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Arizona Corporation Commission

BEFORE THE ARIZONA CORPORATION COMMISSION

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CARL J. KUNASEK  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
WILLIAM A. MUNDELL  
COMMISSIONER

OCT 10 2000

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AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF  
VACA, INC. D/B/A PIRTVILLE GROCERY  
FOR A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE CUSTOMER-OWNED  
PAY TELEPHONE SERVICE IN THE STATE OF  
ARIZONA

DOCKET NO. T-03930A-00-0697

**PROCEDURAL ORDER**

**BY THE COMMISSION:**

On September 14, 2000, Vaca, Inc. d/b/a Pirtleville Grocery ("Pirtleville" or "Company") filed with Docket Control of the Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience and Necessity ("Certificate") to provide customer-owned pay telephone service in the State of Arizona.

On September 22, 2000, the Commission's Utilities Division Staff ("Staff") filed its Staff Report in this matter.

On August 29, 2000, the Arizona Court of Appeals, Division One, ("Court") issued its Opinion in Cause No. 1 CA-CV 98-0672 ("Opinion"). The Court determined that Article XV, Section 14 of the Arizona Constitution requires the Commission to "determine fair value rate base ("FVRB") for all public service corporations in Arizona prior to setting their rates and charges." Although that Opinion will more than likely be appealed to the Arizona Supreme Court, we are going to request FVRB information at this time to insure compliance with the Constitution should the ultimate decision of the Supreme Court affirm the Court's interpretation of Section 14. We also are concerned that the cost and complexity of FVRB determinations must not offend the Telecommunications Act of 1996.

The time frame for processing Pirtleville's application is March 13, 2001.

The Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

...

1 IT IS THEREFORE ORDERED that Pirtleville shall file its proposed FVRB by November 3,  
2 2000 (pursuant to A.A.C. R14-2-103(B), this may be the same as original cost rate base). The FVRB  
3 shall include the value of all plant and equipment currently held by the Company and intended to be  
4 used to provide telecommunications services to Arizona customers. In doing so, Pirtleville may use  
5 any reasonable means of asset allocation, direct assignment or combination thereof.

6 IT IS FURTHER ORDERED that Pirtleville shall file a description of all plant and equipment  
7 currently held by the Company and intended to be used to provide telecommunications services to  
8 Arizona customers, including their cost and location by November 3, 2000.

9 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105  
10 except that all motions to intervene must be filed on or before October 27, 2000.

11 IT IS FURTHER ORDERED that in the event that Pirtleville does not agree to be governed  
12 by the rates, terms and conditions of the Generic Tariff, rates, terms and conditions which have been  
13 determined to be just and reasonable (adopted in Decision No. 58535, February 14, 1994), Pirtleville  
14 shall, in addition to the above, file information demonstrating how the value of the company's plant  
15 and equipment (both current and projected) is related to its total service long-run incremental costs by  
16 November 3, 2000 (such demonstration must include the amount of depreciation expense and capital  
17 carrying costs related to the FVRB which has been incorporated into the long-run incremental costs).

18 IT IS FURTHER ORDERED that Staff and Intervenors shall file disagreements with the  
19 proposed FVRB and/or rates and charges by December 1, 2000.

20 IT IS FURTHER ORDERED that Pirtleville shall file a reply, if any, to Staff or Intervenors  
21 FVRB comments by December 8, 2000.

22 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
23 pursuant to Rule 6(a) or (e) of the Arizona Rules of Civil Procedure.

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1 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend or waive  
2 any portion of this Procedural Order by subsequent Procedural Order or by ruling at hearing.

3 DATED this 10<sup>th</sup> day of October, 2000.

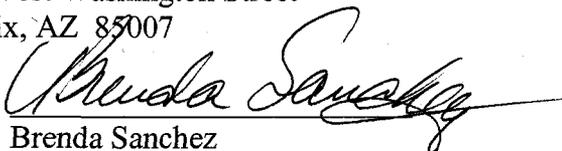
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6 ALICIA GRANTHAM  
7 ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed/delivered  
9 this 10<sup>th</sup> day of October, 2000 to:

10 Ramona A. Vaca  
11 PIRTLEVILLE GROCERY  
12 520 Grace Avenue  
13 Pirtleville, AZ 85626

14 Lyn Farmer, Chief Counsel  
15 Legal Division  
16 ARIZONA CORPORATION COMMISSION  
17 1200 West Washington Street  
18 Phoenix, AZ 85007

19 Deborah Scott, Director  
20 Utilities Division  
21 ARIZONA CORPORATION COMMISSION  
22 1200 West Washington Street  
23 Phoenix, AZ 85007

24 By:   
25 Brenda Sanchez  
26 Secretary to Alicia Grantham  
27  
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