

CHANGE IN RATES – CUSTOMER NOTICE
VALLEY UTILITIES WATER COMPANY, INC. AND
TIERRA BUENA WATER COMPANY
Docket Nos. W-01412A-23-0070 & W-02076A-23-0071

Dear Customer:

On March 24, 2023, **Valley Utilities Water Company, Inc.** (“Valley Utilities”) and **Tierra Buena Water Company** (“Tierra Buena”) (collectively “Companies”) filed rate applications with the Arizona Corporation Commission (“Commission”). The Companies requested rate adjustments that would produce just and reasonable return on the fair value of their utility plant and property. The Companies also proposed to consolidate their operations, with Valley Utilities becoming the sole surviving public service corporation.

At its Open Meeting on May 7, 2024, the Commission authorized the transfer of Tierra Buena’s assets to Valley Utilities, and established one set of rates for Valley Utilities, which will now be the water provider for all customers, including those formerly served by Tierra Buena. The Commission found that Valley Utilities is a fit and proper entity to provide water service to Tierra Buena's current service area. The Commission subsequently issued Decision No. 79360 on May 13, 2024. The new rates approved by the Commission, **effective as of June 1, 2024**, are set forth herein.

Under the new rates, the monthly bill of a residential **Valley Utilities** customer on a 3/4” meter with a median usage of 7,471 gallons will increase by \$11.77, or 25.99 percent, from \$45.28 to \$57.05. For a former **Tierra Buena** residential customer using a 1” meter with a median usage of 16,546 gallons, the new rates decrease the monthly bill by \$9.17, or 7.50 percent, from \$122.28 to \$113.11.

The Commission also approved a rate case expense surcharge of \$0.74 per customer for a 5/8 x 3/4” meter, and increasing by meter size as set forth herein. The rate case expense surcharge shall terminate without further order of the Commission four years from the effective date of Decision 79360, or once a total of \$160,000 has been collected, whichever occurs first.

Again, as a result of consolidation, Tierra Buena customers are now customers of Valley Utilities. If you have any questions about this Notice, please contact Valley Utilities at 623.935.1100.

RATES AND CHARGES

Minimum Monthly Charge:

5/8" x 3/4" Meter	\$23.85
3/4" Meter	35.77
1" Meter	59.62
1 1/2" Meter	119.23
2" Meter	190.77
3" Meter	381.54
4" Meter	596.15
6" Meter	1,192.30
8" Meter	1,907.68
10" Meter	2,742.30
Firelines	12.00

Commodity Rates
(Per 1,000 gallons)

Gallons included in Minimum 0

5/8 x 3/4" Meter

First 3,000 Gallons	\$2.24
From 3,001 to 7,000 Gallons	3.23
Over 7,000 Gallons	3.48

3/4" Meter

First 3,000 Gallons	\$2.24
From 3,001 to 7000 Gallons	3.23
Over 7,000 Gallons	3.48

1" Meter

First 35,000 Gallons	\$3.23
Over 35,000 Gallons	3.48

1 1/2" Meter

First 95,000 Gallons	\$3.23
Over 95,000 Gallons	3.48

2" Meter

First 180,000 Gallons	\$3.23
Over 180,000 Gallons	3.48

3" Meter

First 410,000 Gallons	\$3.23
Over 410,000 Gallons	3.48

4" Meter

First 670,000 Gallons	\$3.23
Over 670,000 Gallons	3.48

6" Meter

First 1,375,000 Gallons	\$3.23
Over 1,375,000 Gallons	3.48

8" Meter

First 2,200,000 Gallons	\$3.23
Over 2,200,000 Gallons	3.48

10" Meter

First 3,200,000 Gallons	\$3.23
Over 3,200,000 Gallons	3.48

Standpipe/Construction

Any Usage	\$3.48
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**Service Line and Meter Installation Charges
(Refundable pursuant to A.A.C. R14-2-405)**

	Service Line*	Meter Charge	Total Charge
5/8 x 3/4"	\$490.00	\$155.00	\$645.00
3/4"	490.00	155.00	645.00
1"	550.00	315.00	865.00
1 1/2"	610.00	525.00	1,135.00
2" - Turbine	930.00	1,045.00	1,975.00
2" - Compound	930.00	1,890.00	2,820.00
3" - Turbine	1,170.00	1,670.00	2,840.00
3" - Compound	1,310.00	2,545.00	3,855.00
4" - Turbine	1,660.00	2,670.00	4,330.00
4" - Compound	1,885.00	3,645.00	5,530.00
6" - Turbine	2,480.00	5,025.00	7,505.00
6" - Compound	2,615.00	6,920.00	9,535.00
8" or Larger Meter	COST	COST	COST

*Note: To include the actual cost incurred when road crossing is required.

SERVICE CHARGES:

Establishment	\$40.00
After Hours Service Charge (At Customer's Request)	\$45.00
Reconnection (Delinquent)	\$40.00
Meter Test (If Correct)	\$30.00
Deposit (Residential)	*
Deposit (Non-Residential)	**
Deposit Interest	6.0%
Re-Establishment (Within 12 months)	***
NSF Check	\$30.00
Deferred Payment	****
Meter Re-Read (If Correct)	\$30.00
Late Fee (Per Month)	\$10.00
Charge for Moving Meter at Customer Request	Cost

* 2 times the average bill, per Commission Rule A.A.C. R14-2-403(B)(7)

** 2 ½ times the average bill, per Commission Rule A.A.C. R14-2-403(B)(7)

*** Months off system times the monthly minimum A.A.C. R14-2-403(D)

**** 1.5% of unpaid monthly balance, per A.A.C. R14-2-409(G)(6)

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

In addition to the collection of regular rates, Valley Utilities will collect from its customers a proportionate share of any privilege, sales or use tax, per A.A.C. R-14-2-409(D)(5).

Rate Case Surcharge:

Meter Size	Monthly Surcharge
5/8" x 3/4" Meter	\$0.74
3/4" Meter	1.11
1" Meter	1.85
1 1/2" Meter	3.70
2" Meter	5.92
3" Meter	11.10
4" Meter	18.50
6" Meter	37.00
8" Meter	59.20
10" Meter	85.10
Firelines (4")	0.41