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ARIZONA CORPORATION COMMISSION

March 27, 2024

Mr. Christopher T. Volpe
Vice President
Vail Water Company
6375 East Tanque Verde
Suite 150
Tucson, Arizona 85715

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

Notice of Compliance

Dear Mr. Volpe:

On March 21, 2024, you filed a Revised CAP Surcharge Tariff for 2024 in compliance with the above mentioned Decision. Based upon a review by the analyst(s) assigned, attached is a stamped copy of the approved tariff, with an effective date of April 1, 2024.

If you have questions regarding the filing of this tariff, please contact me at (602) 542-0847.

Sincerely,

A handwritten signature in black ink, appearing to read "Carmel Hood", written over a horizontal line.

Carmel Hood
Compliance Officer/Project Specialist II
Utilities Division

CLH:eg

Enclosures

cc: Docket Control

On this 27th day of March, 2024, the foregoing document was filed with Docket Control as a Memo of Partial Compliance, and copies of the foregoing were mailed on behalf of the Utilities Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

Christopher Volpe
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By: 
Elizabeth Griffin
Administrative Support Specialist

Vail Water Company
Docket W-01651B-12-0339

Vail Water Service Area

Effective: April 1, 2024
Decision No. 75029
Decision No. 73995

REVISED

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 \$ 2.33 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: 03/20/2024 EFFECTIVE: April 1, 2024
 ISSUED BY: Vail Water Company
 Decision No. 75029, Docket W-01651B-12-0339
 Decision No. 73995

APPROVED FOR FILING
 DECISION #: 73995
 Effective: April 1, 2024

Vail Water Company
 CAP Surcharge Mechanism
 Computation of CAP Surcharge 2024
 Docket Number W-01651B-12-0339
 Decision Number 73995

Amended [12]

Component 1 - Variance from Combined CAP M&I Capital and CAP Delivery Charges included in Base Rates

[1] CAP Allocation (a.f.)		1,857	
[2] CAP M&I Capital and Delivery Charges (per a.f.) using base year (test year CAP rate)	\$	105.87	
[3] CAP M&I Capital and Delivery Charges (per a.f.) using next year's firm rate	\$	323.00	M & I recharge rate for 2023 attached x
[4] CAP Rate Increase (decrease) [3]-[2]	\$	217.13	
[5] Total CAP M&I Capital and Delivery Charges Increase(decrease) [4]x[5]	\$	403,210	

Component 2 - Tucson Water Wheeling Fees

[6] CAP Water Delivered to Vail Service Territory (a.f.)		1,300	for 2024 estimate incl. losses per agmt. attached
[7] Wheeling fee (per a.f.)	\$	683.73	Tucson Water fee 2024 attached
[8] Total Wheeling Fees	\$	888,849	

Component 3 - Periodic Unrecovered Recharge Credits

[9] CAP Water Recharged (a.f.) [1]-[6]		557	
[10] CAP Rate Increase (per a.f.) = [4]	\$	217.13	
[11] Total Recharge Credits for Future Use [9]x[10]	\$	(120,941)	

Component 4 - Prior Year Under/(Over) Recovery

[12] Total amount to be recovered via surcharge =[38] from prior year calc	\$	1,285,677	
[13] Gallons sold in previous 12 months (in 1,000s) (provide support)		483,986	attached
[14] Prior year surcharge rate (per 1,000 gallons) = [40] from prior year	\$	2.74	attached
[15] Amounts recovered via surcharge [13]x[14]	\$	1,326,936	
[16] Prior Year Under (Over) recovery [12]-[15]	\$	(41,260)	

Component 5 - Long-Term Storage Credit Recovery

[17] Long-term Storage Credits Used (a.f.) (provide support)		-	attached
[18] Average Cost (provide support)	\$	211.92	attached
[19] Total Cost [17]x[18]	\$	-	

Component 6 - Gain on Sale of Long-Term Storage Credits

[20] Long-term Storage Credits Sold (a.f.) (provide support)		-	attached
[21] Average Cost per a.f. (provide support) (18)	\$	-	attached
[22] Total Cost of Long-term Storage Credits Sold [20]x[21]	\$	-	
[23] Total Sales of Long-term Storage Credits	\$	-	
[24] Gain on Sale of Storage Credits [23]-[22]	\$	-	
[25] Shared with Ratepayers (%)		50.00%	
[26] Credit for Rate Payer's Share of Gain [24]x[25]x(-1)	\$	-	

Component 7 - Excess Water Loss Disallowance

[27] Gallons sold in previous 12 months (in 1,000s) (provide support) (13)		483,986	attached
[28] Accounted for Water Not Sold (in 1,000's) (provide support)		2,906	attached
[29] Total Gallons Sold and Accounted For (in 1,000's) [27] + [28]		486,892	
[30] Total Gallons Allowed (in 1,000s) [29]/0.90		540,991	
[31] Gallons Pumped in Prior Year (in 1,000's) (provide support)		533,601	attached
[32] Water Loss (in 1,000's) [31] - [30]		(7,390)	
[33] Percent Water Loss [32]/[31]x100		-1.38%	
[34] Allowed Water Loss Percentage		10.00%	
[35] Percent Reduction in Total Costs Recovered [34]-[33] (if positive then 0%)		0.00%	
[36] Total Base Costs [5]+[8]+[11]+[16]+[19]+[26]	\$	1,129,858	
[37] Water Loss Credit [35]x[36]	\$	-	

Computation of Commodity Surcharge

[38] Total Net Costs to be Recovered [36]+[37]	\$	1,129,858	
[39] Gallons sold in previous 12 months (in 1,000s) (27)		483,986	
[40] Cost per 1,000 gallons [38]/[39]	\$	2.33	

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