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AZ CORP COMMISSION
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Arizona Corporation Commission

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY, AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY SERVICE FURNISHED BY ITS EASTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-11-0310

NOTICE OF FILING STATUS REPORT OF ALL SIB-ELIGIBLE PROJECTS

Pursuant to Decision No. 73938, dated June 27, 2013, and in accordance with Section 4.8 of the Settlement Agreement as shown on Attachment A to Decision No. 73938, Arizona Water Company hereby files this status report for all System Improvement Benefits ("SIB") mechanism eligible projects listed on Exhibit A ("SIB Plant Table I") to the Settlement Agreement.

I. BACKGROUND

On August 5, 2011, Arizona Water Company filed an application seeking adjustments to the rates and charges for utility service furnished by its Eastern Group of water systems (including the Superstition, Cochise, San Manuel, Falcon Valley and Winkelman systems) and, among other things, the approval of a distribution system improvement charge ("DSIC"). On February 20, 2013, the Commission issued Decision No. 73736 which authorized adjustments to Arizona Water Company's Eastern Group rates. Although the Commission did not authorize a DSIC in Decision No. 73736, it indicated its support for a DSIC-type mechanism and left this docket open

1 to allow the parties the opportunity to enter into settlement discussions regarding Arizona Water
2 Company's proposed DSIC, thereby creating "Phase 2" of this proceeding.¹

3 On April 1, 2013, the Commission's Utilities Division ("Staff") filed in this docket the
4 Settlement Agreement between itself, Arizona Water Company and various other intervenors
5 setting forth the details of the SIB mechanism and settling all issues relating to Arizona Water
6 Company's DSIC proposal. Hearings were conducted on the proposed Settlement Agreement on
7 April 8 and 11, 2013, and post-hearing briefs were filed on April 29, 2013. On June 27, 2013, the
8 Commission issued Decision No. 73938, which approved the Settlement Agreement with certain
9 modifications, thereby authorizing a SIB mechanism for Arizona Water Company's Eastern
10 Group.

11 12 **II. STATUS OF ALL SIB-ELIGIBLE PROJECTS**

13 Paragraph 4.8 of the Settlement Agreement states:

14 Every six (6) months [Arizona Water Company] shall file a report
15 with Docket Control delineating the status of all SIB eligible
16 projects listed per SIB Plant Table I above, and may include
modifications to that list for approval by the Commission using the
process referenced in Section 6.0.

17 Attachment 1 hereto is a table updating the status of all SIB eligible projects listed on SIB
18 Plant Table I, showing the project status, expected in-service date, actual in-service date (if
19 completed), estimated project cost, actual cost incurred to date, revised estimated project cost (if
20 applicable) and an explanation of any change in the estimated project cost greater than 10% of the
21 original estimated project cost set forth on SIB Plant Table I.

22 23 **III. COMPANY CONTACT INFORMATION**

24 The person responsible for overseeing all SIB mechanism filings, including responding to
25 all formal data requests, is Joel M. Reiker, the Company's Vice President, Rates and Revenue.
26 Mr. Reiker's office and mailing address is 3805 North Black Canyon Highway, Phoenix, AZ

27
28 ¹ See Decision No. 73736, dated February 20, 2013. p. 104, lines 22-25.

1 85015. Mr. Reiker's telephone number is (602) 240-6860, Ext. 108, and his email address is
2 jreiker@azwater.com.

3
4 RESPECTFULLY SUBMITTED this 13th day of September, 2013.

5 ARIZONA WATER COMPANY

6
7 By: 

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1 **ORIGINAL and 13 COPIES** of the foregoing filed this 13th day of September, 2013, with:

2 Docketing Supervisor
3 Docket Control Division
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

6 **COPY** of the foregoing hand-delivered this 13th day of September, 2013, to:

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25
26
27 By:  _____

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ATTACHMENT 1

EASTERN GROUP WATER SYSTEMS
CURRENT STATUS OF ALL SIB ELIGIBLE PROJECTS

Project No.	Project Description	Project Status	Expected In-Service Date	Actual In-Service Date	Original Cost (estimated)	Cost (incurred to date)	Revised Cost (estimated)	Detailed explanation of why revised estimated costs have varied from estimated costs by more than 10% for the project.
1	REPLACE 126 SERVICE CONNECTIONS IN PERALTA ESTATES UNIT TWO	Begin Design in 2014	2014		\$523,827			
2	INSTALL 1,350 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 88 SERVICE CONNECTIONS BETWEEN BOISE STREET AND AVALON STREET	Begin Design in 2015	2015		\$544,964			
3	INSTALL 650 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 102 SERVICE CONNECTIONS BETWEEN 114 TH STREET AND MERIDIAN ROAD	Begin Design in 2014	2014		\$432,978			
4	REPLACE 87 SERVICE CONNECTIONS ALONG DELAWARE AND ALWATHER DRIVES	Begin Design in 2014	2014		\$346,461			
5	REPLACE 10 SERVICE CONNECTIONS ALONG GLOBE AVENUE	Begin Design in 2014	2014		\$42,274			
6	REPLACE 25 SERVICE CONNECTIONS ALONG GREASEWOOD DRIVE AND ESCONDIDO COURT	Begin Design in 2014	2014		\$102,008			
7	REPLACE 22 SERVICE CONNECTIONS ALONG CHISOLM AVENUE	Begin Design in 2014	2014		\$92,818			
8	INSTALL 600 LF OF 6-INCH DIP w/POLYWRAP ALONG RANCH ROAD AND REPLACE 1 SERVICE CONNECTION	Begin Design in 2014	2014		\$57,240			
9	INSTALL 4,700 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 32 SERVICE CONNECTIONS ALONG HIDALGO STREET AND CONCHO STREET	Under Design	2013		\$563,475	\$7,224.56		
10	REPLACE 46 SERVICE CONNECTIONS ALONG SUGAR CREEK DRIVE, PLEASANT PLACE AND BREATHELESS DRIVE	Begin Design in 2014	2014		\$191,151			
11	REPLACE 101 SERVICE CONNECTIONS ALONG PINYON DRIVE AND VIRGINIA, SCENIC, CACTUS WREN, AND GREGORY STREETS	Begin Design in 2015	2015		\$416,305			
12	REPLACE 44 SERVICE CONNECTIONS IN PERALTA ESTATES UNIT TWO	Begin Design in 2015	2015		\$182,880			
13	INSTALL 1,050 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 23 SERVICE CONNECTIONS ALONG SNEEDED AVENUE EAST OF RUSSELL AVENUE	Begin Design in 2014	2014		\$190,232			
14	REPLACE 121 SERVICE CONNECTIONS ALONG COPPER, GOLD AND SILVER DRIVES	Begin Design in 2015	2015		\$509,123			
15	REPLACE 18 SERVICE CONNECTIONS ALONG MCKINNEY AVENUE FROM BRALEY STREET TO HILL STREET	Begin Design in 2015	2015		\$74,439			
16	INSTALL 250 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 6 SERVICE CONNECTIONS ALONG MONROE STREET FROM MIAMI STREET TO MARION STREET	Under Design	2013		\$46,212	\$5,765.73		
17	REPLACE 25 SERVICE CONNECTIONS ALONG SLEEPY HALLOW TRAIL AND LAZY LANE	Begin Design in 2015	2015		\$102,927			
18	REPLACE 21 SERVICE CONNECTIONS ALONG HIDEAWAY LANE, LAZY LANE AND BREATHELESS DRIVE	Begin Design in 2015	2015		\$84,548			
19	INSTALL 1,350 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 25 SERVICE CONNECTIONS ALONG STONE AVENUE FROM KISER STREET TO MOFATT STREET	Under Design	2013		\$222,528	\$6,545.29		
20	INSTALL 550 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 25 SERVICE CONNECTIONS ALONG CENTRAL AVENUE FROM BRALEY STREET TO MONROE STREET	Begin Design in 2014	2014		\$154,785			
21	INSTALL 1,700 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 33 SERVICE CONNECTIONS ALONG ORPHAN STREET AND KENZIE AVENUE	Begin Design in 2014	2014		\$280,425			
22	INSTALL 2,750 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 53 SERVICE CONNECTIONS ALONG FREDRIC STREET AND BIRD STREET	Begin Design in 2015	2015		\$464,224			
23	REPLACE 17 SERVICE CONNECTIONS ALONG GLENDALE AVENUE FROM BRALEY STREET TO HILL STREET	Begin Design in 2015	2015		\$69,844			
24	INSTALL 600 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 11 SERVICE CONNECTIONS ALONG STORY STREET EAST OF RUSSELL AVENUE	Begin Design in 2014	2014		\$98,595			
25	REPLACE 48 SERVICE CONNECTIONS ALONG MOUNTAIN ROAD, ELMONT DRIVE AND MALCOLM DRIVE	Begin Design in 2015	2015		\$193,908			
26	INSTALL 800 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 17 SERVICE CONNECTIONS ALONG YOUNG STREET, SECOND AVENUE, HILL STREET AND THIRD AVENUE	Begin Design in 2015	2015		\$138,506			

EASTERN GROUP WATER SYSTEMS
CURRENT STATUS OF ALL SIB ELIGIBLE PROJECTS

27	INSTALL 500 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 8 SERVICE CONNECTIONS ALONG SOUTH EMERALD DRIVE	Begin Design in 2014	2014	\$78,640				
28	REPLACE 30 SERVICE CONNECTIONS ALONG SLEEPY HOLLOW TRAIL, BREATHESS DRIVE AND TUM TUM COURT	Begin Design in 2014	2014	\$121,307				
29	INSTALL 1,600 LF OF 6-INCH DIP w/POLYWRAP ALONG WASHBORN ROAD	Under Design	2013	\$142,838	\$6,658.66			
30	INSTALL 500 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 5 SERVICES EAST OF LOOMIS AVENUE	Begin Design in 2015	2015	\$63,017				
31	REPLACE 14 SERVICE CONNECTIONS ALONG HUMMINGBIRD LANE	Begin Design in 2015	2015	\$57,897				
32	INSTALL 600 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 3 SERVICE CONNECTIONS ALONG BROADWAY AVENUE FROM TOMAHAWK ROAD TO VISTA ROAD	Begin Design in 2014	2014	\$67,349				
33	INSTALL 1,400 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 13 SERVICE CONNECTIONS ALONG BOISE STREET AND 105 TH PLACE	Begin Design in 2014	2014	\$176,447				
34	REPLACE 26 SERVICE CONNECTIONS ALONG HILL STREET FROM CHURCH AVENUE TO TERRANCE DRIVE	Begin Design in 2014	2014	\$114,874				
35	REPLACE 14 SERVICE CONNECTIONS ALONG HUMMINGBIRD LANE AND ALHAMBRA WAY	Begin Design in 2014	2014	\$57,897				
36	INSTALL 1,250 LF OF 6" DIP w/POLYWRAP AND REPLACE 31 SERVICE CONNECTIONS ALONG GARROT AVENUE AND STANSBERRY AVENUE	Begin Design in 2015	2015	\$278,915				
37	REPLACE 61 SERVICE CONNECTIONS AND METERS ALONG BEVERLY CIRCLE	Under Construction	2013	\$170,671	\$75,969.41	\$85,000.00		Company designed project and bid for construction. Actual construction costs were less than the estimated costs.
38	REPLACE 35 SERVICE CONNECTIONS AND METERS ALONG SONBERG DRIVE, HAROLD DRIVE AND ROCKCLIFF BOULEVARD	Under Construction	2013	\$95,182	\$27,820.81	\$30,000.00		Company designed project and bid for construction. Actual construction costs were less than the estimated costs.
39	REPLACE 19 SERVICE CONNECTIONS AND METERS ALONG CAMINO SECO AND CALLE VALENCIA	Begin Design in 2014	2014	\$53,499				
40	REPLACE 27 SERVICE CONNECTIONS AND METERS ALONG ADAMS STREET, HOWARD STREET AND LOGAN STREET	Begin Design in 2014	2014	\$78,771				
41	REPLACE 24 SERVICE CONNECTIONS AND METERS ALONG NORTH TWO O'CLOCK HILLS ROAD AND CHAPARRAL STREET	Begin Design in 2015	2015	\$65,971				
42	REPLACE 16 SERVICE CONNECTIONS AND METERS ALONG NORTH CEDAR RIDGE DRIVE	Begin Design in 2015	2015	\$44,637				
43	INSTALL 1,900 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 22 SERVICE CONNECTIONS ALONG BOWERS STREET FROM MARIE STREET TO McDONALD STREET	Complete	-	\$232,374	\$123,101.24	\$123,101.24	6/11/2012	Company designed project and bid for construction. Actual construction costs were less than the estimated costs.
44	INSTALL 700 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 11 SERVICE CONNECTIONS ALONG OCCOTILLO AVENUE	Complete	-	\$94,656	\$83,470.27	\$83,470.27	11/7/2012	Company designed project and bid for construction. Actual construction costs were less than the estimated costs.
45	INSTALL 2,450 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 41 SERVICE CONNECTIONS ALONG LEDGE AVENUE AND QUALITY ROAD	Begin Design in 2014	2014	\$318,891				
46	INSTALL 900 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 1 SERVICE CONNECTION ALONG HIGHWAY 80 AND WINWOOD ROAD	Begin Design in 2014	2014	\$84,679				
47	INSTALL 1,650 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 20 SERVICE CONNECTIONS ALONG LEDGE AVENUE, QUALITY ROAD, AND ALLEYS	Complete	2014	\$192,464	\$134,267.62	\$134,267.62	9/14/2011	Company designed project and bid for construction. Actual construction costs were less than the estimated costs.
48	INSTALL 2,900 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 22 SERVICE CONNECTIONS ALONG TERAN STREET, ARUJU STREET, CARBAJAL STREET, AND VARGAS STREET	Under Design	2013	\$312,721	\$4,382.69			
49	INSTALL 700 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 12 SERVICE CONNECTIONS ALONG PARK AVENUE	Under Design	2013	\$98,070	\$0.00			
50	INSTALL 600 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 11 SERVICE CONNECTIONS ALONG BROPHY AVENUE	Begin Design in 2014	2014	\$76,802				
51	INSTALL 1,000 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 7 SERVICE CONNECTIONS ALONG COLE AVENUE	Complete	2014	\$112,905	\$176,454.47	\$176,454.47		Company designed project and bid for construction. Actual construction costs were more than the estimated costs.
52	INSTALL 400 LF OF 6-INCH DIP w/POLYWRAP AND REPLACE 7 SERVICE CONNECTIONS ALONG CHURCH STREET FROM CLAWSON AVENUE TO SOWELS AVENUE	Complete	-	\$54,877	\$55,114.29	\$55,114.29	8/17/2012	