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BEFORE THE ARIZONA CORPORATION COMMISSION
Arizona Corporation Commission

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COMMISSIONERS

2006 SEP 11 P 2:16

DOCKETED

SEP 11 2006

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

AZ CORP COMMISSION
DOCUMENT CONTROL

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

DOCKET NO. W-02824A-01-0450

PROCEDURAL ORDER

BY THE COMMISSION:

On January 15, 2002, the Arizona Corporation Commission ("Commission") issued Decision No. 64360 which granted ICR Water Users Association, Inc. ("ICR") an extension of its Certificate of Convenience and Necessity ("Certificate") and ordered ICR to file, within five years of the date of the Decision, a rate application.

On August 11, 2006, ICR filed a Motion for a Six Month Extension of Deadline ("Motion"), until July 15, 2007, to file its rate application as ordered in Decision No. 64360. ICR wishes to use a full 2006 test year because it will represent a more realistic representation of the company's financial position than if it utilizes a split test year as it will be required to do if ICR's Motion is not approved.

On August 14, 2006, by Procedural Order, the Commission's Utilities Division ("Staff") was ordered to file a response to the ICR's Motion.

On August 25, 2006, Staff filed a memorandum which states that Staff does not oppose ICR's Motion for a six month extension of time to file a rate case with a 2006 test year by July 15, 2007.

During Staff's analysis of ICR's Motion Staff noted that, in its review of "recent annual filings in connection with this request," ICR has incurred significant amounts of long-term debt and had reduced its paid in capital to zero as of the end of 2005. Staff has been unable to locate any approval by the Commission for ICR to secure long-term debt, and is recommending that ICR be ordered to immediately provide an explanation to Staff for incurring said long-term debt and/or file an application for financing approval.

Accordingly, the Company's Motion should be approved for a six month extension to file its

1 rate application and ICR should also be ordered to file an application for financing approval for long-
2 term debt.

3 IT IS THEREFORE ORDERED that the Motion of ICR Water Users Association, Inc. is
4 hereby granted and a six month extension until July 15, 2007, is hereby approved for the filing of a
5 rate case which will utilize a 2006 test year.

6 IT IS FURTHER ORDERED that ICR Water Users Association, Inc. shall file an application
7 for approval of long-term debt not later than July 15, 2007.

8 Dated this 11th day of September, 2006

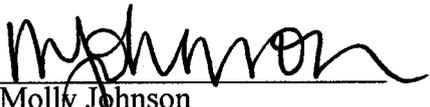
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11 _____
12 MARC E. STERN
ADMINISTRATIVE LAW JUDGE

13 Copies of the foregoing mailed/delivered
14 this 11 day of September, 2006 to:

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