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BEFORE THE ARIZONA CORPORATION C

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
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AZ CORP COMMISSION
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Arizona Corporation Commission

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IN THE MATTER OF THE APPLICATION OF
OAK CREEK UTILITY CORPORATION FOR
AN INCREASE IN THEIR RATES FOR
CUSTOMERS WITHIN COCONINO
COUNTY, ARIZONA.

DOCKET NO. WS-02061A-04-0835

IN THE MATTER OF THE APPLICATION OF
OAK CREEK UTILITY CORPORATION FOR
AUTHORITY TO ISSUE PROMISSORY
NOTE AND OTHER EVIDENCES OF
INDEBTEDNESS PAYABLE AT PERIODS OF
MORE THAN TWELVE MONTHS AFTER
THE DATE OF ISSUANCE.

DOCKET NO. WS-02061A-04-0836

**STAFF RESPONSE TO OAK CREEK
UTILITY CORPORATION'S EXTENSION
REQUEST**

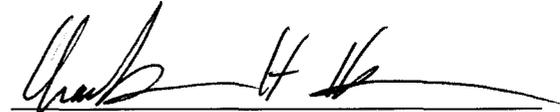
On July 18, 2005 the Arizona Corporation Commission ("Commission") issued Decision No. 67986 granting Oak Creek Utility Corporation ("OCUC") a rate increase. In addition, the Decision's ordering section approved OCUC's request to obtain a \$40,000 loan from the Water Infrastructure Finance Authority ("WIFA") in order to construct a 10,000 gallon storage tank. Further, OCUC was ordered to complete the storage tank within 18 months of the effective date of the Decision as well as file as a compliance item an Arizona Department of Environmental Quality ("ADEQ") Approval of Construction.

On October 2, 2006, OCUC filed a motion requesting additional time to complete construction of the 10,000 gallon storage tank. OCUC stated in its request that the delay was due to unexpected time in obtaining the WIFA loan. Since that time, OCUC has obtained the WIFA financing. Further, in response to Commission Utilities Division Staff ("Staff") inquiries, OCUC has indicated that it will need approximately six months to complete the project. In response, Staff has no objection to the request. As OCUC did not suggest a date to extend the deadline to in the letter docketed on October 2, 2006, Staff recommends extension of the deadline for both constructing the

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1 storage tank and filing the ADEQ Approval of Construction to May 31, 2007 as is consistent with the
2 time OCUC indicated would be sufficient to complete the project.

3 RESPECTFULLY SUBMITTED this 25th day of October, 2006.

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12 Original and fifteen (15) copies
13 of the foregoing were filed this
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15 Docket Control
16 Arizona Corporation Commission
17 1200 West Washington Street
18 Phoenix, Arizona 85007

19 Copy of the foregoing mailed this
20 25th day of October, 2006 to:

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