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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

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AZ CORP COMMISSION  
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Arizona Corporation Commission  
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AUG 11 2006

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DOCKET NO. W-02824A-01-0450

Motion to Extend Deadline  
in Decision No. 64360

IN THE MATTER OF THE  
APPLICATION OF ICR WATER  
USERS ASSOCIATION, INC., TO  
EXTEND ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY.

ICR Water Users Association, Inc. ("ICR"), through undersigned counsel, hereby moves to extend the deadline to file a rate application set forth in Decision 64360 in the above-captioned matter. In Decision No. 64360, dated January 15, 2002, the Arizona Corporation Commission ("ACC") ordered ICR to file a rate application within five years from the effective date of that decision, or on or before January 15, 2007. Although ICR is currently in the process of preparing a rate application, ICR believes that using a 2006 test year would represent a more realistic representation of the company's financial position as set forth below.

ICR will be seeking revenues in excess of \$250,000, thereby making them a Class C utility. As a class C utility, a hearing would be required. To meet the January 15, 2007 deadline, ICR would have either had to use a fiscal year 2005 test year, or split the test year between 2005 and 2006 ending June 30, 2006. For small water companies, the use of a split test year is problematic as it is less efficient and requires additional steps to prepare the applicable schedules. In contrast, if ICR were to use a fiscal year test year ending December 30, 2005, the data supporting the rate application would be deemed stale and not representative of current fiscal conditions.

There are other advantages in using a fiscal year ending 2006. ICR has experienced continued customer growth in the years 2005 and 2006 and believes it would be prudent to utilize a test year that would capture that growth and minimize the

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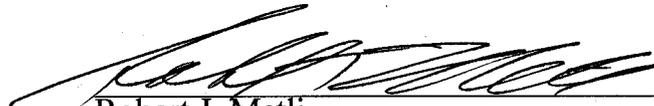
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1 requested rate increase by spreading the costs over a larger ratepayer base. Finally, ICR  
2 anticipates the installation of additional capital improvements in 2006 between \$300,000  
3 and \$500,000. It would be prudent to include the expense associated with these new  
4 assets as part of the application.

5 Currently, ICR anticipates filing its rate application between April and May of  
6 2007. Therefore, ICR respectfully requests that the ACC extend the deadline set forth in  
7 Decision No. 64360, for a period of six (6) months, or until July 15, 2007.

8 Respectfully submitted this 11 day of August, 2006.

9 SNELL & WILMER L.L.P.

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12 Robert J. Metli  
Attorneys for ICR Water Users Association, Inc.

13 Original and 13 copies filed this  
14 11<sup>th</sup> day of August, 2006, with:

15 Docket Control  
16 Arizona Corporation Commission  
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