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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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AZ CORP COMMISSION
DOCKET CONTROL
2013 JUL 10 PM 1 49

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER DISTRICT AND ITS SUN CITY WATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER WOMPANY'S DISTRICTS.

DOCKET NO. W-01303A-09-0343

DECISION NO. 72047

NOTICE OF COMPLIANCE FILING

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT, ITS SUN CITY WASTEWATER DITRICT, AND ITS SUN CITY WEST WASTEWATER DISTRICT, AND POSSIBLE RATE CONSOLIDATION FOR ALL OF ARIZONA-AMERICAN WATER COMPANY'S DISTRICTS.

DOCKET NO. SW-01303A-09-0343

Arizona Corporation Commission
DOCKETED
JUL 10 2013

DOCKETED BY [Signature]

In compliance with Decision No. 72047, EPCOR Water Arizona, Inc. hereby files the attached Water Loss compliance report for the Sun City Water District. The decision orders the Company to reduce water loss in the Sun City Water district's PWS No. 07-099 to below 10 percent before it files its next rate case, CC&N, or financing application for the Sun City Water district and shall continue to track the water loss for three years and submit the data collected every six months. Please note the Company interprets the 10 percent water loss requirement in the standard manner of a 12 months rolling calculation. Therefore, the attached report is as of twelve months ended June 2013.

1 RESPECTFULLY SUBMITTED on July 10, 2013.

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3
4 *Sandra L. Murrey*

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

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15 Original and 13 copies **filed**
16 on July 10, 2013, with:

17
18 Docket Control
19 Arizona Corporation Commission
20 1200 West Washington
21 Phoenix, Arizona 85007

22
23 Copies of the foregoing **emailed**
24 on July 10, 2013, to:

25
26 Brian K. Bozzo
27 Compliance and Enforcement Manager
28 Utilities Division
29 1200 West Washington Street
30 Phoenix, AZ 85007

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EPCOR Water
Central Division - Sun City Water District
Unaccounted For Water - Rolling 12-Months Summary

Description	12-Jul	12-Aug	12-Sep	12-Oct	12-Nov	12-Dec	13-Jan	13-Feb	13-Mar	13-Apr	13-May	13-Jun	TOTAL
A Gallons Pumped													
Water Treatment													
Wells	4,297,263	4,279,944	4,246,466	4,268,022	4,269,907	4,285,786	4,291,715	4,262,065	4,254,443	4,255,056	4,257,914	4,251,872	51,220,453
B Gallons Purchased													
Total Production	4,297,263	4,279,944	4,246,466	4,268,022	4,269,907	4,285,786	4,291,715	4,262,065	4,254,443	4,255,056	4,257,914	4,251,872	51,220,453
C Authorized Unbilled/Consumption													
In-Plant Usage	29,606	30,380	22,111	21,640	21,663	11,793	11,489	11,914	11,643	11,218	17,554	27,374	228,385
Mixing Chemicals - Field													
Well Pumped Waste	4,238	4,335	4,475	4,652	4,615	4,067	14,715	14,736	15,715	37,507	37,784	48,744	195,583
Flushing Mains	248	264	263	355	353	327	334	280	278	239	199	199	3,339
Identified Fire Usage		40	40	40	40	40	40	40	40	40	40	40	440
Vandalism				0	0								
Street Cleaning	14	14	22	22	22	33	43	41	41	41	39	39	371
Draining Storage Tanks				1,000	1,000	1,000	1,350	1,660	1,994	1,994	1,994	1,994	13,986
Online Analyzers & Chlorinators	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	5,076	60,912
Field Meter Testing													
Fire Hydrant Maintenance	126	152	157	191	188	200	224	305	359	351	334	302	2,889
Flushing Sewer Mains							228	191	159	176	242	290	1,286
Total Authorized Unbilled/Consumption	39,430	36,093	27,985	28,854	33,179	22,536	33,499	34,243	35,305	56,642	63,262	84,058	495,086
D Gallons Delivered = (A+B-C)	4,257,833	4,243,851	4,218,481	4,239,168	4,236,728	4,263,022	4,258,216	4,227,822	4,219,138	4,198,414	4,194,652	4,167,814	50,725,139
E Gallons Sold													
Residential	3,105,613	3,119,444	3,116,807	3,069,501	3,108,927	3,125,555	3,123,920	3,127,689	3,101,755	3,084,133	3,098,080	3,097,838	37,279,262
Commercial	893,815	883,402	871,706	860,537	873,152	881,676	878,008	879,470	883,038	884,752	895,157	897,354	10,582,067
Industrial													
Fire Service													
OPA													
Resale													
Miscellaneous	8,101	8,292	8,436	8,432	8,421	8,251	8,176	8,176	8,338	8,196	7,995	7,509	98,323
Total Sales	4,007,529	4,007,417	3,993,228	3,938,470	3,990,500	4,015,482	4,010,104	4,015,335	3,993,131	3,977,081	4,001,232	4,002,701	47,952,210
F Non-account Water													
Gallons = D-E	246,434	224,548	225,253	342,632	246,228	247,540	248,112	212,487	226,007	221,333	193,420	165,113	2,799,107
Percentage =(D-E)/D	5.88%	5.57%	5.34%	7.09%	5.81%	5.81%	5.83%	5.03%	5.36%	5.27%	4.61%	3.96%	5.47%

Negative numbers indicate quantity or percentage above production or 100%

Note: Amounts listed for the July 2012 - December 2012 period have been restated from the previous submittal. This restatement is necessary do to re-running the reports to include a hydrant route that was omitted and various customer adjustments.

1 Wastewater district that conform with those appearing in Hearing Exhibit S-7 at DMH-3, Figure 6
2 and DMH-4, Figure 7.

3 IT IS FURTHER ORDERED that Arizona-American Water Company shall file, within 60
4 days, or sooner if possible, for review by Staff, an application for approval of changes that generally
5 incorporate the program outlined in Exhibit B, to the Sun City Low Income Program in order to
6 extend the benefit of the Sun City Low Income Program to condominium and other multi-housing
7 dwellers.

8 IT IS FURTHER ORDERED that Staff shall review the Company's Sun City Low Income
9 Program filing and shall prepare and docket, within 60 days of the Company's filing, a
10 Recommended Order regarding the Company's proposed changes to the Sun City Low Income
11 Program.

12 IT IS FURTHER ORDERED that Arizona-American Water Company is hereby authorized to
13 continue the current high block funding mechanism for the Sun City Low Income Program.

14 IT IS FURTHER ORDERED that Arizona-American Water Company is hereby authorized to
15 establish a deferral account to allow it to defer tank maintenance expenses for the Anthem Water
16 district until the next rate case for the Anthem Water district, at which time Arizona-American Water
17 Company may present evidence in support of recovery of the deferred expense amounts for
18 consideration.

19 IT IS FURTHER ORDERED that Arizona-American Water Company shall reduce water loss
20 in the Sun City Water district's PWS No. 07-099 to below 10 percent before it files its next rate case,
21 CC&N, or financing application for the Sun City Water district, not including currently pending
22 cases, whichever comes first; and shall continue tracking the water loss for PWS No. 07-099 for three
23 years and submit the data collected every six months; and shall file within 180 days, with the
24 Commission's Docket Control, as a compliance item in this docket, the first water loss tracking
25 report for PWS No. 07-099.

26 IT IS FURTHER ORDERED that the 2007 and 2008 Pulte refund payments are included in
27 rate base.
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