



Sta. 3177
P.O. Box 53933
Phoenix, AZ 85072

February 14, 2018

Jeremy Knapp
Town Engineer
Town of Paradise Valley
6401 E. Lincoln Dr.
Paradise Valley AZ 85253-4399

**RE: Paradise Valley Conversion Project # 30
Scottsdale Rd to Woodmere Fairway and Jackrabbit Rd to Vista Dr
APS Work Order WA322987 Cost Breakdown Sheets**

Dear Jeremy,

Arizona Public Service Company has completed the final engineering for the above-mentioned project to remove the overhead electric lines and place them underground. Thank you for the bid information from Arizona Trench Company, that you provided APS. I have reviewed their bid information and adjusted the trench costs to allocate the percentages attributed to Century Link and COX for the joint trench installations.

The first sheet is a Summary Sheet which outline the Electric Conversion and Excavation Costs and associated Communication Excavation Costs for District 30. The total Electric Conversion and Excavation Cost is **\$1,022,386**. The Town's Communication Excavation costs for Century Link are \$115,319 and for COX \$139,846.

APS will invoice the Town of Paradise Valley **\$159,757** for the conversion after all the electric facilities have been converted to underground.

The next sheet provides the Town of Paradise Valley a comparison to the billing for this project under the 45/55% versus the costs the Town would have incurred based on the ACC (AZ Corp Comm.) guidelines in effect in 1988.

Enclosed are the Trench Allocation sheets for the Trenching project and Arizona Trench Company bid, which breaks down the trenching cost per the Western Underground Agreement. The total bid price from Arizona Trench Company for District 30 is **\$659,196** for all trenching activities. APS has allocated the bid amount toward the three utilities involved with this conversion project. **\$404,031** is the amount of the Town's Excavation bid from Arizona Trench Company for District 30 that is attributed to the conversion of the overhead electric lines. The remainder of costs is attributed to Century Link and COX trenching.

Please review the information, sign and return the summary sheet to me so I can process the work order for APS management approval. If you have any questions about the project or project costs, please contact me at 602-371-7546. APS would like to thank you Jeremy for your cooperation and attention to this matter.

Sincerely,



Ron Gandara
Customer Project Manager, Consultant
Construction Project Management

Encl.

Paradise Valley Conversion Project : District # 30
Scottsdale Rd to Woodmere Fairway
Jackrabbit Rd to Vista Dr

APS W.A. # WA322987

Location: See above

Number of Poles Removed: 40

Number of P.V. Residents involved with project: **56**

Footage of overhead primary and secondary wire removed by this project:

7,600

Conversion Cost Breakdown Sheet

1)	Work Order Conversion Cost		\$568,665
2A)	APS Trench* & Conduit Installation Cost	(Trench by Paradise Valley)	\$404,031
2B)	APS Trench* & Conduit Installation Cost	(Trench by APS)	\$0
3)	APS Provided Conduit Material Cost		\$49,690
4)	Subtotal Electric Conversion Cost		\$1,022,386
5)	CenturyLink Trench & Conduit Material & Installation Cost	(Trench by P. V.)	\$115,319
5A)	CenturyLink Trench & Conduit Material & Installation Cost	(Trench by APS)	\$0
6)	COX Trench & Conduit Installation Cost	(Trench by P. V.)	\$139,846
6A)	COX Trench & Conduit Installation Cost	(Trench by APS)	\$0
7)	Total Conversion Cost (Electrical and Communications)		\$1,277,551
8)	APS System Improvement Trench	(Trench provided by Paradise Valley)	\$0
9)	Residual Value of Removed APS Facilities		\$13,701

APS Cost

Paradise Valley Cost

45% of Line # 1	255,899	55% of Line # 1 =	\$312,766
45% of Lines # 2A +2B	181,814	55% of Lines # 2A and 2B =	\$222,217
45% of Line # 3 =	22,360	55% of Line # 3 =	\$27,329
100% of Line # 8 =	0	100% of Lines # 5 and 5A =	\$115,319
		100% of Lines # 6 and 6A =	\$139,846
		100% of Line # 9 =	\$13,701

Conversion Subtotals 460,074

\$831,178

Customer Service Conversion Contribution ***

This project converted 17 overhead service wires to underground services. The total amount collected by APS for these service conversions is:

\$22,228

Paradise Valley Credit =	55% of	\$22,228 =	\$12,225
APS Credit =	45% of	\$22,228 =	\$10,003

SUMMARY OF COSTS

APS Portion of Project

Paradise Valley Portion of Project

Subtotal	\$460,074		\$831,178
Less Syst Imp Trch Credit	\$0		\$0
Less Service Conv. Credit	\$10,003		\$12,225
Less Conv. Trench Credit	\$0.00		\$404,031
Less Comm. Trench Credit			\$255,165

APS Total Cost **\$450,071**

P.V. Total Cost **\$159,757**

(Amount Due APS)

Town of Paradise Valley Approval _____

Date: _____

Notes: * These trenching costs does not include any Qwest or COX trenching costs.
 PV provided trenching for Century Link for project..

*** Service conversion cost may include panel conversion and trenching.

TOWN OF PARADISE VALLEY

CONVERSION PROJECT

30 COSTBRKWA322987Final.xlsx

2:35 PM Date: 2/14/2018

WA#: W322987 Conversion District 30

ANALYSIS: PRELIMINARY

X FINAL

LOCATION: Scottsdale Rd to Woodmere Fairway and
Jackrabbit Rd to Vista Dr

EST. COMPL. DATE

02/14/18

This work sheet is an analysis of this conversion project showing a comparison of the 45 / 55% method and the Senate Bill 70 method for overhead to underground electric line conversions.

PROJECT COST SUMMARY

	Removal Cost	\$ 311,828.00
	Salvage Value	(769.00)
	U.G. Cost	<u>518,902.00</u>
	APS Construction Cost	\$ 829,961.00
	Trench & Conduit Inst.	395,531.00
	Conduit Materials	49,690.00
	APS Coordination Costs	<u>66,699.00</u>
(1)	Subtotal	\$ 1,341,881.00
(2)	Residual Value	13,701.00
(3)	TOTAL PROJECT COST	\$ 1,355,582.00

SENATE BILL 70 METHOD

PV EXPENSES

	Trench & Cond. Inst.	\$ 395,531.00
	APS Fee * / Conversion Cost	<u>373,963.00</u>
(4)	TOTAL	\$ 769,494.00

APS EXPENSES

	New OH ** (New OH replacement Cost \$469,699)	\$ 469,699.00
	Conduit	49,690.00
(5)	Coordination Cost (13% Of Overhead & Conduit Costs)	67,520.57
(6)	TOTAL	\$ 586,909.57

PROJECT COST DISTRIBUTION

(7)	APS % =	(6) / (3)	43%
	PV % =	(4) / (3)	57%

55 / 45 % COST ALLOCATION METHOD

(8)	P.V. = 55% x Subtotal (1) + 100% of Residual Value (2)	\$ 751,735.55
(9)	APS = 45% x Subtotal (1)	\$ 603,846.45

COST ALLOCATION DIFFERENCE BETWEEN SENATE BILL 70 METHOD AND 45/55% COST METHOD:

PV TOTAL (4) - TOTAL (8)	\$ 17,758.45
APS TOTAL (6) - TOTAL (9)	\$ -16,936.88

Trench Provided by PV

* APS Fees equal Residual Value + Removal Cost - Salvage + (New U.G. Cost - New O.H. Cost)

APS Fees equal (13,701.00) + (311,828.00) - (769.00) + (518,902.00 - 469,699.00) = \$373,963.00

** Per Green Sheets New O.H. Cost Cannot Exceed New U.G. Cost.

Conversion District 30 Trench

APS W.A. # W322987

Joint Trench allocations are based on a the following: Total Trench Footage **10,631**

- 1,389** feet of APS only trenches: APS 12" x 48" APS 6"x40"
 - 76** feet of JT trenches w/ CenturyLink & COX: APS 12"x29" TELCO 12"x42" CATV 12"X42"
 - 488** feet of JT trenches w/ CenturyLink & COX: APS 6"x29" TELCO 6"x42" CATV 6"X42"
 - 54** feet of JT trenches w/ CenturyLink & COX: APS 18"x29" TELCO 6"x42" CATV 6"X42"
 - 338** feet of JT trenches w/ CenturyLink & COX: APS 12"x29" TELCO 6"x42" CATV 6"X42"
 - 1,925** feet of JT trenches w/ CenturyLink & COX: APS 6"x27" TELCO 6"x42" CATV 6"X42"
 - 17** feet of JT trenches w/ CenturyLink & COX: APS 24"x59" TELCO 6"x42" CATV 6"X42"
 - 1,535** feet of JT trenches w/ CenturyLink & COX: APS 6"x29" TELCO 6"x42" CATV 6"X42"
 - 371** feet of JT trenches w/ CenturyLink & COX: APS 18"x48" TELCO 6"x42" CATV 6"X42"
 - 169** feet of JT trenches w/ CenturyLink & COX: APS 6"x42" TELCO 12"x42" CATV 6"X42"
 - 874** feet of JT trenches w/ CenturyLink & COX: APS 6"x42" TELCO 6"x42" CATV 6"X42"
 - 70** feet of JT trenches w/ CenturyLink: APS 12"x27" TELCO 12"x42"
 - 452** feet of JT trenches w/ CenturyLink: APS 18"x42" TELCO 6"x42"
 - 831** feet of JT trenches w/ CenturyLink: APS 12"x42" TELCO 6"x42"
 - 1,637** feet of JT trenches w/ CenturyLink: APS 6"x42" TELCO 6"x42"
 - 405** feet of JT trenches w/ COX: APS 12"x42" CATV 6"X42"
- Total JT Footage: **9,242**
 This represents APS & CenturyLink **100%** of all Joint Trenches.

APS = 46% **CenturyLink = 34%** **COX = 20%**

Bid Prices Items:

Original Bid

Joint Trench	\$183,630
APS Trench	\$254,421
APS Conduit Installation	\$56,770
CenturyLink Trench	\$7,250
CenturyLink Conduit Installation	\$45,105
COX Trench	\$63,900
COX Conduit Installation	\$39,620
Other - Driveway Surface	\$5,000
Other - Oleander Trimming	\$3,500
Bid Total	\$659,196

	APS Conversion Trenching Costs	CenturyLink Conversion Trenching Costs	COX Conversion Trenching Costs
Joint Trench	84,340	62,964	36,326
APS only trench cost	254,421		
CenturyLink trench cost		\$7,250	
COX trench cost			\$63,900
Install APS conduit	56,770		
Install CenturyLink conduit		45,105	
Install COX conduit			\$39,620
Provide CenturyLink Conduit			
Provide COX Conduit		-	
Other Driveway Surface	5,000		
Other Oleander Trimming	3,500		
Trenching Allocation	404,031	115,319	139,846

\$404,031

APS Conversion trenching is split 45% / 55% with the Town of Paradise Valley			
APS portion of the APS conversion trench is =	\$404,031	X 45% =	181,814
P. V. Portion of the APS conversion trench is =		X 55% =	222,217
Subtotal			404,031
P.V. Portion of the Century Link conversion trench is = 100%			115,319
P.V. Portion of the COX conversion trench is = 100%			139,846
Total Trenching Allocation			659,196