



BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

SEP 06 2002

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AZ CORP COMMISSION  
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DOCKETED BY *CAK*

IN THE MATTER OF THE APPLICATION OF  
LIVCO WATER COMPANY FOR A RATE  
INCREASE.

DOCKET NO. W-02121A-02-0491

IN THE MATTER OF THE APPLICATION OF  
LIVCO SEWER COMPANY FOR A RATE  
INCREASE.

DOCKET NO. SW-02563A-02-0490

PROCEDURAL ORDER

**BY THE COMMISSION:**

On June 28, 2002, Livco Water Company ("LWC") and Livco Sewer Company ("LSC") (collectively "Applicants") filed Applications for an increase in their water and sewer rates in the above-captioned dockets, respectively. Pursuant to A.A.C. R14-2-103, LWC has been classified as a Class D utility and LSC has been classified as a Class E utility.

On July 18, 2002, the Arizona Corporation Commission ("Commission") Utilities Division ("Staff") filed a Motion to Consolidate ("Motion") the above-captioned Applications stating that they are substantially related and that the rights of the parties would not be prejudiced by consolidation. Staff further requested that, in the consolidated proceeding both LWC and LSC be considered as Class D utility companies under A.A.C. R14-2-103. The Commission received no objection to Staff's Motion.

On July 29, 2002, Staff filed Sufficiency Letters with respect to the Applications of LWC and LSC, which indicated that their Applications had met the sufficiency requires of A.A.C. R14-2-103. With respect to LSC, Staff noted in its Sufficiency Letter that although it had been classified as a Class E utility for rate making purposes, Staff pointed out that the Motion had been filed to consolidate the two proceedings and that, if the Motion was granted, subsequent filings and final Commission action would take place under the Time Clock for LWC, a Class D utility.

On July 31, 2002, by Procedural Order, the applications of LWC and LSC were consolidated

1 as a Class D utility for rate making purposes.

2 On August 16, 2002, Mr. Donald O. Borg, a customer, requested intervention.

3 On August 23, 2002, Staff filed a Motion to Extend the Time Clock provisions in the  
4 proceeding by 30 days because LWC and LSC had requested 30 days to respond to Staff's first set of  
5 data requests, which have a normal response time of 10 days.

6 On September 3, 2002, based on the requests by Applicants for a delay and Staff for an  
7 extension, a teleconference was held by the presiding Administrative Law Judge. Applicants were  
8 represented by Mr. Russell Voorhees, the president of County Club Properties of Concho, Inc.  
9 ("CCP"), the majority shareholder of the Applicants, and Staff was represented by counsel. During  
10 the teleconference, Mr. Vorhees indicated that on June 29, 2002 his company had acquired 100  
11 percent of the stock and assets of Applicants and became aware of the pending applications<sup>1</sup>. Mr.  
12 Vorhees related that, due to the change in Applicants' ownership, additional time is needed to review  
13 and to compile the records to substantiate the information required in response to Staff's initial data  
14 requests. Consequently, Applicants did not oppose Staff's Motion to Extend with respect to the Time  
15 Clock Rule ("Rule"), A.A.C. R14-2-103(B), and further requested a six month delay, until March 3,  
16 2002, to resume the proceeding on the applications herein. Staff did not oppose a suspension of the  
17 Rule. However, due to the delay, it will be necessary for Applicants to file data for an updated test  
18 year ending December 31, 2002 in order that the case can go forward. Lastly, Applicants did not  
19 oppose the intervention of Mr. Donald O. Borg.

20 Accordingly, the Rule should be suspended in order to allow Applicants time to review their  
21 books and records, and on or before March 3, 2003, file for LWC and LSC updated test year data  
22 ending December 31, 2002 in order for the proceeding to go forward. Intervention should also be  
23 granted to Mr. Donald O. Borg.

24 IT IS THEREFORE ORDERED that the Time Clock Rule, A.A.C. R14-2-103(B), in the  
25 Applications for rate increases of Livco Water Company and Livco Sewer Company be, and hereby  
26 is, suspended.

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<sup>1</sup> CCP acquired Applicants on the day after the applications for rate increases were filed.

1 IT IS FURTHER ORDERED that Livco Water Company and Livco Sewer Company shall  
2 file on or before March 3, 2003, updated test year data for the test year ending December 31, 2002.

3 IT IS FURTHER ORDERED that the request to intervene of Mr. Donald O. Borg is hereby  
4 granted.

5 Dated this 6<sup>TH</sup> day of September, 2002.

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MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed/delivered  
10 this 6<sup>th</sup> day of September, 2002.

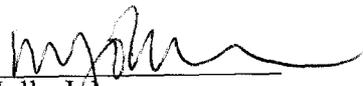
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