

**NOTICE OF CHANGE IN RATES AND CHARGES**

**RIO VERDE UTILITIES, INC.**

**DOCKET NO. WS-02156A-16-0201**

**DECISION NO. 76101**

On June 24, 2016, Rio Verde Utilities, Inc. ("Rio Verde" or "Company") filed an application with the Arizona Corporation Commission ("Commission") to increase its rates and charges for water and wastewater services. In Decision No. 76101 dated May 22, 2017, the Commission approved increased water and wastewater rates for the Company.

Rio Verde is authorized to implement the increased rates in four annual steps with the first step taking effect for services rendered on or after June 1, 2017.

A residential customer with a 1" meter and average usage of 10,467 gallons per month will see the following increases:

	<u>Water</u>	<u>Wastewater</u>
Step 1 – Effective June 1, 2017	Increase of \$3.13 from \$25.93 to \$29.06	Increase of \$10.69 from \$44.00 to \$54.69
Step 2 – Effective June 1, 2018	Increase of \$1.73 from \$29.06 to \$30.79	Increase of \$5.94 from \$54.69 to \$60.63
Step 3 – Effective June 1, 2019	Increase of \$1.05 from \$30.79 to \$31.84	Increase of \$3.56 from \$60.63 to \$64.19
Step 4 – Effective June 1, 2020	Increase of \$1.04 from \$31.80 to \$32.88	Increase of \$3.56 from \$64.19 to \$67.75

The overall increase for a residential customer with a 1" meter and average usage of 10,467 gallons per month is \$6.95 or 26.80% for water and \$23.75 or 53.98% for wastewater.

In addition to the rates described above the Commission approved a **Sustainable Water Surcharge** applicable to all water sales by the Company's water division effective June 1, 2017. The initial approved surcharge is **\$0.1157 per 1,000 gallons**. The Sustainable Water Surcharge will be adjusted annually to reflect changes in the cost of sustainable water supplies.

**Sustainable Water Surcharge      \$0.1157 per 1,000 gallons**

The Commission also approved a **Purchased Power Adjustment Mechanism** applicable to both the water and wastewater divisions. The Purchased Power Adjustment Mechanism will allow Rio Verde to pass through to its customers the increase or decrease in purchased power costs the result from a rate change by Salt River Project for the electric service to the Company.

Questions regarding these new rates and charges should be directed to the Rio Verde business office during normal business hours (Monday-Friday 8:00 AM to 4:00 PM) at 25609 N Danny Lane, Rio Verde, AZ 85263 – (480) 471-2728.

**WATER DIVISION**  
**NEW RATES AND CHARGES**

**GENERAL WATER SERVICE:**

	Step 1	Step 2	Step 3	Step 4
<b><u>MONTHLY BASIC SERVICE CHARGE</u></b>	<u>6/1/17</u>	<u>6/1/18</u>	<u>6/1/19</u>	<u>6/1/20</u>
3/4" Meter - Residential	\$ 10.24	\$ 10.93	\$ 11.34	\$ 11.75
1" Meter - Residential	10.24	10.93	11.34	11.75
3/4" Meter - Commercial	10.24	10.93	11.34	11.75
1" Meter - Commercial	12.69	14.74	15.97	17.20
1 1/2" Meter – All Classes	39.25	43.27	45.69	48.10
2" Meter – All Classes	82.78	89.88	94.14	98.40
3" Meter – All Classes	134.89	148.71	157.01	165.30
4" Meter – All Classes	214.65	236.67	249.89	263.10
6" Meter – All Classes	367.97	405.74	428.39	451.05
All Sizes – Construction and Standpipe	Same as Commercial Meter of equivalent size			

**COMMODITY RATES (per 1,000 gallons)**

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>		<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
<b><u>3/4" Meter – Residential</u></b> <b><u>(Dwelling Units)</u></b>					<b><u>1" Meter – Residential</u></b> <b><u>(Dwelling Units)</u></b>				
0 to 3,000 gallons	\$ 1.66	\$ 1.70	\$ 1.71	\$ 1.74	0 to 3,000 gallons	\$ 1.66	\$ 1.70	\$ 1.71	\$ 1.74
3,001 to 15,000 gallons	1.81	1.93	2.01	2.08	3,001 to 15,000 gallons	1.81	1.93	2.01	2.08
Over 15,000 gallons	2.03	2.28	2.42	2.57	Over 15,000 gallons	2.03	2.28	2.42	2.57
<b><u>3/4" Meter – Residential</u></b> <b><u>(Landscape Irrigation)</u></b>					<b><u>1" Meter – Residential</u></b> <b><u>(Landscape Irrigation)</u></b>				
0 to 15,000 gallons	1.81	1.93	2.01	2.08	0 to 15,000 gallons	1.81	1.93	2.01	2.08
Over 15,000 gallons	2.03	2.28	2.42	2.57	Over 15,000 gallons	2.03	2.28	2.42	2.57

**GENERAL WATER SERVICE (Cont.)**

**COMMODITY RATES (per 1,000 gallons)**

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>		<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
<u>3/4" Meter – Commercial</u>					<u>3" Meter – All Classes</u>				
0 to 15,000 gallons	\$ 1.81	\$ 1.93	\$ 2.01	\$ 2.08	(except Construction / Standpipe)				
Over 15,000 gallons	2.03	2.28	2.42	2.57	0 to 170,000 gallons	\$ 1.81	\$ 1.93	\$ 2.01	\$ 2.08
					Over 170,000 gallons	2.03	2.28	2.42	2.57
<u>1" Meter – Commercial</u>					<u>4" Meter – All Classes</u>				
0 to 30,000 gallons	1.81	1.93	2.01	2.08	(except Construction / Standpipe)				
Over 30,000 gallons	2.03	2.28	2.42	2.57	0 to 180,000 gallons	1.81	1.93	2.01	2.08
					Over 180,000 gallons	2.03	2.28	2.42	2.57
<u>1-1/2" Meter – All Classes</u>					<u>6" Meter – All Classes</u>				
(except Construction / Standpipe)					(except Construction / Standpipe)				
0 to 70,000 gallons	1.81	1.93	2.01	2.08	0 to 200,000 gallons	1.81	1.93	2.01	2.08
Over 70,000 gallons	2.03	2.28	2.42	2.57	Over 200,000 gallons	2.03	2.28	2.42	2.57
<u>2" Meter – All Classes</u>					<u>All Sizes – Construction and Standpipe</u>				
(except Construction / Standpipe)					All Usage	2.58	2.76	2.86	2.97
0 to 160,000 gallons	1.81	1.93	2.01	2.08					
Over 160,000 gallons	2.03	2.28	2.42	2.57					

**IRRIGATION WATER SERVICE:**

	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
<u>MONTHLY BASIC SERVICE CHARGE</u>	<u>6/1/17</u>	<u>6/1/18</u>	<u>6/1/19</u>	<u>6/1/20</u>
3/4" Meter	\$ 9.45	\$ 9.70	\$ 9.85	\$ 10.00
1" Meter	9.45	9.70	9.85	10.00
1-1/2" Meter	37.85	41.10	43.05	45.00
2" Meter	81.25	87.50	91.25	95.00
3" Meter	128.00	138.00	144.00	150.00
4" Meter	204.25	220.50	230.25	240.00
6" Meter	349.50	377.00	393.50	410.00
8" Meter	699.00	754.00	787.00	820.00
12" Meter	1,221.00	1,316.00	1,373.00	1,430.00

**COMMODITY RATES (per 1,000 gallons)**

All Meter Sizes	\$ 1.23	\$ 1.32	\$ 1.37	\$ 1.42
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**MONTHLY CHARGE FOR FIRE SPRINKLER:**

All Sizes – Greater of \$10.00 or 2 percent of the general service rate for a similar size meter.

Applies to service lines separate and distinct from the primary service line.

**SERVICE LINE AND METER INSTALLATION CHARGES:**

	<u>Service Line</u>	<u>Meter*</u>	<u>Total</u>
3/4" Meter	\$ 500	\$ 260	\$ 760
1" Meter	550	320	870
1 1/2" Meter	610	535	1,145
2" Meter – Turbo	925	1,065	1,990
2" Meter – Compound	925	1,925	2,850
3" Meter – Turbo	1,170	1,700	2,870
3" Meter – Compound	1,310	2,595	3,905
4" Meter – Turbo	1,660	2,720	4,380
4" Meter – Compound	1,870	2,715	4,585
6" Meter – Turbo	2,480	5,125	7,605
6" Meter – Compound	2,615	7,055	9,670
Larger Meters	Cost	Cost	Cost

\* Meter charge includes meter box or vault

All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.

**WASTEWATER DIVISION**  
**NEW RATES AND CHARGES**

**GENERAL SANITARY SEWER SERVICE:**

	Step 1	Step 2	Step 3	Step 4
<b><u>MONTHLY SEWER CHARGE</u></b>	<u>6/1/17</u>	<u>6/1/18</u>	<u>6/1/19</u>	<u>6/1/20</u>
Residential (All Meter Sizes)	\$ 54.69	\$ 60.63	\$ 64.19	\$ 67.75
Commercial – Except Restaurant (All Meter Sizes)	248.60	275.60	291.80	308.00
Commercial – Restaurants (All Meter Sizes)	372.90	413.40	437.70	462.00

**RECLAIMED WATER SERVICE:**

	Step 1	Step 2	Step 3	Step 4
<b><u>RECLAIMED WATER CHARGE (per 1,000 gallons)</u></b>	<u>6/1/17</u>	<u>6/1/18</u>	<u>6/1/19</u>	<u>6/1/20</u>
All Reclaimed Water – All Usage	\$ 1.11	\$ 1.19	\$ 1.23	\$ 1.28

**SERVICE LINE INSTALLATION CHARGES:**

	<u>Service Line</u>
4" Service Line	Cost
6" Service Line	Cost
8" Service Line	Cost
10" Service Line	Cost
12" Service Line	Cost

All items billed at cost shall include labor, materials, parts, overheads, and all applicable taxes.

**WATER AND WASTEWATER DIVISION**  
**MISCELLANEOUS CHARGES**

	<u>Water</u>	<u>Wastewater</u>
Establishment	\$ 25.00	\$ 25.00
Reconnection (Delinquent)**	\$ 20.00	Cost
After Hours Service Charge (Customer Request)	\$ 25.00	\$ 25.00
Meter Test (If correct)	\$ 30.00	n/t
Meter Reread (if correct)	\$ 15.00	n/t
Deposit Amount Residential *	Maximum of 2 times average bill	Maximum of 2 times average bill
Deposit Amount Non-Residential *	Maximum of 2.5 times average bill	Maximum of 2.5 times average bill
Deposit Interest *	6.00%	6.00%
Reestablishment of Service within 12 months **	Months off system times Monthly Basic Service Charge	Months off system times Monthly Sewer Charge
NSF Check – Company may only charge One NSF Fee when customer is billed For water and sewer service on <u>one</u> bill and when the customer pays their bill with <u>one</u> check.	\$ 25.00	\$ 25.00
Deferred Payment (per month) ***	1.50% of the unpaid balance per month	1.50% of the unpaid balance per month
Late Payment Penalty (per month)	1.50% of the unpaid balance	1.50% of the unpaid balance
Moving customer meter at customer request	Cost	n/t
Service line upsizing at customer request	Cost	n/t

\* Per A.A.C. R14-2-403.B (water) and A.A.C. R14-2-603.B (wastewater)

\*\* Per A.A.C. R14-2-403.D (water) and A.A.C. R14-2-603.D (wastewater)

\*\*\* Per A.A.C. R14-2-409.G (water), deferred payment for wastewater service are only available if established in connection with deferred payments for water service.

n/t No Tariff

All items billed at cost shall include labor, materials, parts, overheads, and all applicable taxes.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax, per A.A.C. R14-2-608(D)(5).