

**PUBLIC NOTICE OF HEARING ON ARIZONA WATER COMPANY'S RATE APPLICATION
FOR ITS WESTERN AND EASTERN GROUPS AND FOR ITS FORMULA RATE PLAN
PROPOSAL FOR ITS WESTERN, EASTERN, AND NORTHERN GROUPS
(DOCKET NOS. W-01445A-24-0117 and W-01445A-26-0044)**

Summary

On April 3, 2026, Arizona Water Company ("Arizona Water" or "Company") filed an application with the Arizona Corporation Commission ("Commission") for a determination of the fair value of its utility plant and property and for adjustments to its rates and charges for utility service furnished by its Western and Eastern Groups and for certain related approvals ("Application"). The Company asserts that for the test year ended September 30, 2025 ("TY"), Arizona Water had adjusted operating income of \$1,705,168 for the Western Group and \$3,591,959 for the Eastern Group; original cost rate base ("OCRB") of \$153,883,910 for the Western Group and \$148,964,629 for the Eastern Group; and fair value rate base ("FVRB") of \$224,833,728 for the Western Group and \$238,764,849 for the Eastern Group. The Company's proposed rate of return includes a 0.20 percent return on Fair Value Increment to produce a return on FVRB of 5.87 percent for the Western Group and 5.37 percent for the Eastern Group. The Company's proposed rates and charges would produce an overall base rate revenue increase of approximately \$15.5 million or 35 percent for the Western Group and approximately \$12.3 million or 33 percent for the Eastern Group.

The Company also requests approval of its proposed Formula Rate Plan, a formula rate proposal which, if approved, would adjust rates annually to reflect changes in the Company's cost of service, over five years, before another general rate case. The Company's Application has been consolidated with Docket No. W-01445A-24-0117 for the purpose of evaluating a Formula Rate Plan for Arizona Water's Northern Group in connection with the Application and Formula Rate Plan proposal for the Western and Eastern Groups.

The Company also requests for the Western and Eastern Groups, approval of its proposed Federal Compliance Cost Recovery Mechanism, Purchased Water Adjustment Mechanism, Purchased Power Adjustment Mechanism, Sustainable Water Adjustment Mechanism, Tax Expense Adjustment Mechanism, Wildfire Protection and Public Safety Surcharge, and Central Arizona Groundwater Replenishment District Surcharge. Arizona Water proposes to recover its rate case expense through a Regulatory Expense Surcharge.

The Company estimates the proposed rates and charges would result in the following monthly bills for a residential customer served by the typical residential meter size with median monthly water usage in the Western Group:

Service Area	Typical Meter Size	Median Usage (gallons)	Current Rates with Surcharges	Proposed Rates
Pinal Valley	5/8 X 3/4"	4,000	\$37.63	\$47.60
White Tank	5/8 X 3/4"	7,000	\$49.03	\$60.09
Ajo	5/8 X 3/4"	2,000	\$59.09	\$39.27
Casa Grande South	5/8 X 3/4"	5,000	\$29.28	\$51.76
Casa Grande West	5/8 X 3/4"	5,000	\$25.00	\$51.76

The Company estimates the proposed rates and charges would result in the following monthly bills for a residential customer served by the typical residential meter size with median monthly water usage in the Eastern Group:

Service Area	Typical Meter Size	Median Usage (gallons)	Current Rates with Surcharges	Proposed Rates
Southeastern Region	5/8 X 3/4"	3,000	\$41.32	\$51.30
Falcon Valley	5/8 X 3/4"	3,000	\$47.83	\$51.30

NEITHER THE COMMISSION'S UTILITIES DIVISION ("STAFF") NOR ANY INTERVENOR HAS YET MADE ANY RECOMMENDATION REGARDING ARIZONA WATER'S APPLICATION. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF THE COMPANY, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO ARIZONA WATER'S APPLICATION BASED ON THE EVIDENCE PRESENTED IN THIS MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY ARIZONA WATER OR BY OTHER PARTIES.

If you have any questions concerning how the Application may affect your bill or other substantive questions about the Application, you may contact **Arizona Water Company** by telephone at **1-602-240-6860** or by email at **mail@azwater.com**.

How You Can View or Obtain a Copy of the Application

Copies of the Application are available from Arizona Water Company upon request by contacting the Company at 1-602-240-6860; at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission website (www.azcc.gov) using the e-Docket function and the Docket Number shown above.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **February 18, 2027, at 10:00 a.m.**, at the Commission's Tucson offices, Room 222, 400 West Congress Street, Tucson, Arizona 85701.

Additional Public Comment Meetings

The Commission will take public comment on these matters at the following dates and times, and in the following manner:

DATE	TIME	MANNER
January 6, 2027	5:30 p.m. – 8:00 p.m., or until all public comment has been heard, whichever comes first.	<u>Telephonic only:</u> To provide telephonic public comments, call 1-877-309-3457 and enter this code: 24601833204##
February 2, 2027	10:00 a.m. – 12:00 p.m., or until all public comment has been heard, whichever comes first.	<u>In-person and telephonic:</u> To provide telephonic public comments, call 1-877-309-3457 and enter this code: 24601833204##
February 8, 2027	5:30 p.m. – 8:00 p.m., or until all public comment has been heard, whichever comes first.	<u>In-person and telephonic:</u> To provide telephonic public comments, call 1-877-309-3457 and enter this code: 24601833204##
February 18, 2027	10:00 a.m., prior to the beginning of the first day of hearing.	<u>In-person and telephonic:</u> To provide telephonic public comments, call 1-877-309-3457 and enter this code: 24601833204##

Written public comments may be submitted by mailing a letter referencing **Docket No. W-01445A-26-004, ET AL.** to 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 "Divisions" and then "Hearing," scrolling down to "eFiling Services," and clicking on "Make a Public Comment in a Docket." If you require assistance, you may contact the Consumer Services Section at 602-542-4251 or 1-800-222-7000.

If you do not intervene in this matter, you will receive no further notice of the proceedings in this matter unless you sign up to Follow the Docket. However, all documents filed in this docket are available online (usually within 24 hours after docketing) at the Commission's website (www.azcc.gov) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission's website by clicking on "Divisions" and then "Hearing" and then "Follow a Docket."**

About Intervention

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. **Intervention is not required for you to appear at the hearing and provide public comment, to file written comments in the docket for the case, or to receive emailed notice of each filing made in the case by following the docket.**

Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission's website (www.azcc.gov) by clicking on "Divisions" and then "Hearing" and then "Intervene in a Case." The information includes a Sample Intervention Request and a Fillable Intervention Request Form.

To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket Control (Docket Control, 1200 West Washington, Phoenix, AZ 85007), or (b) by **eFiling** the request. Your request **must be filed or eFiled no later than August 28, 2026**. Instructions and restrictions for eFiling are available on the Commission's website at <http://azcc.gov/hearing/efiling>. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission.

Your request to intervene **must** contain the information below:

1. Your name, address, and telephone number;
2. The docket number for the case in which you are requesting to intervene;
3. A short statement explaining:

- a. Your interest in the proceeding (e.g., a customer of the regulated company involved, a property owner in an area to be affected by the case, etc.),
 - b. How you will be directly and substantially affected by the outcome of the case, and
 - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have sent a copy of your request to intervene to the regulated company or its attorney and to all other parties of record in the case and showing the names of the parties to whom service was provided, and the addresses (which could be email addresses) used; and
 5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31.1, 31.2, 31.3, 38, 39, and 42, as applicable. This only applies if you are NOT representing yourself and you are not a licensed attorney.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **August 28, 2026**.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator for the Hearing Division, E-mail HearingDivision@azcc.gov, voice phone number 602-542-4250. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.