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April 25, 2000

Nancy Cole
Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

W-016518-99-0351
Arizona Corporation Commission

DOCKETED

APR 26 2000

DOCKETED BY 

Re: Vail Water Company; Decision No. 62450 Compliance

Dear Ms. Cole:

Enclosed please find an original and ten (10) copies of the Tariff for the subject Company, consistent with Decision No. 62450, dated April 14, 2000. The Company is also required to provide a notice of the authorized increase in rates and charges to its customers in its next billing. An Affidavit to that effect will be filed as soon as practicable. Upon completion of the WIFA Loan, that documentation will be filed with you.

In the event you have any questions regarding these matters, please do not hesitate to call.

Sincerely,

Richard L. Sallquist
For the Firm

Enclosures

cc: Kip Volpe
Ron Kozoman

VAIL WATER COMPANY

ORIGINAL

DOCKET W-01651

TARIFF

Issued April 28, 2000

Effective May 1, 2000

ISSUED BY:

Doug Noll, Vice President
Vail Water Company
5780 North Swan Road, Suite S-100
Tucson, Arizona 85360

DOCKET W-01651

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Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

I. RATES

In Opinion and Order No. 62450, dated April 14, 2000, the Commission approved the following rates and charges to become effective with May, 2000 usage and June, 2000 billings:

<u>Meter Size</u>	<u>Usage Included in Minimum Charge</u>	<u>Minimum Charge</u>
Inches	Gallons	Per Month
A. General Residential Service		
5/8" x 3/4" Meter	-0-	\$ 13.18
3/4" Meter	-0-	21.00
1" Meter	-0-	40.50
1 1/2" Meter	-0-	89.20
2" Meter	-0-	147.70
3" Meter	-0-	284.20
4" Meter	-0-	479.20
6" Meter	-0-	966.70

THE RATE FOR USE IN ADDITION TO THE MINIMUM STATED ABOVE SHALL BE THE SAME FOR ALL SIZES OF METERS. ADDITIONAL USAGE SHALL BE AT THE RATE OF \$4.00 PER 1,000 GALLONS. IN ADDITION THERE SHALL BE A CAP RECOVERY FEE OF \$0.32 PER 1,000 GALLONS USAGE.

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PART ONE
STATEMENT OF CHARGES
WATER SERVICE

B. Commercial and Industrial Service

5/8" x 3/4" Meter	-0-	\$ 13.18
3/4" Meter	-0-	21.00
1" Meter	-0-	40.50
1 1/2" Meter	-0-	89.20
2" Meter	-0-	147.70
3" Meter	-0-	284.20
4" Meter	-0-	479.20
6" Meter	-0-	966.70

THE RATE FOR USE IN ADDITION TO THE MINIMUM STATED ABOVE SHALL BE THE SAME FOR ALL SIZES OF METERS. ADDITIONAL USAGE SHALL BE AT THE RATE OF \$4.00 PER 1,000 GALLONS. IN ADDITION THERE SHALL BE A CAP RECOVERY FEE OF \$0.32 PER 1,000 GALLONS USAGE.

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PART ONE
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WATER SERVICE

C. Agricultural and Irrigation Service

5/8" x 3/4" Meter	-0-	\$ 13.18
3/4" Meter	-0-	21.00
1" Meter	-0-	40.50
1 1/2" Meter	-0-	89.20
2" Meter	-0-	147.70
3" Meter	-0-	284.20
4" Meter	-0-	479.20
6" Meter	-0-	966.70

THE RATE FOR USE IN ADDITION TO THE MINIMUM STATED ABOVE SHALL BE THE SAME FOR ALL SIZES OF METERS. ADDITIONAL USAGE SHALL BE AT THE RATE OF \$4.00 PER 1,000 GALLONS. IN ADDITION THERE SHALL BE A CAP RECOVERY FEE OF \$0.32 PER 1,000 GALLONS USAGE.

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WATER SERVICE

D. Standpipe Service¹

5/8" x 3/4" Meter	-0-	\$ 13.18
3/4" Meter	-0-	21.00
1" Meter	-0-	40.50
1 1/2" Meter	-0-	89.20
2" Meter	-0-	147.70
3" Meter	-0-	284.20
4" Meter	-0-	479.20
6" Meter	-0-	966.70

THE RATE FOR USE IN ADDITION TO THE MINIMUM STATED ABOVE SHALL BE THE SAME FOR ALL SIZES OF METERS. ALL STANDPIPE SERVICE SHALL BE METERED. IF AN ACCOUNT HAS NOT BEEN ESTABLISHED WITH THE COMPANY BY THE CUSTOEMR, PAYMENT FOR STANDPIPE WATER SHALL BE PAID UPON DELIVERY. ALL USAGE SHALL BE AT THE RATE OF 4.00 PER 1,000 GALLONS. ADDITIONAL USAGE SHALL BE AT THE RATE OF \$4.00 PER 1,000 GALLONS. IN ADDITION THERE SHALL BE A CAP RECOVERY FEE OF \$0.32 PER 1,000 GALLONS USAGE.

¹ Standpipe water service shall be available only to the extent water is not required by permanent customers within the certificated area. Company will attempt to provide 60 days notice of cessation of standpipe service.

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PART ONE

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WATER SERVICE

E. Construction Water Service

5/8" x 3/4" Meter	-0-	\$ 13.18
3/4" Meter	-0-	21.00
1" Meter	-0-	40.50
1 1/2" Meter	-0-	89.20
2" Meter	-0-	147.70
3" Meter	-0-	284.20
4" Meter	-0-	479.20
6" Meter	-0-	966.70

ALL ADDITION USAGE SHALL BE AT THE RATE OF \$4.00 PER 1,000 GALLONS. IN ADDITION THERE SHALL BE A CAP RECOVERY FEE OF \$0.32 PER 1,000 GALLONS USAGE. SERVICE SHALL BE THROUGH A COMPANY APPROVED METER, PROVIDED BY THE CONTRACTOR ATTACHED TO A COMPANY FIRE HYDRANT. IF THE CONTRACTOR DOES NOT PROVIDE THE METER, THE COMPANY MAY REQUIRE A REFUNDABLE ADVANCE FROM THE CONTRACTOR IN THE AMOUNT OF THE COST OF AN APPROPRIATE METER.

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PART ONE

STATEMENT OF CHARGES
WATER SERVICE

F. Fire Sprinkler Service

All meter sizes.²

G. WIFA Surcharge

In addition to the Monthly Service Charges set forth in Sections IA thru F above, each service shall pay the WIFA Surcharge of \$6.92 per month per meter.

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

² The monthly charge shall be the higher of \$5.00, or 1.0% of the Monthly Minimum.

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PART ONE

STATEMENT OF CHARGES
WATER SERVICE

III. ADDITIONAL CHARGES

A.	Establishment of Service per Rule R14-2-403D (new customer charge, in addition to E, M, N and O below)	\$ 25.00
1.	If after hours	\$ 50.00
B.	Re-establishment of Service per Rule R14-2-403D (same customer, same location within 12 months)	\$ Note ³
1.	If after hours	\$ Note ⁴
C.	Reconnection of Service per Rule R14-2-403D (Delinquent)	\$ 30.00
1.	If after hours	\$ 35.00

³ Monthly Minimum times number of months off system.

⁴ Monthly Minimum, times number of months off system, plus \$25.00.

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PART ONE

STATEMENT OF CHARGES
WATER SERVICE

D.	Charge for moving meter at customer request per Rule R14-2-405B	Cost ⁵
E.	Minimum Deposit Requirement per Rule R14-2-403B	
	1. Residential customer	(2 times estimated average monthly bill)
	2. Non residential customer	(2-1/2 times estimated maximum monthly bill)
	3. Deposit Interest	6%
F.	Meter test per Rule R14-2-408F	\$ 30.00
G.	Meter Reread per Rule R14-2-408C	\$ 15.00
H.	Charge for NSF Check per Rule R14-2-409F	\$ 25.00

⁵ See Sheet No. 10.

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WATER SERVICE

I.	Deferred Payment Finance Charge, per month	1.5%
J.	Late Payment Charge, Per Month	1.5% ⁶ ⁷
K.	Illegal Hook-up to Company's Water System	Note ⁸
L.	Transfer Fee	\$25.00

⁶ This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

⁷ Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All late payment penalties shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the late payment penalty by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the late payment penalty by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation. All customers whose service is terminated for failure to pay the late payment penalty are subject to the Company's reconnection charges set forth in the Company's tariff.

⁸ Estimated billings from time illegal connection was made to date.

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WATER SERVICE

M. Service Line Tariff and Meter Advance Policy,
Refundable per Rule R14-2-405B:

5/8" x 3/4" Meter	\$ 400.00
3/4" Meter	440.00
1" Meter	500.00
1 1/2" Meter	675.00
2" Compound Meter	1,660.00
3" Compound Meter	2,150.00
4" Compound Meter	3,135.00
6" Compound Meter	6,190.00

N. Main Extension Tariff, per Rule R14-2-406B Cost⁹

⁹ See Sheet No. 10.

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PART ONE

**STATEMENT OF CHARGES
WATER SERVICE**

O. CAP Hook-Up Fee

In addition to all other applicable fees the Company shall assess a CAP Hook-Up Fee for each new meter installation in accordance with the following schedule:

Meter Size	CAP Hook-Up Fee
5/8" x 3/4"	\$1,000
3/4"	\$1,500
1"	\$2,500
1 1/2"	\$5,000
2"	\$8,000
3"	\$17,500
4"	\$30,000
6"	\$62,500
8"	\$120,000
10"	\$190,000
12" or larger	\$250,000

This CAP Hook-Up Fee shall apply to all new subdivisions and line extension agreements that are approved in the North system (i.e. North of well No. 3) from the effective date hereof. Following the interconnection of the North and South systems, this fee shall apply to all new subdivisions and line extension agreements (estimated to be November 1, 2000).

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PART ONE**STATEMENT OF CHARGES
WATER SERVICE****IV. PERMITTED COSTS**

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at costs, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
-

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PART ONE
STATEMENT OF CHARGES
WATER SERVICE

F. Permitted costs shall include any State or Federal income taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

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PART TWO

**STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE**

I. CROSS-CONNECTION CONTROL

A. Purpose.

To protect the public water supply in the Company's water supply in the Company's water system from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code, Title 14, Chapter 2, Section 405.B.6 as adopted by the Arizona Corporation Commission, and Title 18, Chapter 4, Section 115, as adopted by the Arizona Department of Environmental Quality, as those regulations may be revised from time to time.

B. Inspections.

The customers shall cooperate fully with the Company in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer's premises.

C. Requirements.

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

1. The Company may require a customer to pay for and have installed, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

2. A backflow-prevention assembly required to be installed by the customer under this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.
3. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may grant additional time for this requirement.
4. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. The Company shall not require an unreasonable number of tests.
5. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
 - a. assembly identification number and description;
 - b. location;
 - c. date(s) of test(s);
 - d. description of repairs made by tester; and
 - e. tester's name and certificate number.

D. Discontinuance of Service.

In accordance with A.A.C. R14-2-407 and 410 and provisions of this tariff, the Company may terminate service or deny service to a customer who fails to install and/or test a backflow-prevention assembly as required by this tariff.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

1. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.

2. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and tested within fourteen (14) days of written notice by the Company. Failure to install or to remedy the deficiency or disfunction of the assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

II. FIRE HYDRANT AND INTERIOR FIRE SPRINKLER SERVICE

The Company will provide Fire Protection Service under the following conditions:

A. Facility Specifications

The size, location, number, and technical specifications of facilities used to provide Fire Protection Service shall be prescribed by the Fire Protection Service Customer, developer, or any authorized agency having jurisdiction over those facilities, so long as:

- (1) Those facilities do not adversely affect the Company's ability to provide other service, and
- (2) The maximum diameter of the fire protection service connection is not larger than the diameter of the main to which the service is connected, and
- (3) In the case of a fire hydrant, that the facilities are located in the public right-of-way, and
- (4) In the case of a fire sprinkler system, that the sprinkler system is separate from the other service facilities, unless the Company has specifically approved an integrated system and Company-approved check valves are installed.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

B. Construction Specifications; Ownership of Facilities; Relocation

Fire hydrants, and all valves, pipes, fittings and appurtenances related to the hydrant shall be installed to the Company's construction specifications under non-refundable Contributions in Aid of Construction, paid by the Developer or Fire Protection Service Customer, and shall become the property of the Company.

Fire sprinkler systems up to a mutually-agreed upon point of interconnection shall be installed to the Company's construction specifications under non-refundable Contributions in Aid of Construction, paid by the Developer or Fire Protection Service Customer, and shall become the property of the Company. The installation, maintenance and operation of fire sprinkler systems within the Customer's facility, and beyond the point of interconnection, shall be the responsibility of the Customer.

Relocation costs of any Company-owned fire protection facilities shall be paid by the Customer or the party requesting relocation. Relocation costs include costs incurred due to moving facilities to accommodate reconstruction, widening, realignment, or grade changes to alleys, streets, roads, or highways.

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PART TWO**STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE****III. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY
LIMITATIONS**

A. The Company will exercise reasonable diligence to provide continuous water service to customers that may be used for fire protection purposes. Fire protection use is conditioned upon the express understanding that THE COMPANY DOES NOT GUARANTEE OR INSURE UNINTERRUPTED OR REGULAR WATER SERVICE, NOR DOES THE COMPANY REPRESENT THE PRESENCE OF ADEQUATE PRESSURE, VOLUME, OR FIRE FLOW AVAILABLE ANYWHERE ON ITS WATER SYSTEM BY OFFERING FIRE PROTECTION SERVICE AS SPECIFIED HEREIN.

B. Fire protection usage is further conditioned on the Customer agreeing TO HOLD HARMLESS AND INDEMNIFY THE COMPANY from and against any and all liability, loss, damage or expense the Company may incur as a result of claims, demands, costs or judgment against the Company including, but not limited to, loss of or damage to property or injury or to death of persons, arising, directly or indirectly, out of the Company's providing of water service, or any activities or operations related thereto, or any breach by the Customer of the terms, covenants or conditions of this Tariff Schedule. The Company shall be entitled to recover its reasonable attorneys' fees should the Customer fail to comply with this provision. This provision applies to, and regardless of, any negligence or alleged negligence on the part of the Company, its employees, servants or agents.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

IV. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

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