

CUSTOMER NOTIFICATION

Granite Oaks Water Users Association has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since March of 1990. An increase in rates is necessary at this time due to increased operating expenses and to get properly situated as we look to make some capital investments. Based on the Company's un-audited Test Year results, Granite Oaks Water Users Association realized an operating loss of \$28,812. The Company is requesting a revenue increase of \$41,807 or 18.8% of total revenues. Please see the attached Schedules 7 and 8 of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street and at online on the Association's website **Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.**

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Written public comments may be submitted by mailing a letter referencing **Docket No. W-02539A-20-0092** to the Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) by clicking on "Cases and Open Meetings" and "Make a Public Comment in a Docket".

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.

CURRENT AND PROPOSED RATES

MONTHLY MINIMUM OR BASIC SERVICE CHARGE					
METER SIZE	CUSTOMER CLASS	CURRENT RATES		PROPOSED RATES	
		RATE	GALLONS INCLUDED	RATE	GALLONS INCLUDED
5/8" x 3/4" Meter	All	\$20.00	1000	\$22.60	0
3/4" Meter	All	\$30.00	1000	\$33.90	0
1" Meter	All	\$50.00	1000	\$56.50	0
1-1/2" Meter	All	\$100.00	1000	\$113.00	0
2" Meter	All	\$160.00	1000	\$180.80	0
3" Meter	All	\$300.00	1000	\$361.60	0
4" Meter	All	\$500.00	1000	\$565.00	0
6" Meter	All	\$1,000.00	1000	\$1,130.00	0

GALLONS IN EXCESS OF MINIMUM
 Commodity Charge (Per 1,000 Gallons)

	CURRENT RATES			PROPOSED RATES		
		Gallons			Gallons	
	RATES	FROM	TO	RATES	FROM	TO
5/8" x 3/4" and 3/4" Meters						
FIRST TIER	\$0.00	0	0	\$1.00	0	3,000
SECOND TIER	\$0.00	0	0	\$2.00	3,001	10,000
THIRD TIER	\$0.00	0	0	\$3.00	10,001	99,999,999
FLAT RATE	\$2.00					

GALLONS IN EXCESS OF MINIMUM FOR LARGER METER SIZES WITH ONLY TWO TIERS
 Commodity Charge (Per 1,000 Gallons)

METER SIZE	RATES		BREAK-OVER POINT	RATES		BREAK-OVER POINT
	LOWER	HIGHER		LOWER	HIGHER	
1" Meter	\$0.00	\$0.00	0	\$2.00	\$3.00	20,000
1-1/2" Meter	\$0.00	\$0.00	0	\$2.00	\$3.00	50,000
2" Meter	\$0.00	\$0.00	0	\$2.00	\$3.00	80,000
3" Meter	\$0.00	\$0.00	0	\$2.00	\$3.00	150,000
4" Meter	\$0.00	\$0.00	0	\$2.00	\$3.00	300,000
6" Meter	\$0.00	\$0.00	0	\$2.00	\$3.00	500,000

Instructions: Update all information as necessary in the Grey highlighted cells. In the Monthly Minimum or Basic Service Charge section, use the drop down functions in columns A and B to select the meter sizes and customer classes. Then update input the current and proposed rates and the gallons that are included with the basic service charge. The next section is for the 5/8 and 3/4" meters with three tiers. Input the current and proposed commodity rates along with the ranges of each tier. The last commodity section is for all meters that are 1" and larger with only two tiers. For each meter size fill in the break-over point, and update the rates if necessary.

CURRENT AND PROPOSED SERVICE CHARGES

SERVICE LINE AND METER INSTALLATION CHARGES						
METER SIZE	CURRENT CHARGES			COMPANY PROPOSED		
	Service Line Charge	Meter Charge	Total Charge	Service Line Charge	Meter Charge	Total Charge
5/8" x 3/4" Meter	NA	NA	\$250.00	\$415.00	\$105.00	\$520.00
3/4" Meter	NA	NA	275.00	415.00	205.00	620.00
1" Meter	NA	NA	300.00	465.00	265.00	730.00
1½" Meter	NA	NA	450.00	520.00	475.00	995.00
2" Meter	NA	NA	628.00	NT	NT	NT
3" Meter	NA	NA	825.00	NT	NT	NT
4" Meter	NA	NA	1,450.00	NT	NT	NT
6" Meter	NA	NA	3,100.00	NT	NT	NT
2" Turbine Meter	NT	NT	NT	800.00	995.00	1,795.00
2" Compound Meter	NT	NT	NT	800.00	1,840.00	2,640.00
3" Turbine Meter	NT	NT	NT	1,015.00	1,620.00	2,635.00
3" Compound Meter	NT	NT	NT	1,135.00	2,495.00	3,630.00
4" Turbine Meter	NT	NT	NT	1,430.00	2,570.00	4,000.00
4" Compound Meter	NT	NT	NT	1,610.00	3,545.00	5,155.00
6" Turbine Meter	NT	NT	NT	2,150.00	4,925.00	7,075.00
6" Compound Meter	NT	NT	NT	2,270.00	6,820.00	9,090.00

SERVICE CHARGES	CURRENT CHARGES	PROPOSED CHARGES
Establishment (R14-2-403.D.1)	\$25.00	\$30.00
Establishment/After Hours (R14-2-403.D.2)	\$50.00	NT
Reconnection/Delinquent (R14-2-403.D.1)	\$20.00	\$30.00
NSF Check (R14-2-409)	\$15.00	\$25.00
Meter Re-read/If correct (R14-2-408.C.2)	\$10.00	\$25.00
Meter Test/If correct (R14-2-408.F.1)	\$20.00	\$25.00
Deferred Payment (R14-2-409.G.6)	1.5% per month	*
Deposit Interest (R14-2-403.B.3)	Per rules	**
Deposit (R14-2-403.B.7)	Per rules	***
Reestablishment W/N 12 MOS (R14-2-403.D.1)	Month off the system times the minimum	****
Late Fee	1.5% per month	1.5% per month
After Hours Service Charge	NT	\$40.00
Credit card transaction fee	NT	at cost

* - 1.50% of unpaid monthly balance.
 ** - Per Commission Rule A.A.C. R-14-2-403(B)(3).
 *** - Per Commission Rule A.A.C. R-14-2-403(B)(7).
 **** - Month off system times the monthly minimum A.A.C. R14-2-403(D).

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 commission rule A.A.C. 14-2-409D(5).