischmeier
480 Rain Tree Road
Sedona, Arizona 86351

DOCKETED BY	MLB
-------------	-----

RE: PINE VALLEY WATER COMPANY – APPLICATION FOR A RATE INCREASE
DOCKET NO. W-02181A-15-0216

LETTER OF INSUFFICIENCY

Dear Mr. Wischmeier:

This letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application, received on June 26, 2015; 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 30, 2015, 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,

James Armstrong
Chief Accountant
Financial & Regulatory Analysis Section
Utilities Division

CC: Docket Control Center (fifteen copies)

Pine Valley Water Company
Docket No. W-02181A-15-0216
For the test year ended December 31, 2014
Rate Application

List of Deficiencies

1. The bill count for the test year generates a materially different amount of revenue than that shown on page 19 of the application. Please reconcile.
2. Please provide the list of revenues generated by the Company's bill count by meter size.
3. Page 6 of the application, statements in support of rate request. The Company total operating revenue for the test year is \$92,255, which does not match the total revenue generated by the bill count for the test year of \$97,491. The annual operating revenues, if the Company is granted the rate adjustment, will be inaccurate. Please correct.
4. Page 13 of the application, Plant additions and retirements by year. The Company provided the list of plant additions and retirements by year from the end of the prior test year ended December 31, 1999, to the end of the current test year ended December 31, 2014. The Company needs to organize and identify plant invoices by year and account number.
5. Page 15 of the application, utility plant in service. Column A, original cost total should be \$173,318, same as page 14, Column D. Please correct Column B, accumulated depreciation, and column C, OCLD.
6. Page 19, of the application, Comparative statement of income and expenses. The Company does not show other water revenue for the test year. Did the Company have other water revenue for the test year? Please explain.
7. Page 20 of the application, calculation of depreciation expense, Column A, the original cost total should be \$173,318. Please correct Column B, Column C, and Column E, depreciation expense.
8. Pages 21 and 22 of the application, balance sheet, is out of balance. Total assets balance at the end of the test year of \$74,173 is not equal to total liabilities and capital of \$65,483. Please correct.
9. Page 21 of the application shows a customer account receivable balance amount of negative \$15,536. Please explain.
10. Page 31 of the application, bill count summary. The Company's bill count summary for the 2"-inch meter size is missing. Please provide a copy of the bill count summary.
11. How many customers does the Company have on 1 and 1/2-inch meters?

Company Name:	Test Year Ended:
---------------	------------------

CURRENT AND PROPOSED SERVICE CHARGES

CUSTOMER CLASS: Residential Commercial Industrial

| Irrigation | | All | | Other, specify _____

SERVICE LINE AND METER INSTALLATION CHARGES

METER SIZE	COMPANY CURRENT CHARGES			COMPANY PROPOSED CHARGES		
	Service Line Charge	Meter Charge	Total Charge	Service Line Charge	Meter Charge	Total Charge
5/8" x 3/4"	\$	\$	\$	\$	\$	\$
3/4 inch	\$	\$	\$	\$	\$	\$
1 inch	\$	\$	\$	\$	\$	\$
1-1/2 inch	\$	\$	\$	\$	\$	\$
2 inch	\$	\$	\$	\$	\$	\$
3 inch	\$	\$	\$	\$	\$	\$
Comp/Turbo	\$	\$	\$	\$	\$	\$
4 inch	\$	\$	\$	\$	\$	\$
Comp/Turbo	\$	\$	\$	\$	\$	\$
6 inch	\$	\$	\$	\$	\$	\$
Comp/Turbo	\$	\$	\$	\$	\$	\$
Over 6 inch	\$	\$	\$	\$	\$	\$
Comp/Turbo	\$	\$	\$	\$	\$	\$

	CURRENT CHARGES	PROPOSED CHARGES
Establishment	\$	\$
Reconnection (delinquent)	\$	\$
After Hours Service Charge	\$	\$
Meter Test	\$	\$
Deposit	\$	\$
Deposit Interest	%	%
Re-establishment (within 12 months)	\$	\$
NSF Check	\$	\$
Deferred Payment	%	%
Meter Re-read	\$	\$
Late Fee	\$	\$

Note: If rates and charges vary across customer classes, duplicate the form and complete one for each rate class. (e.g., residential, commercial) unless "All" is checked.

ADWR Compliance Determination

The Arizona Department of Water Resources, as of the report completion date, has determined that this water system is currently **compliant** with departmental requirements governing water providers and/or community water systems.

The Arizona Department of Water Resources, as of the report completion date, has determined that this water system is currently **non-compliant** with departmental requirements governing water providers and/or community water systems.

Additional Notes:

Pine Valley Water Company is non-compliant because they did not submit a 2012 System Water Plan.

If you have any additional questions or concerns regarding the compliance status of this water system please contact ADWR at (602) 771-8585.