



BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

DOUG LITTLE, Chairman
BOB STUMP
BOB BURNS
TOM FORESE
ANDY TOBIN

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
EPCOR WATER ARIZONA INC. FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND PROPERTY
AND FOR INCREASES/DECREASES IN ITS
RATES AND CHARGES BASED THEREON FOR
UTILITY SERVICES BY ITS AGUA FRIA,
ANTHEM, MOHAVE, SUN CITY, AND SUN CITY
WEST WASTEWATER DISTRICTS AND FOR
CONSIDERATION OF CONSOLIDATION AND
DECONSOLIDATION PROPOSALS

DOCKET NO. WS-01303A-16-0145

NOTICE OF SCHEDULE OF
COMMUNITY MEETINGS

EPCOR Water Arizona Inc. hereby files a schedule of community meetings (Exhibit A) and copies of customer notifications of these meetings (Exhibit B). These meetings have been scheduled as part of the Company's outreach effort to inform the public of important aspects of the current rate case as well consolidation and deconsolidation proposals. Meetings consist of a formal presentation, Q&A session with presenter, and several on-site work stations staffed by Company employees from Engineering, Customer Care, Rates and Regulatory, Public and Government Affairs, and Water Resources. Customers in the Agua Fria Wastewater, Sun City Wastewater and Sun City West Wastewater Districts were notified via direct mail on June 29th, 2016. Customers in the Anthem Wastewater District were notified on June 30th, 2016, and customers in the Mohave Wastewater District were notified on July 11th, 2016.

RESPECTFULLY SUBMITTED on July 25, 2016.

Arizona Corporation Commission
DOCKETED

JUL 25 2016

DOCKETED BY *[Signature]*

Sandra L. Murrey
Sandra L. Murrey
Rate Analyst

EPCOR Water Arizona, Inc.
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

1 Original and thirteen (13) copies
2 of the foregoing filed
3 on July 25, 2016, with:

4
5 Docket Control
6 Arizona Corporation Commission
7 1200 West Washington
8 Phoenix, Arizona 85007
9

10 Copies of the foregoing hand-delivered
11 on July 25, 2016, to:

12
13 Thomas Broderick
14 Director, Utilities Division
15 Arizona Corporation Commission
16 1200 West Washington Street
17 Phoenix, Arizona 85007
18

19 Dwight Nodes
20 Chief Administrative Law Judge, Hearing Division
21 Arizona Corporation Commission
22 1200 West Washington Street
23 Phoenix, Arizona 85007
24

25 Janice Alward
26 Chief Counsel, Legal Division
27 Arizona Corporation Commission
28 1200 West Washington Street
29 Phoenix, Arizona 85007
30

31 Copies of the foregoing emailed and/or mailed
32 on July 15, 2016, to:

33
34 Michele Van Quathem, PLLC
35 7600 N. 15th St., Suite 150-30
36 Phoenix, Arizona 85020
37 mvq@mvqlaw.com
38 Attorney for Verrado Community Association, Inc.
39 DMB Verrado Golf I LLC; and Verrado ARC LLC
40 Consented to Service by Email
41

42 Greg Patterson
43 Munger Chadwick
44 916 West Adams, Suite 3
45 Phoenix, Arizona 85007
46 Attorney for Western Infrastructure Sustainability Effort
47

48 Regina Shanney-Saborsky
49 Government Affairs Committee Member
50 Corte Bella Country Club Homeowner's Association
51 22155 North Mission Drive
52 Sun City West, Arizona 85375
53 rsaborsky@cox.net
54 Consented to Service by Email

1 Douglas Edwards
2 13517 W. Sola Drive
3 Sun City West, Arizona 85375
4 d.edwards795@yahoo.com
5 Consented to Service by Email
6
7 Diane Smith
8 13234 W. Cabrillo Drive
9 Sun City West, Arizona 85375
10 Skylar_98@q.com
11 Consented to Service by Email
12
13 Greg Eisert, Director
14 Steven Puck, Director
15 Sun City Home Owners Association
16 10401 W. Coggins Drive
17 Sun City, Arizona 85351
18 gregeisert@gmail.com
19 Steven.puck@cox.net
20 Consented to Service by Email
21
22 Frederick G. Botha
23 23024 N. Giovata Dr.
24 Sun City West, Arizona 85375
25
26 Daniel W. Pozefsky
27 Chief Counsel
28 Residential Utility Consumer Office
29 1110 West Washington St., Suite 220
30 Phoenix, Arizona 85007
31
32 Al Gervenack, Director
33 Government Affairs Chairman
34 Sun City West Property Owners & Residents Association
35 13815 Camino Del Sol
36 Sun City West, Arizona 85372
37
38 Frances A. Noe, Advisory Committee, Chairman
39 11756 W. Daley Lane
40 Sun City West, AZ 85373
41 noeshomes@earthlink.net
42 Consented to Service by Email
43
44

Exhibit A

EPCOR Water Arizona Inc.
Docket No. WS-01303A-16-0145

SCHEDULE OF MEETINGS

Sun City Wastewater Consolidation Community Meeting #1

Monday, July 11 – 1:30-3 pm
SunDial Auditorium, 14801 N 103rd Avenue, Sun City, AZ 85351

Northeast Agua Fria Wastewater Consolidation Community Meeting

Monday, July 11 – 5:30-7 pm
Corte Bella Social Hall, 22135 N Mission Dr, Sun City West, AZ 85375

Sun City West Wastewater Consolidation Community Meeting #1

Tuesday, July 12 – 1:30-3 pm
Palm Ridge Recreation Center, 13800 W Deer Valley Drive, Sun City West, AZ 85375

Sun City West Wastewater Consolidation Community Meeting #2

Tuesday, July 12 – 5:30-7 pm
Palm Ridge Recreation Center, 13800 W Deer Valley Drive, Sun City West, AZ 85375

Verrado/Russell Ranch Wastewater Consolidation Community Meeting

Wednesday, July 13 – 5:30-7 pm
Palo Verde Energy Education Center, 600 N Verrado Way/Airport Road, Buckeye, AZ 85326

Anthem Wastewater Consolidation Community Meeting

Thursday, July 14 – 5:30-7 pm
Boulder Creek High School Auditorium, 40404 N Gavilan Peak Parkway, Anthem, AZ 85086

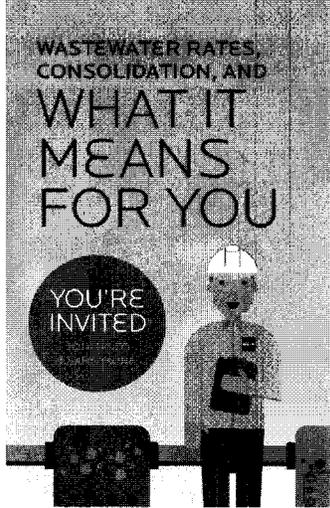
Sun City Wastewater Consolidation Community Meeting #2

Monday, July 18 – 5:30-7 pm
SunDial Auditorium, 14801 N 103rd Avenue, Sun City, AZ 85351

Mohave Wastewater Consolidation Community Meeting

Tuesday, July 19 – 5:30-7 p.m.
Mohave Community College (Bullhead City Campus), 3400 Highway 95, Bullhead City, AZ 86442

Exhibit B



WASTEWATER RATES, CONSOLIDATION, AND WHAT IT MEANS FOR YOU



19626 N. Dell Webb Boulevard
Sun City, AZ 85351-1802

epcor.com

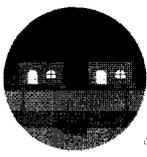
EPCOR is a private, regulated utility, which means the Arizona Corporation Commission (ACC) decides what rates should be after a long and careful review of the information and costs in a rate case. It can take a year or more before the ACC makes a decision.

WASTEWATER RATES AND CONSOLIDATION

EPCOR was required to file a new rate case for all five wastewater districts – Agua Fria, Anthem, Maricopa, Sun City and Sun City West – using fresh financial data from 2015 for three different scenarios:

- Keep the five districts the way they are today (status quo)
- Bring them all together as one district (consolidation)
- Create seven smaller districts based on "treatment facility" (deconsolidation)

The case was filed April 29, 2016, giving the ACC the information it needs to make a decision on the policy of wastewater consolidation.



BEST SOLUTION

We believe consolidation is the best solution for our customers. It's the most efficient and cost-effective way of ensuring safe, reliable and high-quality service. And it will be even more important as the cost of repairing and replacing aging infrastructure continues to go up. The larger the district the more costs can be spread out, now and in the future.

We're proposing that all of our customers pay the same flat rate, gradually introduced over three years. Phasing it in gradually introduces the change for some customers and provides immediate relief for others. Once fully consolidated, we anticipate future rate changes would be smaller and more gradual.

IT'S COMPARABLE
Arizona State University compared the five wastewater districts with other wastewater providers, municipal and private, in the same areas. The average monthly charge for wastewater was \$49.29 - the \$41.00 we're proposing is lower.

IT MAKES SENSE
Consolidation is already the norm - for what customers expect from their electric, natural gas, telecommunications and municipal utilities.

TO US
IT'S CLEAR MORE

You're invited to an open house to learn more about wastewater consolidation and this application:

NORTHEAST AGUA FRIA
Monday, July 11 - 5:30 to 7 pm
Corte Bella Social Hall
22135 N Mission Dr.
Sun City West, AZ 85375

VERRADO AND RUSSELL RANCH
Wednesday, July 13 - 5:30 to 7 pm
Palo Verde Energy Education Center
600 N Verrado Way/Airport Road
Buckeye, AZ 85326

You can also visit
epcor.com/waterandsewer/2016/07/01/openhouse

RECYCLING MILLIONS OF GALLONS OF WASTEWATER EVERY DAY TAKES WORK - BUT THE REAL MAGIC TAKES PLACE BEHIND THE SCENES.

Wastewater systems are a complex network of pipes, manholes, lift stations and treatment facilities. But just like cars and homes - they need regular care and attention. As they get older and wear out, they need to be fixed and replaced before they fail, putting strain on customers to customer service, higher costs and potential environmental concerns.

AGING INFRASTRUCTURE

The American Society of Civil Engineers gives Arizona's water and wastewater infrastructure a D grade, requiring almost \$10 billion in repairs and replacements over the next 20 years. EPCOR also needs to invest in its water and wastewater systems - more than \$500 million over the next decade, including more than \$163 million just for wastewater.

1959
The first underground pipe was laid in 1959 in Sun City.

1969
MAN ON THE MOON
The first satellite TV set Apollo 11 lands on the moon, and the Armstrong takes one giant leap for mankind.

1989
MILES OF PIPE
450 miles of wastewater pipe are in the Sun City area, the distance from Phoenix to Albuquerque.

2009
LIKE IT
Facebook launches, revolutionizing social networking.

1960

Sun City, Phoenix was incorporated in the 1940s & 1950s.

SUN CITY On January 1, 1960, Sun City was incorporated as the first master-planned community.

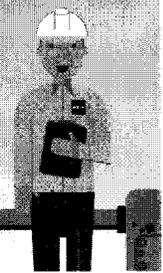
1990

2004 City Council passed one resolution that would allow us to acquire 100% of Sun City West.

65% Sixty-three percent of EPCOR's wastewater production is in Sun City and Sun City West, among the districts in our service area.

WASTEWATER RATES, CONSOLIDATION, AND WHAT IT MEANS FOR YOU

YOU'RE INVITED



19626 N. De Webb Boulevard
Sun City, AZ 85351-1602

epcor.com

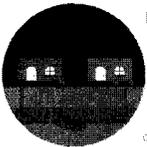
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WASTEWATER RATES AND CONSOLIDATION

EPCOR was required to file a new rate case for all five wastewater districts – Aqua Fina, Anthem, Maricopa, Sun City and Sun City West – using fresh financial data from 2015 for three different scenarios:

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- Bring them all together as one district (consolidation)
- Create seven smaller districts based on "treatment facility" (deconsolidation)

The case was filed April 29, 2016, giving the ACC the information it needs to make a decision on the pricing of wastewater consolidation.



BEST SOLUTION

We believe consolidation is the best solution for our customers. It's the most efficient and cost-effective way of ensuring safe, reliable and high-quality service. And it will be even more important as the cost of repairing and replacing aging infrastructure continues to go up. The larger the district, the more costs can be spread out, now and in the future.

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IT'S COMPARABLE

Arizona State University compared the five wastewater districts with other wastewater providers, municipal and private, in the same areas. The average monthly charge for wastewater was \$48.29 – the \$41.02 we're proposing is lower.

IT MAKES SENSE

Consolidation is already in a form – it's what customers expect from their electric, natural gas, telecommunications and municipal utilities.

JOIN US TO LEARN MORE

You're invited to an open house to learn more about wastewater consolidation and this application:

Thursday, July 14 – 5:30-7 pm
Boulder Creek High School Auditorium
40404 N Gavilan Peak Parkway
Anthem, AZ 85086

You can also visit www.epcor.com/consolidation

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Wastewater systems are a complex network of pipes, manholes, lift stations and treatment facilities. But just like cars and homes – they need regular care and attention. As they get older and wear out, they need to be fixed and replaced before they fail, protecting against interruptions to customer service, higher costs and potential environmental concerns.

AGING INFRASTRUCTURE

The American Society of Civil Engineers gives Arizona's water and wastewater infrastructure a D grade, requiring almost \$10 billion in repairs and replacements over the next 20 years. EPCOR also needs to invest in its water and wastewater systems – more than \$500 million over the next decade, including more than \$163 million just for wastewater.

1959
The first underground pipe was laid in Sun City.

1960
Sun City pipes are installed in the 1960s & 1970s.

1970
"MAN ON THE MOON"
The world watched as TV at Apollo 11 lands on the moon and Neil Armstrong takes one giant leap for mankind.

1980
Sun City's first pipeline installed that year, 1980, is still in use.

2000
65%
Sixty-five percent of EPCOR's wastewater pipeline is in Sun City or a Sun City West serving the district in our district.

2010
Pioneering more than 50 years of progress. Repair, replace, renew.

MILES OF PIPE
459 miles of wastewater pipe are in the Sun City – the distance from Phoenix to Albuquerque.

ALBUQUERQUE 459 **PHOENIX**

2004 LIKE IT
Facebook launched, including social networking.

SUN CITY On January 1, 1960, Sun City becomes the first master-planned community.

WASTEWATER RATES, CONSOLIDATION, AND WHAT IT MEANS FOR YOU

YOU'RE INVITED



EPCOR WATER

15628 N. Del Webb Boulevard
Sun City, AZ 85351-1312

epcor.com

EPCOR is a private, regulated utility, which means the Arizona Corporation Commission (ACC) decides what rates should be after a long and careful review of the information and costs in a rate case. It can take a year or more before the ACC makes a decision.

WASTEWATER RATES AND CONSOLIDATION

EPCOR was required to file a new rate case for all five wastewater districts – Agua Fria, Anthem, Vistaville, Sun City and Sun City West – using fiscal year data from 2016 for three different scenarios:

- Keep the five districts the way they are today (status quo)
- Bring them all together as one district (consolidation)
- Create seven smaller districts based on "treatment facility" (deconsolidation)

The case was filed April 29, 2018, giving the ACC the information it needs to make a decision on the policy of wastewater consolidation.



BEST SOLUTION

We believe consolidation is the best solution for our customers. It's the most efficient and most effective way of ensuring safe, reliable and high-quality service. And it will be even more important as the cost of repairing and replacing aging infrastructure continues to go up. The larger the district, the more costs can be spread out, now and in the future.

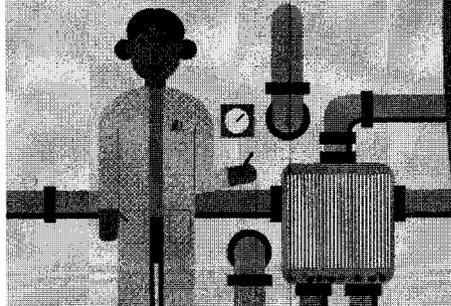
We're proposing that all of our customers pay the same flat rate, gradually introduced over three years. Phasing it in gradually introduces the change for some customers and provides immediate relief for others. Once fully consolidated, we anticipate future rate changes would be smaller and more gradual.

IT'S COMPARABLE

A study State University compared the five wastewater districts with other wastewater providers, municipal and private, in the same areas. The average monthly charge for wastewater was \$48.29 – the \$41.02 we're proposing is lower.

IT MAKES SENSE

Consolidation is already the norm – it's what customers expect from their electric, natural gas, telecommunications and municipal utilities.



JOIN US EARLY AND GET MORE

You're invited to an open house to learn more about wastewater consolidation and this application:

Tuesday, July 19 – 5:30 to 7 pm
Mohave Community College
(Bullhead City Campus)
3400 Highway 95
Bullhead City, AZ 86442

You can also visit

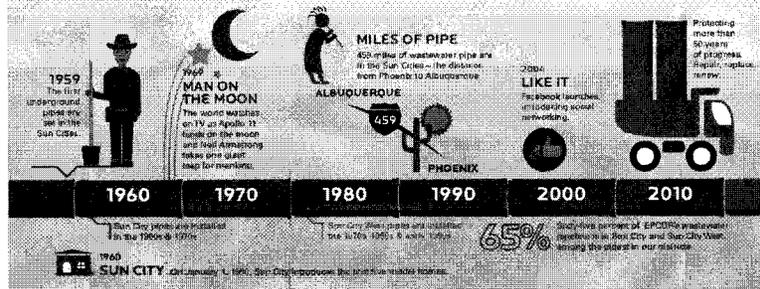
epcor.com/waterconsolidation

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AGING INFRASTRUCTURE

The American Society of Civil Engineers gives Arizona's water and wastewater infrastructure a D grade, requiring almost \$10 billion in repairs and replacements over the next 20 years. EPCOR also needs to invest in its water and wastewater systems – more than \$900 million over the next decade, including more than \$163 million just for wastewater.



WASTEWATER RATES, CONSOLIDATION, AND WHAT IT MEANS FOR YOU

YOU'RE INVITED

JOIN US TO LEARN MORE



EPCOR WATER

15626 N. Del Webb Boulevard
Sun City, AZ 85351-1602

epcor.com

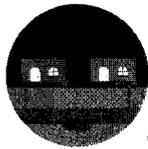
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WASTEWATER RATES AND CONSOLIDATION

EPCOR was required to file a new rate case for all five wastewater districts – Aqua Fina, Anthem, Vista, Sun City and Sun City West – using fresh financial data from 2016 for three different scenarios:

- Keep the five districts the way they are today (status quo)
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The case was filed April 29, 2018, giving the ACC the information it needs to make a decision on the policy of wastewater consolidation.



BEST SOLUTION

We believe consolidation is the best solution for our customers. It's the most efficient and cost-effective way of ensuring safe, reliable and high-quality service. And it will be even more important as the cost of repairing and replacing aging infrastructure continues to go up. The larger the district the more costs can be spread out, now and in the future.

We're proposing that all of our customers pay the same flat rate, gradually introduced over three years. Phasing it in gradually introduces the change for some customers and provides immediate relief for others. Once fully consolidated, we anticipate future rate charges would be smaller and more gradual.

IT'S COMPARABLE

Arizona State University compared the five wastewater districts with other wastewater providers, municipal and private, in the same areas. The average monthly charge for wastewater was \$48.29 – the \$41.02 we're proposing is lower.

IT MAKES SENSE

Consolidation is already the norm – it's what customers expect from their electric, natural gas, telephone and other municipal utilities.

JOIN US TO LEARN MORE

You're invited to an open house to learn more about wastewater consolidation and this application:

Monday, July 11 – 1:30 to 3 pm
SunDial Auditorium
14801 N 103rd Avenue
Sun City, AZ 85351

Monday, July 18 – 5:30 to 7 pm
SunDial Auditorium
14801 N 103rd Avenue
Sun City, AZ 85351

You can also visit
epcor.com/water/wastewaterconsolidation

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1959
The first underground pipes are put in the Sun City.

1968
MAN ON THE MOON
The first water on TV, on Apollo 11 lands on the moon and the first underground water pipe is laid for manhole.

MILES OF PIPE
450 miles of wastewater pipe are in the Sun City – 100 miles from Phoenix to Albuquerque.

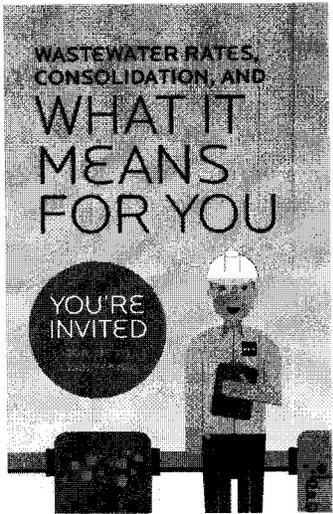
2000
LIKE IT
Feedback helped in producing smart networking.

Protecting more than 50 years of progress. Proactive, reliable, proven.

1960 Sun City pipes are installed for Sun 1000 & 1070. **1970** Sun City first pipe with manhole. **1970** Sun City 650 & 600. **1980** Sun City first pipe with manhole. **1990** Sun City first pipe with manhole. **2000** Sun City first pipe with manhole. **2010** Sun City first pipe with manhole.

65% Sun City portion of 2020s investment. **65%** Sun City portion of 2020s investment. **65%** Sun City portion of 2020s investment.

SUN CITY On January 1, 2018, Sun City introduced the Sun City 650 & 600.



15626 N. Del Webb Boulevard
Sun City, AZ 85351-1302

epcor.com

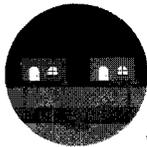
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Palm Ridge Recreation Center
13800 W Deer Valley Drive
Sun City West, AZ 85375

You can also visit
www.epcor.com/consolidation

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Wastewater systems are a complex network of pipes, manholes, lift stations and treatment facilities. But just like cars and homes – they need big fat maintenance. As they get older and wear out, they need to be fixed and replaced before they fail, protecting against interruptions to customer service, higher costs and potential environmental concerns.

AGING INFRASTRUCTURE

The American Society of Civil Engineers gives Arizona's water and wastewater infrastructure a D grade, requiring almost \$10 billion in repairs and replacements over the next 20 years. EPCOR also needs to invest in its water and wastewater systems – more than \$600 million over the next decade, including more than \$160 million just for wastewater.

1959
The first underground pipes are laid in the Sun Cities.

MAN ON THE MOON
The world watches as TV as Apollo 11 lands on the moon, and Neil Armstrong takes the first step for mankind.

MILES OF PIPE
459 miles of wastewater pipe are in the Sun Cities – the distance from Phoenix to Albuquerque.

2004
LIKE IT
Facebook launches, introducing social networking.

1960
Sun City population increases to the 1950s & 1960s.

1980
Sun City's first pipes are installed (see 1959, 1960 & 1961).

65%
Sixty-five percent of EPCOR's wastewater pipelines in the Sun City and Sun City West are being replaced in our districts.

SUN CITY On January 1, 1959, Sun City introduced the flexible model home.