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BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

WILLIAM A. MUNDELL  
Chairman  
JIM IRVIN  
Commissioner  
MARC SPITZER  
Commissioner

2002 JAN -8 P 4: 04

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE JOINT APPLICATION  
OF SUN CITY WATER COMPANY AND SUN  
CITY WEST UTILITIES COMPANY FOR  
APPROVAL OF CENTRAL ARIZONA PROJECT  
WATER UTILIZATION PLAN AND FOR AN  
ACCOUNTING ORDER AUTHORIZING A  
GROUNDWATER SAVINGS FEE AND  
RECOVERY OF DEFERRED CENTRAL  
ARIZONA PROJECT EXPENSES

Docket No. W-01656A-98-0577  
SW-02334A-98-0577

STAFF NOTICE OF FILING OF  
TESTIMONY SUMMARY

As requested by the Procedural Order of June 5, 2001, Staff hereby files summaries of the Responsive Testimony of Marlin Scott, Jr. and Claudio M. Fernandez. These summaries were previously incorporated in Staff's pre-filed testimony docketed on July 31, 2001.

Dated this 8<sup>th</sup> day of January, 2002.

ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

DOCKETED

JAN 08 2002

DOCKETED BY

By

Janet F. Wagner, Attorney  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007  
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Original and ten copies filed this  
8<sup>th</sup> day of January, 2002, with:

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Copy of the foregoing hand-delivered  
this 8<sup>th</sup> day of January, 2002, to:

Dwight Nodes, Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

William A. Mundell, Chairman  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Jim Irwin, Commissioner  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

Marc Spitzer, Commissioner  
Arizona Corporation Commission  
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Phoenix, AZ 85007

Copy of the foregoing mailed this  
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**EXECUTIVE SUMMARY  
FOR  
SUN CITY WATER COMPANY  
DOCKET NO. W-01656A-98-0577  
&  
SUN CITY WEST UTILITIES COMPANY  
DOCKET NO. WS-02334A-98-0577**

I, Marlin Scott, Jr., will appear on behalf of the Utilities Division Staff and will testify concerning Staff's position and recommendation regarding Sun City Water Company and Sun City West Utilities Company's cost estimates of the Groundwater Savings Project.

The conclusions of my findings are:

1. The Preliminary Engineering Report (PER) and its recommended plan for the Groundwater Savings Project (GSP) and the associated plant costs are reasonable.
2. The PER confirmed the updated cost estimate of the GSP.
3. The PER adequately addressed the feasibility of the joint facility with the Agua Fria Division.
4. The PER addressed the need for all major elements for the approved GSP concept.
5. The conclusions stated in the Supplemental Engineering Report are reasonable and should be accepted.

**EXECUTIVE SUMMARY**  
**RESPONSIVE TESTIMONY OF CLAUDIO M. FERNANDEZ**  
**IN THE MATTER OF THE JOINT APPLICATION OF**  
**SUN CITY WATER COMPANY**  
**AND**  
**SUN CITY WEST UTILITIES COMPANY**  
**DOCKET NOS. W-01656A-98-0577 & WS-02334A-98-0577**

Mr. Fernandez' responsive testimony addresses the expected effects of the Groundwater Savings Project (GSP) on Sun City Water Company's and Sun Cities West Utilities Company's revenue requirements.

Mr. Fernandez finds that the GSP can be expected to increase Sun City Water Company's revenue requirement by 25 percent, or \$0.39 per thousand gallons if the increase were completely attributed to the per gallon charge.

Mr. Fernandez finds that the GSP can be expected to increase Sun Cities West Utilities Company's revenue requirement by 13 percent, or \$0.26 per thousand gallons if the increase were completely attributed to the per gallon charge.

Finally, Mr. Fernandez addresses the status of certain binding agreements between the two water companies and their client golf courses. The binding agreements face a legal challenge.

Mr. Fernandez observes that it would be imprudent for the Company to begin this project before it know the status of the binding agreement and the SCTA's lawsuit.