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ARIZONA CORPORATION COMMISSION

February 28, 2023

Mr. Christopher T. Volpe
Vice President
Vail Water Company
6601 East Grant Road, #119
Tucson, Arizona 85715

RE: VAIL WATER COMPANY
DOCKET NO. W-01651B-12-0339
DECISION NO. 73995

Notice of Compliance

Dear Mr. Volpe:

On January 17, 2023, you filed a Revised CAP Surcharge Mechanism Tariff in compliance with the above mentioned Decision. Based upon a review by the analyst(s) assigned, attached is a stamped copy of the approved tariffs, with an effective date of April 1, 2023.

If you have questions regarding the filing of these tariffs, please contact me at (602) 542-0895.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shannon K. Kanlan".

Shannon K. Kanlan
Administrative Service Officer II
Utilities Division

SRK:amc

Enclosures

cc: Docket Control

CAP SURCHARGE TARIFF

APPLICABILITY

Applicable to all customers of Vail Water Service Area

TERRITORY

Vail Water service area, Pima County.

RATES

Surcharge Rate:

Per Customer

All Customers:

All meter sizes \$ 2.74 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 on 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: 02/10/2023

EFFECTIVE: April 1, 2023

ISSUED BY: Vail Water Company

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

Decision No. 73995

APPROVED FOR FILING
DECISION # 73995