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BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

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

2014 JAN 31 P 12:39

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

ORIGINAL

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

Arizona Corporation Commission  
DOCKETED

JAN 31 2014

DOCKETED BY

**EPCOR WATER ARIZONA, INC.  
SUN CITY WATER DISTRICT  
SUN CITY WEST WATER DISTRICT  
NOTICE OF FILING  
GROUNDWATER SAVINGS FEE FOR YEAR 2014**

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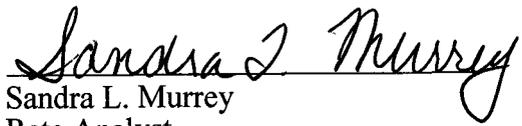
EPCOR Water Arizona, Inc. ("Company") hereby timely files the revised Groundwater Saving Fees for its Sun City Water and Sun City West Water Districts, as initially authorized by the Commission in Decision No. 62293 (February 1, 2000) and as updated through numerous Commission decisions.

For Sun City Water, based on the current reconciliation calculations, fees are under collected by \$7,704 as of December 31, 2013, with 2014 estimated costs of \$628,350, resulting in the revised Groundwater Savings Fee for residential customers of \$1.31 per unit, and \$0.1681 per 1,000 gallons for all other customers. Current fees are \$1.43 per unit for residential and \$0.1606 per 1,000 gallons for all other customers.

For Sun City West Water, based on the current reconciliation calculations, fees are under collected by \$18,577 as of December 31, 2013, with 2014 estimated costs of \$355,800, resulting in the revised Groundwater Savings Fee for residential customers of \$1.56 per unit, and \$0.1813 per 1,000 gallons for all other customers. Current fees are \$1.46 per unit for residential and \$0.1695 per 1,000 gallons for all other customers.

These updated fees are to be effective March 1, 2014. 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 31, 2014.

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3                     
4                   Sandra L. Murrey  
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6                   EPCOR Water Arizona, Inc.  
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10                  Original and 13 copies **filed**  
11                  on January 31, 2014, with:

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

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19                  Copies of the foregoing **mailed**  
20                  on January 31, 2014, to:

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47                  By: \_\_\_\_\_  
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**GSF**

**Work Papers**

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

**2014 Proposed Rates**

**Total Monthly Groundwater Savings Fee:**

**Sun City Water -**

Monthly Charge Residential, per Household	\$ 1.31
Monthly Charge Commercial, Public Authority, and Irrigation, per 1,000 gal	\$ 0.1681

**Sun City West Water-**

Monthly Charge Residential, per Household	\$ 1.56
Monthly Charge Commercial, Public Authority, and Irrigation, per 1,000 gal	\$ 0.1813

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 2013.

**EPCOR Water Arizona, Inc.**  
**Groundwater Savings Fee Update**

**Recovery Target and Tariff Calculations**  
**Data as of 12/31/13**

	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	\$	(59,871)	(73,750)	
2010 (Over) Under Collected	\$	(34,530)	\$	(34,540)
2011 Annual Costs	\$	229,584	405,733	
2011 Surcharge Revenues	\$	28,440	363,119	
2011 (Over) Under Collected	\$	258,024	\$	768,852
2012 Annual Costs	\$	287,012	\$	506,854
2012 Surcharge Revenues	\$	(233,875)	\$	(399,045)
2012 (Over) Under Collected	\$	53,137	\$	107,809
2013 Annual Costs	\$	309,546	\$	546,665
2013 Surcharge Revenues	\$	(339,521)	\$	(671,036)
2013 (Over) Under Collected	\$	(29,975)	\$	(124,371)
<b>Grand Total (Over) Under Collected</b>	<b>\$</b>	<b>18,577</b>	<b>\$</b>	<b>7,704</b>
Residential Allocation	\$	15,666 b	\$	5,864 b
Projected Number of Units Billed		202,776 d		370,482 d
Monthly Charge Per Household - Previous Years	\$	0.08	\$	0.02
Other Customer Allocations	\$	2,911 c	\$	1,840 c
Projected Consumption (kgs)		323,552 d		903,520 d
Monthly Charge per 1,000 gal. - Previous Years	\$	0.0090	\$	0.0020
<b>Estimated Payments for 2014</b>				
	<u>2014</u>	<u>Acre Feet</u>	<u>Acre Feet</u>	
<u>CAP Payments</u>	<u>Rates</u>	<u>Allocation</u>	<u>Allocation</u>	
M&I Delivery Rate	\$ 146	2,372 \$ 346,312	4,189 \$ 611,594	
Capital Charge Rate	\$ 20	2,372 47,440	4,189 83,780	
MWD Credit Rate	\$ (16)	2,372 (37,952)	4,189 (67,024)	
2014 Expense Recovery Target		\$ 355,800	\$ 628,350	
<b>Total 2014 Recovery Target</b>		<b>\$ 355,800</b>	<b>\$ 628,350</b>	
Residential Allocation	\$	300,046 b	\$	478,263 b
Projected Number of Units Billed		202,776 d		370,482 d
Monthly Charge Per Household - Current	\$	1.48	\$	1.29
Other Customer Allocations	\$	55,754 c	\$	150,087 c
Projected Consumption (kgs)		323,552 d		903,520 d
Monthly Charge per 1,000 gal. - Current	\$	0.1723	\$	0.1661
<b>Monthly Charge Residential, per Household - Net</b>	<b>\$</b>	<b>1.56</b>	<b>\$</b>	<b>1.31</b>
<b>Monthly Charge Other, per 1,000 gals - Net</b>	<b>\$</b>	<b>0.1813</b>	<b>\$</b>	<b>0.1681</b>

- a Total (Over) / Under Collected approved per Decision No. 72046 (effective September 10, 2010).
- b Allocated to Residential based on December 2013 YE revenues: Sun City 76%; Sun City West 84%
- c Allocated to Other Customers based on December 2013 YE revenues: Sun City 24%; Sun City West 16%
- d Applied amounts as of 12 month ending December 2013.

# Sun City West Water Groundwater Savings Reconciliation

## 2013 Revenue and Expense

2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Residential	(20,093.55)	(20,140.11)	(24,687.40)	(24,687.04)	(24,647.59)	(24,558.00)	(24,538.26)	(24,551.64)	(24,571.77)	(24,528.11)	(24,632.03)	(24,671.16)	(286,308)
Other	(2,654.20)	(2,729.29)	(3,146.87)	(4,331.29)	(4,440.32)	(5,397.33)	(5,697.87)	(5,970.55)	(5,843.28)	(4,666.84)	(5,161.84)	(3,374.02)	(53,214)
Total Revenue	(22,747.75)	(22,869.40)	(27,834.27)	(29,018.33)	(29,087.91)	(29,955.33)	(30,236.13)	(30,522.19)	(30,215.05)	(29,195.95)	(29,793.87)	(28,045.18)	(339,521)
M&I	43,713	43,713	43,713	43,713	43,713	-	87,425	-	-	-	-	-	305,988
Cap Charges	-	-	-	17,790	-	-	-	-	-	23,720	-	-	41,510
MWD Credit	-	-	-	-	(3,536)	-	(19,840)	-	(5,424)	(4,240)	(4,912)	-	(37,952)
CAP Credit for prior year	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expense	43,713	43,713	43,713	61,503	40,177	-	67,585	-	(5,424)	19,480	(4,912)	-	309,546
Balance at 12/31/12	48,552.36												
Monthly (Over) / Under 2013	20,965	20,843	15,876	32,484	11,089	(29,955)	37,349	(30,522)	(35,639)	(9,716)	(34,706)	(28,045)	(29,975)
Cumulative	69,517	90,360	106,239	138,723	149,812	119,856	157,205	126,683	91,044	81,328	46,622	18,577	

# Sun City Water Groundwater Savings Reconciliation

## 2013 Revenue and Expense

2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Totals
Residential	(36,630)	(36,721)	(43,253)	(43,783)	(43,759)	(43,774)	(43,711)	(43,754)	(43,791)	(43,759)	(43,925)	(43,894)	(510,753)
Other	(4,843)	(5,580)	(8,415)	(11,345)	(14,805)	(17,438)	(18,659)	(19,270)	(20,047)	(13,591)	(16,505)	(9,785)	(160,283)
<b>Total Revenue</b>	<u>(41,473)</u>	<u>(42,301)</u>	<u>(51,668)</u>	<u>(55,128)</u>	<u>(58,565)</u>	<u>(61,212)</u>	<u>(62,370)</u>	<u>(63,024)</u>	<u>(63,838)</u>	<u>(57,350)</u>	<u>(60,430)</u>	<u>(53,678)</u>	<u>(671,036)</u>
M&I	77,197	77,197	77,197	77,197	77,197	-	154,395	-	-	-	-	-	540,381
Cap Charges	-	-	-	31,418	-	-	-	-	-	41,890	-	-	73,308
MWD Credit	-	-	-	-	(3,200)	-	(33,520)	-	(9,920)	(11,168)	(9,216)	-	(67,024)
CAP Credit for prior year	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expense</b>	<u>77,197</u>	<u>77,197</u>	<u>77,197</u>	<u>108,615</u>	<u>73,997</u>	<u>-</u>	<u>120,875</u>	<u>-</u>	<u>(9,920)</u>	<u>30,722</u>	<u>(9,216)</u>	<u>-</u>	<u>546,665</u>
Balance at 12/31/12	132,075												
Monthly (Over) / Under 2013	<u>35,725</u>	<u>34,896</u>	<u>25,529</u>	<u>53,487</u>	<u>15,433</u>	<u>(61,212)</u>	<u>58,505</u>	<u>(63,024)</u>	<u>(73,758)</u>	<u>(26,628)</u>	<u>(69,646)</u>	<u>(53,678)</u>	<u>(124,371)</u>
Cumulative	<u>167,800</u>	<u>202,696</u>	<u>228,225</u>	<u>281,712</u>	<u>297,144</u>	<u>235,932</u>	<u>294,437</u>	<u>231,413</u>	<u>157,656</u>	<u>131,028</u>	<u>61,382</u>	<u>7,704</u>	

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

2013		January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
<b>Billing Determinants</b>														
<b>Sun City West</b>														
Customers:														
Residential	16,949	16,949	16,947	16,901	16,853	16,834	16,848	16,848	16,852	16,851	16,905	16,936	16,951	202,776
<b>Total</b>	<b>16,949</b>	<b>16,949</b>	<b>16,947</b>	<b>16,901</b>	<b>16,853</b>	<b>16,834</b>	<b>16,848</b>	<b>16,848</b>	<b>16,852</b>	<b>16,851</b>	<b>16,905</b>	<b>16,936</b>	<b>16,951</b>	<b>202,776</b>
Consumption:														
Commercial	20,387	20,964	18,614	25,551	26,195	31,841	33,614	33,614	35,207	33,292	27,531	30,452	19,904	323,552
<b>Total</b>	<b>20,387</b>	<b>20,964</b>	<b>18,614</b>	<b>25,551</b>	<b>26,195</b>	<b>31,841</b>	<b>33,614</b>	<b>33,614</b>	<b>35,207</b>	<b>33,292</b>	<b>27,531</b>	<b>30,452</b>	<b>19,904</b>	<b>323,552</b>
<b>Sun City</b>														
Customers:														
Residential	30,810	30,831	30,857	30,854	30,852	30,858	30,854	30,854	30,860	30,872	30,936	30,940	30,958	370,482
<b>Total</b>	<b>30,810</b>	<b>30,831</b>	<b>30,857</b>	<b>30,854</b>	<b>30,852</b>	<b>30,858</b>	<b>30,854</b>	<b>30,854</b>	<b>30,860</b>	<b>30,872</b>	<b>30,936</b>	<b>30,940</b>	<b>30,958</b>	<b>370,482</b>
Consumption:														
Commercial	47,348	49,413	48,979	62,101	75,259	94,507	96,845	96,845	105,998	109,100	75,024	84,402	51,922	900,898
Irrigation	171	253	186	172	116	58	48	75	826	826	578	69	70	2,622
<b>Total</b>	<b>47,519</b>	<b>49,666</b>	<b>49,165</b>	<b>62,273</b>	<b>75,375</b>	<b>94,565</b>	<b>96,893</b>	<b>96,893</b>	<b>106,073</b>	<b>109,926</b>	<b>75,602</b>	<b>84,471</b>	<b>51,992</b>	<b>903,520</b>

# TARIFFS



