

CUSTOMER NOTICE

**Ponderosa Utility Corporation
Docket No. W-01717A-19-0329**

Dear Ponderosa Utility Corporation Customer,

On June 10, 2020, the Arizona Corporation Commission approved a rate increase requested by Ponderosa Utility Corporation. Per Decision No. 77661, the new rates become effective July 1, 2020.

The recently approved rates will increase the typical residential bill for a 5/8 x 3/4-inch meter, with a median usage of 2,278 gallons per month from \$32.11 to \$37.77, for an increase of \$5.66 or 17.63 percent.

If you have any questions regarding this notice, please contact Ponderosa Utility Corporation, 949 Osage, Flagstaff, AZ 86005, or at (928) 525-6210.

The new rates and charges for Ponderosa Utility Corporation will be as follows:

Monthly Minimum Charge:

| | | |
|------------------------|----|----------|
| 5/8 x 3/4 - Inch Meter | \$ | 28.50 |
| 3/4 - Inch Meter | | 42.75 |
| 1 - Inch Meter | | 71.25 |
| 1 1/2 - Inch Meter | | 142.50 |
| 2 - Inch Meter | | 228.00 |
| 3 - Inch Meter | | 456.00 |
| 4 - Inch Meter | | 712.50 |
| 6 - Inch Meter | | 1,425.00 |
| 8 - Inch Meter | | 2,280.00 |
| 10 - Inch Meter | | 3,277.00 |

Commodity Rates: (Per 1,000 gallons)

Gallons included in minimum 0

5/8 x 3/4-inch Meter

| | | |
|-------------------------|----|------|
| 0 to 2,500 Gallons | \$ | 4.07 |
| 2,501 to 7,000 Gallons | | 5.72 |
| 7,001 to 20,000 Gallons | | 6.56 |
| Over 20,000 Gallons | | 7.43 |

1-inch Meter

| | | |
|---------------------|----|------|
| 0 to 35,000 Gallons | \$ | 6.56 |
| Over 35,000 Gallons | | 7.43 |

2-inch Meter

| | | |
|----------------------|----|------|
| 0 to 130,000 Gallons | \$ | 6.56 |
| Over 130,000 Gallons | | 7.43 |

4-inch Meter

| | | |
|----------------------|----|------|
| 0 to 500,000 Gallons | \$ | 6.56 |
| Over 500,000 Gallons | | 7.43 |

8-inch Meter

| | | |
|------------------------|----|------|
| 0 to 1,600,000 Gallons | \$ | 6.56 |
| Over 1,600,000 Gallons | | 7.43 |

Standpipe

| | | |
|---------------------------------|--|------|
| All Gallons (Per 1,000 Gallons) | | 7.43 |
|---------------------------------|--|------|

3/4-inch Meter

| | | |
|-------------------------|----|------|
| 0 to 2,500 Gallons | \$ | 4.07 |
| 2,501 to 7,000 Gallons | | 5.72 |
| 7,001 to 20,000 Gallons | | 6.56 |
| Over 20,000 Gallons | | 7.43 |

1 1/2-inch Meter

| | | |
|---------------------|----|------|
| 0 to 80,000 Gallons | \$ | 6.56 |
| Over 80,000 Gallons | | 7.43 |

3-inch Meter

| | | |
|----------------------|----|------|
| 0 to 325,000 Gallons | \$ | 6.56 |
| Over 325,000 Gallons | | 7.43 |

6-inch Meter

| | | |
|------------------------|----|------|
| 0 to 1,000,000 Gallons | \$ | 6.56 |
| Over 1,000,000 Gallons | | 7.43 |

10-inch Meter

| | | |
|------------------------|----|------|
| 0 to 2,200,000 Gallons | \$ | 6.56 |
| Over 2,200,000 Gallons | | 7.43 |

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Service Line and Meter Installation Charges:

(Refundable pursuant to A.A.C. R14-2-405)

| | Service Line | Meter | Total |
|---------------------------|---------------------|--------------|--------------|
| 5/8-inch x 3/4-inch Meter | At Cost | At Cost | At Cost |
| 3/4-inch Meter | At Cost | At Cost | At Cost |
| 1-inch Meter | At Cost | At Cost | At Cost |
| 1 1/2-inch Meter | At Cost | At Cost | At Cost |
| 2-inch Turbine Meter | At Cost | At Cost | At Cost |
| 2-inch Compound Meter | At Cost | At Cost | At Cost |
| 3-inch Turbine Meter | At Cost | At Cost | At Cost |
| 3-inch Compound Meter | At Cost | At Cost | At Cost |
| 4-inch Turbine Meter | At Cost | At Cost | At Cost |
| 4-inch Compound Meter | At Cost | At Cost | At Cost |
| 6-inch Turbine Meter | At Cost | At Cost | At Cost |
| 6-inch Compound Meter | At Cost | At Cost | At Cost |
| Over 6-inch Meter | At Cost | At Cost | At Cost |
| Hard Dig | At Cost | At Cost | At Cost |

Service Charges:

| | | |
|----------------------------------------------------|----|---------|
| Establishment | \$ | 30.00 |
| Reconnection (Delinquent) | | 35.00 |
| Meter Test (If Correct) | | 25.00 |
| Deposit | | * |
| Deposit Interest | | * |
| Re-Establishment (Within 12 Months) | | **** |
| NSF Check | \$ | 25.00 |
| Deferred Payment (Per Month) | | 1.50%** |
| Meter Re-Read (If Correct) | \$ | 25.00 |
| Late Payment Penalty (Per Month) | | *** |
| After Hours Service Charge (At Customer's Request) | \$ | 35.00 |

Monthly Service Charge for Fire Sprinkler:

| | |
|---------------------|-------|
| 4-inch or Smaller | ***** |
| 6-inch | ***** |
| 8-inch | ***** |
| 10-inch | ***** |
| Larger than 10-inch | ***** |

* Per Commission Rule A.A.C. R14-2-403(B).

** Per Commission Rule A.A.C. R14-2-409(G)(6).

*** 1.5% of unpaid monthly balance or \$5.00, whichever is greater.

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

***** 2% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$10.00 per month. The Service Charge for Fire Sprinklers is only applicable to service lines separate and distinct from the primary water service line.

In addition to the collection of its regular rates, Ponderosa Utility will collect from its customers a proportionate share of any privilege, sales, or use tax per Commission Rule A.A.C. R14-2-409(D)(5).