

# PROTECTING YOUR WASTEWATER SERVICE

On January 15, 2019 in Decision #77040, the Arizona Corporation Commission (ACC) approved a System Improvement Benefits (SIB) mechanism to recover the cost of repairing, replacing and rehabilitating aging manholes and gravity mains in EPCOR's Arizona wastewater district.

**On July 1, 2021, EPCOR filed an application to recover the cost of work completed in 2019 and 2020 to repair, rehabilitate and replace aging manholes and wastewater collection mains in the Sun City and Sun City West areas of EPCOR's Arizona wastewater district. On September 29, 2021, the ACC approved a surcharge of 50 cents each month effective December 1, 2021, per Decision #78246. A Monthly Efficiency Credit of 2 cents is also approved, reducing the amount to 48 cents.**

Arizonans know the importance of water resource management and at EPCOR it's our responsibility to provide safe and reliable service and to manage resources wisely for the future. Since 2012, EPCOR has reclaimed, reused and recharged more than 18.211 billion gallons of water to help Arizona's water future. Keeping your wastewater system in good working order is an important part of that process and the System Improvement Benefits Mechanism (SIB) helps us do that.

## HOW SIB HELPS CUSTOMERS

**SIB makes it possible for complete vital work in areas critical to the wastewater collection system – like manholes and pipes that take wastewater away from your home or business – and to maintain our mission of delivering safe, reliable service. It helps us do this faster, reducing financing costs and speeding up construction timelines. SIB also protects customers:**



- **Smaller Rate Changes Over Time** – SIB means smaller rate changes gradually spread over time as projects are completed.
- **Credit Returned to Customers** – Customers receive a SIB efficiency credit – equal to 5% of the gross SIB surcharges on a customer's bill – whether or not the utility sees efficiency benefits in its operating costs.
- **Carefully Regulated by the ACC** – SIB is strictly regulated and EPCOR – like all utilities – is required to prove the infrastructure benefits to the community. We're required to file detailed reports at the six-month and year-end marks and once a SIB surcharge is in effect, we're also required to provide an annual earnings test calculation to determine if the actual rate of return exceeds what the ACC approved. Once the full SIB program is completed, we'll be required to file a new rate case, including a new earnings test.
- **Limited in Scope** – In addition to being limited to areas critical to the collection system, companies are only allowed to recover costs for work that has been reviewed and approved by the ACC. The SIB surcharge is limited to 5% percent of a utility's approved annual revenue requirement, and the ACC reviews all projects before and after the work is completed.
- **Eligibility Requirements** – In addition to being limited in scope and subject to a thorough review by the ACC, all SIB-eligible projects must meet one of the following criteria:
  - › Assets remain in service beyond their useful life
  - › Any other engineering, operational or financial justification supporting replacement other than the company's negligence or improper maintenance

# IMPROVEMENTS TO YOUR WASTEWATER SYSTEM

In 2019 and 2020, EPCOR completed \$2,545,592 in wastewater collection system improvements, including:

**95**  
manholes

in the Sun City West wastewater system were repaired and/or refurbished in 2019.

**TOTAL  
COST  
\$365,700**

**12,808**  
linear feet

More than 2.4 miles of wastewater gravity main was repaired/refurbished in the Sun City wastewater collection system in 2019 and 2020.

**TOTAL  
COST  
\$983,076**

**8,722**  
linear feet

More than 1.6 miles of gravity main in the Sun City West wastewater system was repaired and rehabilitated in 2019 and 2020.

**TOTAL  
COST  
\$1,196,816**

## HOW MUCH IS THE SIB SURCHARGE?

At the end of each year of the SIB program, a monthly surcharge to recover a portion of the costs becomes effective. Customers also receive a monthly efficiency credit.

### Average monthly bill impact for residential wastewater customers

<b>Current Bill</b>	\$37.33
<b>SIB surcharge*</b>	\$0.50
<b>Efficiency credit</b>	(\$0.02)
<b>New Bill</b>	<b>\$37.81</b>

\*The SIB surcharge of 50 cents includes 25 cents previously approved by the ACC for work completed in 2017 and 2018, and an additional 25 cents for the 2019 and 2020 work.



## HERE TO HELP.

EPCOR offers bill payment assistance for low income households (\$10 credit per month) and service members on active deployment (bill waiver during deployment). For details on eligibility and how to apply, visit [epcor.com](http://epcor.com) or call us at **1.800.383.0834**.

## QUESTIONS? WE'RE HERE TO HELP.

**1.800.383.0834**

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**EPCOR**