

ORIGINAL **Sahuarita Water Com**



2012 DEC 21 AM 10 35

***Via Certified Mail***

December 20, 2012

Docket Control  
Arizona Corporation Commission  
1200 W Washington Street  
Phoenix, AZ 85007

Re: Sahuarita Water Company, LLC  
Docket No. W-03718A-09-0359  
Decision No. 72177

NOTICE OF COMPLIANCE WITH DECISION NO. 73616

In Decision No. 73616 (December 12, 2012), the Arizona Corporation Commission approved Sahuarita Water Company's application to implement new CAGR D adjustor fees for all customer billings after December 1, 2012. Decision No. 73616 requires that Sahuarita Water Company file with the Commission a CAGR D adjustor fee tariff consistent with the rates approved.

We have enclosed one (1) original and thirteen (13) copies of Section IV of our previously approved tariff updated to reflect the new CAGR D adjustor fee rates (Sheet No. 4.1b).

Marian Homiak  
Controller

Arizona Corporation Commission  
**DOCKETED**

DEC 21 2012

DOCKETED BY

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			SHEET NO.	4.0
Sahuarita Water Company, LLC				
W-03718A-09-0359				

**IV. CAGR D FEE ADJUSTOR:**

The Arizona Corporation Commission authorized the Company to implement a Central Arizona Groundwater Replenishment District (“CAGR D”) fee adjustor to recover the annual charges imposed upon the Company by the CAGR D as a result of the Company’s membership in the CAGR D. Accordingly, in addition to all other applicable rates and charges in this tariff, each customer shall pay a monthly CAGR D fee adjustor per thousand gallons of water delivered, as set forth below, effective for all water service rendered in all water service areas for all classes of service on and after March 1, 2011 in accordance with the following conditions as set forth in Decision No. 72177:

1. The adjustor fee shall apply to all water sold after October 1, 2010, or shall become effective on the date new rates from this case become effective, whichever is later.
2. The Company shall, on a monthly basis, place all CAGR D monies collected from customers in a separate, interest-bearing account (“CAGR D Account”).
3. The only time the Company can withdraw money from the CAGR D Account is to pay the annual CAGR D fee to the CAGR D, which is due on October 15<sup>th</sup> of each year.
4. The Company must provide to Staff a semi-annual report of the CAGR D account and CAGR D use fees collected from customers and paid to the CAGR D, with the reports due during the last week of October and the last week of April of each year.
5. The Company must provide to Staff, every June 30<sup>th</sup>, the new firm rates set by the CAGR D for the following years.
6. The CAGR D adjustor fee shall be calculated as follows: The total CAGR D fees paid by the Company for the most current year in the Tucson Active Management Area (AMA) shall be divided by the gallons sold by the Company in that year to determine a CAGR D adjustor fee per 1,000 gallons.

ISSUED			EFFECTIVE	
	Month Day Year	ISSUED BY:		Month Day Year
	Feb. 11, 2011	Robert M. Sharpe, President		March 1, 2011
		4549 East Fort Lowell Road	UPDATE EFFECTIVE	December 1, 2012
		Tucson, AZ 85712		
		Decision No. 72177		

			SHEET NO.	4.1.b
Sahuarita Water Company, LLC			Replaces Sheet	4.1.a
W-03718A-09-0359				

CAGR D FEE ADJUSTOR (continued):

7. By October 25<sup>th</sup> of each year, the Company shall submit for Commission consideration its proposed CAGR D adjustor fee for the Tucson AMA along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. Failure to provide such documentation to Staff shall result in the immediate cessation of the CAGR D adjustor fee. Commission-approved fees shall be applied to all water sales billed after December 1<sup>st</sup>.
8. If the CAGR D changes its current method of assessing fees to some other method, such as, but not limited to, future projections, water usage, or total water allocated to the Company, the Company's collection from customers of CAGR D fees shall cease.
9. As a compliance item, the Company shall submit yearly, a new tariff reflecting the reset adjustor amount.

The initial CAGR D fee is calculated by dividing the total CAGR D fees for 2009 by the gallons sold for that year.

A. Total CAGR D Fees	\$338,583
B. Total Gallons Sold (1,000)	509,132
C. Charge per 1,000 gallons (A divided by B)	\$ 0.73

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		Decision No. 72177/73283 & 73616		