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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
SUSAN BITTER SMITH
BOB BURNS

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JAN 30 2013

DOCKETED BY

IN THE MATTER OF THE 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
DOCKET NO. WS-02334A-98-0577

**EPCOR WATER ARIZONA, INC.
SUN CITY WATER DISTRICT
SUN CITY WEST WATER DISTRICT
NOTICE OF FILING
GROUNDWATER SAVINGS FEE FOR YEAR 2013**

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EPCOR Water Arizona, Inc. ("Company") hereby timely files the revised Groundwater Saving Fees for its Sun City Water and Sun City West Water Districts, as initially authorized by the Commission in Decision No. 62293 (February 1, 2000) and as updated through numerous Commission decisions.

For Sun City Water, based on the current reconciliation calculations, fees are under collected by \$132,075 as of December 31, 2012, with 2013 estimated costs of \$536,192, resulting in the revised Groundwater Savings Fee for residential customers of \$1.43 per unit, and \$0.1606 per 1,000 gallons for all other customers. Current fees are \$1.20 per unit for residential and \$0.0994 per 1,000 gallons for all other customers.

For Sun City West Water, based on the current reconciliation calculations, fees are under collected by \$48,552 as of December 31, 2012, with 2013 estimated costs of \$303,616, resulting in the revised Groundwater Savings Fee for residential customers of \$1.46 per unit, and \$0.1695 per 1,000 gallons for all other customers. Current fees are \$1.19 per unit for residential and \$0.1302 per 1,000 gallons for all other customers.

These updated fees are to be effective March 1, 2013. Copies of work papers supporting the revised fees as well as the revised tariff schedules are attached. Customers will be informed by bill text message of the change.

1 **RESPECTFULLY SUBMITTED** on January 30, 2013.

2
3 *Sandra J Murrey*
4 Sandra L. Murrey
5 Rate Analyst
6 EPCOR Water Arizona, Inc.
7 2355 W. Pinnacle Peak Road, Suite 300
8 Phoenix, AZ 85027

9
10 Original and 13 copies **filed**
11 on January 30, 2013, with:

12
13 Docket Control
14 Arizona Corporation Commission
15 1200 West Washington Street
16 Phoenix, Arizona 85007

17
18
19 Copies of the foregoing **mailed**
20 on January 30, 2013, to:

21
22 Legal Division
23 Arizona Corporation Commission
24 1200 West Washington Street
25 Phoenix, Arizona 85007

26
27 Steve Olea
28 Director
29 Utilities Division
30 Arizona Corporation Commission
31 1200 West Washington Street
32 Phoenix, Arizona 85007

33
34 Daniel Pozefsky
35 Counsel
36 Residential Utility Consumer Office
37 1110 West Washington Street
38 Suite 220
39 Phoenix, Arizona 85007

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41 Brian Bozzo
42 Compliance and Enforcement Manager
43 Utilities Division
44 1200 West Washington Street
45 Phoenix, AZ 85007

46
47 By: _____
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49
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EPCOR Water Arizona, Inc.
GROUNDWATER SAVINGS FEE UPDATE

2013 Proposed Rates

Total Monthly Groundwater Savings Fee:

Sun City Water -

Residential, per Household	\$ 1.43
Commercial, Public Authority, and Irrigation (per 1,000 gal.)	\$ 0.1606

Sun City West Water-

Residential, per Household	\$ 1.46
Commercial (per 1,000 gal.)	\$ 0.1695

Note: Deferred CAP Costs have been fully amortized and costs recovered.
Therefore, this tariff is for current costs only.

Data for calculations is through December 2012.

EPCOR Water Arizona, Inc.
Groundwater Savings Fee Update

Recovery Target and Tariff Calculations
Data as of 12/31/12

	Sun City West		Sun City	
Balances from 2010 Approved Tariff Calculation Grand Total (Over) / Under Collected Through August 2010		\$ (228,079) a		\$ (710,046) a
Sept - Dec 2010 Annual Costs	\$ 25,341		39,210	
Sept - Dec 2010 Surcharge Revenues	<u>\$ (59,871)</u>		<u>(73,750)</u>	
2010 (Over) Under Collected		\$ (34,530)		\$ (34,540)
2011 Annual Costs	\$ 229,584		405,733	
2011 Surcharge Revenues	<u>\$ 28,440</u>		<u>363,119</u>	
2011 (Over) Under Collected		\$ 258,024		\$ 768,852
2012 Annual Costs	\$ 287,012		\$ 506,854	
2012 Surcharge Revenues	<u>\$ (233,875)</u>		<u>\$ (399,045)</u>	
2012 (Over) Under Collected		\$ 53,137		\$ 107,809
Grand Total (Over) Under Collected		<u>\$ 48,552</u>		<u>\$ 132,075</u>
Residential Allocation	\$ 40,818	b	\$ 104,081	b
Projected Number of Units Billed	202,844	d	368,077	d
Monthly Charge Per Household - Previous Years	<u>\$ 0.20</u>		<u>\$ 0.28</u>	
Other Customer Allocations	\$ 7,734	c	\$ 27,994	c
Projected Consumption (kgs)	331,099	d	881,810	d
Monthly Charge per 1,000 gal. - Previous Years	<u>\$ 0.0234</u>		<u>\$ 0.0317</u>	
Estimated Payments for 2013				
	<u>2013 Rates</u>	<u>Acre Feet Allocation</u>	<u>Acre Feet Allocation</u>	
CAP Payments				
M&I Delivery Rate	\$ 129	2,372 \$ 305,988	4,189 \$ 540,381	
Capital Charge Rate	\$ 15	2,372 35,580	4,189 62,835	
MWD Credit Rate	\$ (16)	2,372 <u>(37,952)</u>	4,189 <u>(67,024)</u>	
2013 Expense Recovery Target		\$ 303,616	\$ 536,192	
Total 2013 Recovery Target		<u>\$ 303,616</u>	<u>\$ 536,192</u>	
Residential Allocation	\$ 255,250	b	\$ 422,543	b
Projected Number of Units Billed	202,844	d	368,077	d
Monthly Charge Per Household - Current	<u>\$ 1.26</u>		<u>\$ 1.15</u>	
Other Customer Allocations	\$ 48,366	c	\$ 113,649	c
Projected Consumption (kgs)	331,099	d	881,810	d
Monthly Charge per 1,000 gal. - Current	<u>\$ 0.1461</u>		<u>\$ 0.1289</u>	
Monthly Charge Residential, per Household - Net		\$ 1.46	\$ 1.43	
Monthly Charge Other, per 1,000 gals - Net		\$ 0.1695	\$ 0.1606	

- a Total (Over) / Under Collected approved per Decision No. 72046 (effective September 10, 2010).
- b Allocated to Residential based on December 2012 YE revenues: Sun City 79%; Sun City West 84%
- c Allocated to Other Customers based on December 2012 YE revenues: Sun City 21%; Sun City West 16%
- d Applied amounts as of 12 month ending December 2012.

Sun City West Water Groundwater Savings Reconciliation

2012 Revenue and Expense

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2012													
Residential	2,028.01	2,029.82	(20,127.96)	(20,122.50)	(20,066.06)	(20,041.50)	(20,035.52)	(20,020.67)	(20,020.04)	(20,014.94)	(20,095.54)	(20,126.94)	
Other	279.09	256.45	(2,621.88)	(2,899.28)	(3,275.28)	(4,453.35)	(4,428.29)	(4,252.60)	(4,499.97)	(3,598.43)	(4,297.84)	(3,469.41)	
Total Revenue	2,307.10	2,286.27	(22,749.84)	(23,021.78)	(23,341.34)	(24,494.85)	(24,463.81)	(24,273.27)	(24,520.01)	(23,613.37)	(24,393.38)	(23,596.35)	Totals (196,614) (37,261) (233,875)
M&I	41,341	41,341	41,341	41,341	41,341	41,341	41,341	41,341	41,341	41,341	41,341	41,341	289,384
Cap Charges				17,790						17,790			35,580
MWD Credit				(3,200)	(5,792)	(5,792)	(5,792)	(5,792)	(5,792)	(5,792)	(5,792)	(5,792)	(37,952)
CAP Credit for prior year													
Total Expense	-	41,341	41,341	55,931	35,549	35,549	35,549	35,549	(5,792)	11,998	-	-	287,012
Balance at 12/31/11													(4,585.00)
Monthly (Over) / Under 2012	2,307	43,627	18,591	32,909	12,207	11,054	11,085	11,275	(30,312)	(11,615)	(24,393)	(23,596)	
Cumulative	(2,278)	41,349	59,940	92,848	105,056	116,109	127,194	138,469	108,157	96,542	72,149	48,552	53,137

Sun City Water Groundwater Savings Reconciliation

2012 Revenue and Expense

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals		
2012															
Residential	25,174	25,207	(36,385)	(36,429)	(36,425)	(36,410)	(36,469)	(36,487)	(36,522)	(36,517)	(36,579)	(36,623)	(314,466)	78.80%	
Other	3,259	3,262	(5,740)	(7,446)	(8,288)	(11,081)	(10,847)	(10,348)	(11,047)	(7,896)	(10,851)	(7,557)	(84,580)	21.20%	
Total Revenue	28,433	28,469	(42,124)	(43,875)	(44,713)	(47,492)	(47,316)	(46,835)	(47,569)	(44,414)	(47,429)	(44,180)	(399,045)	100.00%	
M&I	73,008	73,008	73,008	73,008	73,008	73,008	73,008	73,008	-	-	-	-	511,058		
Cap Charges	-	-	-	-	31,418	-	-	-	-	31,419	-	-	-	62,836	
MWD Credit	-	-	-	(3,888)	(10,512)	(10,528)	(10,528)	(10,528)	(10,528)	(10,528)	(10,528)	(10,528)	(67,040)		
CAP Credit for prior year	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Expense	-	73,008	73,008	69,120	93,914	62,480	62,480	62,480	(10,528)	20,891	-	-	506,854		
Balance at 12/31/11	24,266.00														
Monthly (Over) / Under 2012	28,433	101,477	30,884	25,245	49,201	14,988	15,164	15,646	(58,097)	(23,523)	(47,429)	(44,180)	107,809		
Cumulative	52,699	154,176	185,060	210,305	259,506	274,494	289,659	305,305	247,208	223,685	176,255	132,075			

**EPCOR Water Arizona, Inc.
GROUNDWATER SAVINGS FEE**

Billing Determinants												TOTAL	
2012												2012	
	January	February	March	April	May	June	July	August	September	October	November	December	
Sun City West													
Customers:													
Residential	16,946	16,946	16,935	16,902	16,873	16,865	16,858	16,864	16,865	16,917	16,932	16,941	202,844
Total	16,946	16,946	16,935	16,902	16,873	16,865	16,858	16,864	16,865	16,917	16,932	16,941	202,844
Consumption:													
Commercial	21,300	19,574	20,139	22,283	25,166	34,218	34,013	32,664	34,570	27,639	32,885	26,648	331,099
Total	21,300	19,574	20,139	22,283	25,166	34,218	34,013	32,664	34,570	27,639	32,885	26,648	331,099
Sun City													
Customers:													
Residential	30,545	30,597	30,608	30,625	30,632	30,646	30,673	30,695	30,727	30,738	30,779	30,812	368,077
Total	30,545	30,597	30,608	30,625	30,632	30,646	30,673	30,695	30,727	30,738	30,779	30,812	368,077
Consumption:													
Commercial	51,070	48,125	48,074	62,637	68,061	92,534	94,526	92,846	99,314	69,013	86,717	65,852	878,769
Irrigation	105	128	125	131	120	179	342	365	440	373	423	310	3,041
Total	51,175	48,253	48,199	62,768	68,181	92,713	94,868	93,211	99,754	69,386	87,140	66,162	881,810

Table of Contents

1. General Water Service	2nd Revised – 1
General Water Service (continued)	3rd Revised – 1a
General Water Service (continued)	1st Revised – 1b
2. Construction Water Service	1st Revised – 2
3. General Fire Sprinkler	1st Revised – 3
4. Service Charges	1st Revised – 4
Service Charges (continued)	1st Revised – 4a
5. Effluent Credit Sales	1st Revised – 5
6. Central Arizona Project – Raw (untreated) Water Service	1st Revised – 6
7. Groundwater Withdrawal Fees	1st Revised – 7
8. Groundwater Savings Fee	8th Revised – 8
Groundwater Savings Fee (continued)	5th Revised – 8a
9. Curtailment Tariff	Original – 9
Curtailment Tariff (cont.)	Original – 9a
Curtailment Tariff (cont.)	Original – 9b
Curtailment Tariff (cont.)	Original – 9c
10. Best Management Practices Tariffs	Original – 10
Best Management Practices Tariff (cont.)	Original – 10a
Best Management Practices Tariff (cont.)	Original – 10b
Best Management Practices Tariff (cont.)	Original – 10c
Best Management Practices Tariff (cont.)	Original – 10d
Best Management Practices Tariff (cont.)	Original – 10e
Best Management Practices Tariff (cont.)	Original – 10f
Best Management Practices Tariff (cont.)	Original – 10g
Best Management Practices Tariff (cont.)	Original – 10h
Best Management Practices Tariff (cont.)	Original – 10i
Best Management Practices Tariff (cont.)	Original – 10j
Best Management Practices Tariff (cont.)	Original – 10k

Rules and Regulations

ACC No. 1
Thru
ACC No. 34

Table of Contents

G-1	General Water Service Continued	1 – 2 nd Revised 1a – 2 nd Revised
I-1	Irrigation Water Rate	2 – 2 nd Revised
PF-1	Private Fire Protection Continued	3 – 2 nd Revised 3a – 2 nd Revised
PIR/SB-1	Public Interruptible/Stand-By Water Service Continued	4 – 2 nd Revised 4a – 2 nd Revised
MISC-1	Miscellaneous Service Charges Continued	5 – 2 nd Revised 5a – 2 nd Revised
CAP-1	Central Arizona Project – Raw (untreated) Water Service	6 – 2 nd Revised
GW-1	Groundwater Withdrawal Fee	7 – 1 st Revised
GSF-1	Groundwater Savings Fee	8 – 8 th Revised
BMP-1	Best Management Practices Tariffs Continued Continued Continued Continued Continued Continued Continued Continued Continued Continued	9 – Original 9a – Original 9b – Original 9c – Original 9d – Original 9e – Original 9f – Original 9g – Original 9h – Original 9i – Original 9j – Original
WST-1	Water Service Termination Agreement (City of Peoria)	10 – Original
INFO-1	Customer Water Consumption Information Sharing	11 – Original
	Rules and Regulations	ACC No. 1 Thru ACC No. 32

