

ORIGINAL



0000077266

060

COMMISSIONERS
MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



ARIZONA CORPORATION COMMISSION

September 28, 2007

CERTIFIED MAIL

Arizona Corporation Commission
DOCKETED
SEP 28 2007

DOCKETED BY *nr*

Mr. Thomas J. Bourassa, CPA
Consultant / Authorized Representative
Livco Water Company
139 West Word Drive
Phoenix, Arizona 85029

RE: LIVCO WATER COMPANY - APPLICATION FOR A RATE INCREASE
DOCKET NO. W-02121A-07-0506

LETTER OF DEFICIENCY

Dear Mr. Bourassa:

In reference to your rate application received on August 31, 2007, 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 has found a number of deficiencies with the rate 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 original and 13 copies of the corrected pages.

You have 15 calendar days, or until October 15, 2007 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 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 13 copies of an updated application at a later date.

RECEIVED

2007 SEP 28 A 9:30

AZ CORP COMMISSION
DOCKET CONTROL

Mr. Thomas J. Bourassa, CPA
September 28, 2007
Page 2

The Staff person assigned to your application is Jeffrey M. Michlik. He can be reached at (602) 364-2034, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,



Elijah Abinah
Assistant Director/Acting Chief Accountant
Regulatory Analysis Section
Utilities Division

EOA:JMM:tdp

CC: Docket Control Center (thirteen copies)
Vicki Wallace, Consumer Services
Delbert Smith, Engineering
Lyn Farmer, Hearing Division
Ms. Jenni Wicks, Livco Water Company

LIVCO WATER COMPANY
Rate Application
Docket No. W-02121A-07-0506
Test Year Ended December 31, 2006
List of Deficiencies

The specific items that have caused a finding of deficiency are as follows:

1. The application name is incorrect; the name submitted on the application is Livco Water and Sewer Company – Water Division. However, the CC&N's are separate; please amend your application to reflect the correct CC&N holder which is Livco Water Company on your cover page. In addition, please re-file the cover page under Docket No. W-02121A-07-0506, to avoid confusion in Docket Control.
2. On page 6 of the application the amount of gallons sold does not match the amount of gallons sold on page 18 of the application. Please reconcile.
3. In regards to supplemental Plant Schedule for page 13, page 2. Please indicate which plant additions occurred before June 30, 2006 and which occurred after June 30, 2006.
4. On page 19 of the application there is interest expense which was added to the total operating loss. Please correct. Further, please describe this transaction in more detail, as the Company currently has no Commission authorized loans.
5. The bill counts do not produce the test year metered revenues. Please provide Staff with the separate revenue amounts that each meter size bill count produces.