

CAP SURCHARGE TARIFF

APPLICABILITY

Applicable to all customers of Vail Water Service Area

TERRITORY

Vail Water service area, Pima County.

RATES

Surcharge Rate:

All Customers:

All meter sizes \$ Per Customer 2.20 per 1,000 gallons

SPECIAL CONDITIONS:

1. The Company is authorized to recover CAP related costs based on its CAP allocation of 1,857 AF.
2. Calculation of the CAP Surcharge. Component No. 1 calculates the variance between the current CAP charge and the CAP base rate of \$105.87. Component 2 adds the City of Tucson's cost for wheeling the CAP water from the CAP canal to the Company's service area. Unrecovered recharge credits are deducted in Component 3. Component 4 consists of a true up of the prior year's under or over recovery. The cost of LTSCs is added in Component 5. Component 6 deducts the ratepayer's 50% share of any gain on the sale of LTSCs. Component 7 credits the account for water loss exceeding 10%. Finally, total net costs to be recovered are divided by the gallons sold (in 1,000s) in the previous year.
3. The Company will annually file with the Commission by February 1 the proposed annual CAP surcharge for the current calendar year. The filing shall contain all documentation to support the proposed surcharge.
4. The annual CAP surcharge will be calculated based on the Decision 73995 Amended Plan of Administration.
5. The revised CAP surcharge will be effective after April 1 of each year.
6. Collection of the CAP surcharge will not generate a positive operating income to Vail Water Company. It is intended only to recover CAP related costs.

ISSUED: 01/26/18

EFFECTIVE: After April 1, 2018

ISSUED BY: Vail Water Company

Decision No. 75029 Docket W-01651B-12-0339

Decision No. 73995