

ORIGINAL



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BEFORE THE ARIZONA CORPORATION COMMISSION  
AZ CORP COMMISSION  
DOCKET CONTROL

COMMISSIONERS

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

2016 SEP 30 P 2:59

IN THE MATTER OF THE APPLICATION OF  
EPCOR WATER ARIZONA INC., 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 FOR UTILITY  
SERVICE BY ITS MOHAVE WATER DISTRICT,  
PARADISE VALLEY WATER DISTRICT, SUN  
CITY WATER DISTRICT, TUBAC WATER  
DISTRICT, AND MOHAVE WASTEWATER  
DISTRICT.

DOCKET NO. WS-01303A-14-0010

DECISION NO. 75268

NOTICE OF COMPLIANCE  
FILING

PARADISE VALLEY  
TANK MAINTENANCE -  
ANNUAL REPORT

1 In compliance with Decision No. 75268, issued on September 8, 2015, EPCOR Water  
2 Arizona Inc. ("Company") hereby files the first tracking report for the Tank Maintenance  
3 Program for the Paradise Valley Water District as a compliance item in this docket. This filing  
4 includes a general ledger download of activity as well as copies of invoices as supporting  
5 documentation and a narrative detailing the current year's activity and what will be done next  
6 year.

8 Respectfully submitted on September 30, 2016.

11 Arizona Corporation Commission

12 DOCKETED

14 SEP 30 2016

15 DOCKETED BY  
16 *VM*

*Sandra L. Murrey*

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

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1 Original and 13 copies **filed**  
2 on September 30, 2016, with:  
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4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington Street  
7 Phoenix, Arizona 85007  
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10  
11 Copies of the foregoing **emailed**  
12 on September 30, 2016 to:  
13  
14 Barbara Keene  
15 Compliance Manager  
16 Utilities Division  
17 1200 West Washington Street  
18 Phoenix, AZ 85007  
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**V. Accounting**

Funds expended for tank maintenance will be separately identified by the Company and recorded in account 5900 – Other Costs which will be rolled up into the Maintenance Expense category on the Company's Income Statement.

**VI. Compliance Reports**

The Company will track the amounts expended on tank maintenance and make annual filings regarding such costs (refer to Exhibit 2). **The first tracking report will include costs expended in the first year beginning September 1, 2015 through August 31, 2016, along with a download of activity in account 5900 as well as copies of invoices as supporting documentation. The report will also notify parties if there is a change in the anticipated schedule. It will be filed by September 30, 2016 and then annually thereafter throughout the duration of the program**

On or before September 30, 2029, the Company will perform a reconciliation for the 14-year program period commencing September 1, 2015 through August 31, 2029. A comparison of the costs expended during the program period to the total costs approved for the program of \$1,731,208 will be performed resulting in either an under/(over) recovery of costs

Upon completion of the final reconciliation, the Company shall file a report identifying the true-up amount. At that time, depending on the amount of the true-up, the Company will work with Commission Staff to determine the best method in which to refund/collect the true-up amount.

9/28/2016 13:33

**EPCOR Account  
Extract**

Ledger / Ledger Set EPCOR USA  
 Period From 15-Sep  
 Period To 18-Aud  
 Accounting Flexfield 7P-000-000000-0000-000-5900-0  
 Accounting Flexfield To 7P-ZZZ-ZZZZZZ-ZZZZ-ZZZ-5900-ZZ

Period	Source	Batch	Journal	BU	Res	Proj	Actv	Loc	Acct In	WC	Line Description	Supplier Name	PO	Accounted Debit	Accounted Credit	Entered Debit	Entered Credit	Cur
15-Dec	Payables	A 1375878 27401386	DEC-15 Purchase Invoices USD	7P	344	0	4005	850	5900	0	Journal Import Created	Arizona Coating Applicators		25,000.00		25,000.00		USD
15-Dec	Payables	A 1375878 27401386	DEC-15 Purchase Invoices USD	7P	344	0	4005	850	5900	0	Journal Import Created	Arizona Coating Applicators		2,450.00		2,450.00		USD
15-Dec	Payables	A 1375878 27401386	DEC-15 Purchase Invoices USD	7P	344	0	4005	850	5900	0	Journal Import Created	Arizona Coating Applicators		16,500.00		16,500.00		USD
15-Dec	Payables	A 1375878 27401386	DEC-15 Purchase Invoices USD	7P	344	0	4005	850	5900	0	Journal Import Created	Arizona Coating Applicators		1,617.00		1,617.00		USD
15-Dec	Payables	A 1375878 27401386	DEC-15 Purchase Invoices USD	7P	344	0	4005	850	5900	0	Journal Import Created	Industrial Inspection and Consulting, LLC		4,900.00		4,900.00		USD

Total 50,167.00

End of

Arizona Coating Applicators, Inc.  
P.O. Box 27425  
Phoenix, AZ 85061

AZ 082593/082594  
NV 45764/45816  
CA 640702

# Invoice

<b>Bill To</b>
EPCOR Water Arizona, Inc. 12021 N Panorama Dr Fountain Hills, AZ 85269

<b>Date</b>	<b>Invoice #</b>
12/17/2015	3164

<b>Terms</b>	<b>Project</b>
Net 30	15-045 Glen Dr.

Description	Rate	Amount
(1) 16' x 20' existing water tank (Glen Drive)		
Interior: ANSI/AWWA D102-014 Interior System No. 1 SSPC SP-10 (near white blast cleaning) plus two (2) coats epoxy 8.0 to 12.0 mils.	25,000.00	25,000.00T
Exterior: Complete abatement along with ANSI/AWWA D102-14 Exterior Paint System No. 5 SSPC SP-7 plus one (1) coat epoxy 3.0 to 5.0 mils and one (1) coat polyurethane 2.5 to 3.5 mils total dry film thickness.		
Color: Sedona Brown		
Sales Tax	9.80%	2,450.00
<i>Tank Maint.</i> <u>7P   344   4005   5900   850</u> <i>Tim Williams 12/22/15</i>		
<i>Arthur W. Faulstich 12/22/15</i>		
<b>Total</b>		\$27,450.00

Arizona Coating Applicators, Inc.  
 P.O. Box 27425  
 Phoenix, AZ 85061

AZ 082593/082594  
 NV 45764/45816  
 CA 640702

# Invoice

Bill To
EPCOR Water Arizona, Inc. 12021 N Panorama Dr Fountain Hills, AZ 85269

Date	Invoice #
12/21/2015	3163

Terms	Project
Net 30	15-046 Racquet Club

Description	Rate	Amount
(1) 27' x 24' existing water tank (Racquet Club)		
Interior: Pressure wash, touch-up and holiday test	6,500.00	6,500.00T
Exterior Washing: Pressure wash complete, spot repair bare, rusted, runs, sags or failed coating areas per SSPC SP-2 (hand cleaning) or SSPC SP-3 (power tool cleaning). Spot prime areas with epoxy 3.0 to 5.0 mils. Apply one (1) coat polyurethane 3.0 to 4.0 mils.	10,000.00	10,000.00T
Color: Sedona Brown		
Sales Tax	9.80%	1,617.00
<p><i>Tank Maint.</i></p> <p><u>78   344   4005   5500   850</u></p> <p><i>Tom Williams 12/22/15</i></p> <p><i>Arthur W. Fancher 12/22/15</i></p>		
<b>Total</b>		<b>\$18,117.00</b>

# INDUSTRIAL INSPECTION AND CONSULTING, LLC

PO Box 51026  
Phoenix, Arizona 85076-1026  
480-993-8999 gregsprinkle@hotmail.com

DATE: 12 22 2015  
INVOICE # 777-24-007  
FOR: EPCOR

**Bill To:**  
Epcor Water  
Tim Williams  
12021 N Panorama Drive  
Fountain Hills, Arizona 85269

DESCRIPTION	AMOUNT
Racquet Club Water Tank NACE Inspection	\$1,800
Glen Drive Water Tank NACE Inspection	\$2,800
Tanks are within the Paradise Valley area	
Reports have been supplied to Epcor	
<i>Tank Maint.</i>	
<i>7P 344 4005 5900 850</i>	
<i>Tim Williams 12/22/15</i>	
<i>Arthur W. Favelle 12/22/15</i>	
<b>TOTAL</b>	<b>\$ 4,600.00</b>

Make all checks payable to INDUSTRIAL INSPECTION AND CONSULTING, LLC  
If you have any questions concerning this invoice, please contact: Greg Sprinkle 480-993-8999



EPCOR WATER ARIZONA  
PARADISE VALLEY DISTRICT  
TANK MAINTENANCE PROGRAM ANNUAL REPORT

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This narrative is in support of the data submitted under the approved tank maintenance program for the EPCOR Paradise Valley District. The program schedule identified specific tanks that would have maintenance performed on them during particular years. This is always subject to the ability of EPCOR to take those tanks off line to perform the maintenance activities. Due to system demands and ability to take tanks off line for maintenance, EPCOR performed exterior maintenance on the Club Estates and Racquet Club tanks during the 2015/2016 program year. The cost for this maintenance was \$50,167 for the 2015/2016 program year. Invoices for this work are included in this annual report.

For the 2016/2017 program year, EPCOR plans to perform interior maintenance on the Club Estates tank as well as perform maintenance on the 60<sup>th</sup> Street tank. This maintenance work is anticipated to amount to \$315,000 according to the approved plan and Staff's Revised Estimate.