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BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS
MIKE GLEASON-Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

2007 MAR -5 P 3:32

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
UTILITY SOURCE, L.L.C. FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PROPERTY AND FOR
AN INCREASE IN ITS WATER AND
WASTEWATER RATES AND CHARGES FOR
UTILITY SERVICES.

DOCKET NO. WS-04235A-06-0303

**MOTION FOR EXTENSION AND
REQUEST FOR TELEPHONIC
SCHEDULING CONFERENCE.**

On May 1,2006, Utility Source, LLC ("Utility Source" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for a determination of the current fair value of its utility plant and property and for increases in its rates and charges for water and wastewater utility service provided to customers in the Company's service area in Coconino County, Arizona.

In its initial application, the Company acknowledged that there would be rate shock issues relating to the shift from the rates the Company has been charging and what they will be now that Utility Source will be shifting to a rate based on its current fair value. In consideration of those issues, the Company offered to ameliorate the potential shock by adding 350 future customers as its initial position. The effect of the inclusion would approximately double the number of persons to spread the impact of the rate increase.

Over the course of developing its direct, Commission Staff ("Staff") accepted the Company's proposal to include an additional 350 not-presently existing customers. However, Staff also had issues with the inclusion of some plant items as used useful, principally Deep Well #4. Staff Recommended exclusion of the well in it's direct testimony.

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Arizona Corporation Commission

DOCKETED

MAR 05 2007

DOCKETED BY	<i>JK</i>
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1 In response, the Company has significantly altered its position in its rebuttal testimony.
2 The Company has now withdrawn its proposal to include the additional 350 customers. The
3 fallout of withdrawing more than half of the customer base it was proposing in its initial
4 testimony compels a significant reevaluation of Staff's position.

5 For this reason, Staff requests an additional two weeks to prepare its surrebuttal
6 testimony, presently due for filing on March 5, 2007. Due to the consequences of such a
7 change in the schedule of the proceeding, Staff also requests a scheduling conference to discuss
8 the alterations to the schedule this will necessitate, if Staff's motion is granted.

9 RESPECTFULLY SUBMITTED this 5th day of March, 2007.

10
11 
12 Charles H. Hains
13 Attorney, Legal Division
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007
17 (602) 542-3402

18 The original and thirteen (13) copies
19 of the foregoing were filed this
20 5th day of March, 2007 with:

21 Docket Control
22 Arizona Corporation Commission
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 Copies of the foregoing were mailed
26 this 5th day of March, 2007 to:

27 Richard L. Sallquist
28 SALLQUIST, DRUMMOND & O'CONNOR, P.C.
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