

**CHANGE IN RATES
CUSTOMER NOTICE
Valle Verde Water Company, Inc.
W-01431A-13-0265**

Dear Valle Verde Water Company Customer:

At its Open Meeting on May 13, 2014, the Arizona Corporation Commission approved the following rates and charges. The rates and charges herein will be effective for all service provided on and after May 30, 2014 per Decision No. 74503.

The recent approval will increase the monthly bill for a residential customer with a 5/8 x 3/4 inch meter and a median usage of 5,171 gallons per month by \$4.49 or 16% percent from \$28.20 to \$32.69.

If you have any questions regarding this Notice, please call (520) 624-1460 during normal business hours.

| MONTHLY USAGE CHARGES | |
|------------------------------|----------|
| 5/8 x 3/4 - Inch Meter | \$ 21.64 |
| 3/4 - Inch Meter | 21.64 |
| 1 - Inch Meter | 54.10 |
| 1 1/2 - Inch Meter | 108.20 |
| 2 - Inch Meter | 173.12 |
| 3 - Inch Meter | 346.24 |
| 4 - Inch Meter | 541.00 |
| 6 - Inch Meter | 1,082.00 |

| COMMODITY CHARGE (per 1,000 gallons) | |
|--|---------|
| <u>5/8 x 3/4 Inch Meter (Residential)</u> | |
| 0 to 3,000 Gallons | \$ 0.97 |
| 3,001 to 7,000 Gallons | 3.75 |
| Over 7,000 Gallons | 5.22 |
| <u>3/4-Inch Meter (Residential)</u> | |
| 0 to 3,000 Gallons | \$ 0.97 |
| 3,001 to 7,000 Gallons | 3.75 |
| Over 7,000 Gallons | 5.22 |
| <u>5/8 x 3/4 Inch Meter (Non-Residential)</u> | |
| 0 to 7,000 Gallons | 3.75 |
| Over 7,000 Gallons | 5.22 |
| <u>3/4 Inch Meter (Non-Residential)</u> | |
| 0 to 7,000 Gallons | 3.75 |
| Over 7,000 Gallons | 5.22 |
| <u>1 Inch Meter (All Classes)</u> | |
| 0 to 15,000 Gallons | 3.75 |
| Over 15,000 Gallons | 5.22 |
| <u>1 1/2 Inch Meter (All Classes)</u> | |
| 0 to 20,000 Gallons | 3.75 |
| Over 20,000 Gallons | 5.22 |

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2 Inch Meter (All Classes)

| | |
|---------------------|------|
| 0 to 50,000 Gallons | 3.75 |
| Over 50,000 Gallons | 5.22 |

3 Inch Meter (All Classes)

| | |
|----------------------|------|
| 0 to 100,000 Gallons | 3.75 |
| Over 100,000 Gallons | 5.22 |

4 Inch Meter (All Classes)

| | |
|----------------------|------|
| 0 to 150,000 Gallons | 3.75 |
| Over 150,000 Gallons | 5.22 |

6 Inch Meter (All Classes)

| | |
|----------------------|------|
| 0 to 500,000 Gallons | 3.75 |
| Over 500,000 Gallons | 5.22 |

Temporary Interim Manager Surcharge**

(Per 1,000 gallons All Meter Sizes, All Classes)

| | |
|-----------|------|
| All Usage | 0.60 |
|-----------|------|

**The Temporary Interim Manager Surcharge shall continue until the past due amounts owed to Southwestern Utility Management, Inc. have been paid in full.

| |
|------------------------|
| SERVICE CHARGES |
|------------------------|

| | |
|---|----------|
| Establishment | \$ 30.00 |
| Reconnection (Delinquent) | 40.00 |
| After Hours Service Charge | 35.00 |
| Meter Test (If Correct) | 35.00 |
| Meter Re-Read (If Correct) | 20.00 |
| NSF Check | 30.00 |
| Deposit | (a) |
| Deposit Interest (per Year) | (a) |
| Re-establishment (Within 12 Months) | (b) |
| Late Payment Charge (Per Month) | 1.50% |
| Deferred Payment (Per Month) | 1.50% |
| Moving Customer Meter (At Customer Request) | At Cost |
| Monthly Service Charge for Fire Sprinkler | (c) |

(a) Per Commission Rule A.A.C. R-14-2-403(B).

(b) Number of months off system times the monthly minimum, per Commission rule A.A.C. R-14-2-403(D).

(c) 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 for service lines separate and distinct from the primary water service line.

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| SERVICE LINE AND METER INSTALLATION CHARGES | | | |
|--|--------------------------------|--|--------------------------|
| (Refundable pursuant to A.A.C. R14-2-405) | Service Line Charge | Meter Installation Charge | Total Charges |
| 5/8-inch x 3/4-inch Meter | \$ 445.00 | \$ 155.00 | \$ 600.00 |
| 3/4-inch Meter | 445.00 | 255.00 | 700.00 |
| 1-inch Meter | 495.00 | 315.00 | 810.00 |
| 1 1/2-inch Meter | 550.00 | 525.00 | 1,075.00 |
| 2-inch Turbine Meter | 830.00 | 1,045.00 | 1,875.00 |
| 2-inch Compound Meter | 830.00 | 1,890.00 | 2,720.00 |
| 3-inch Turbine Meter | 1,045.00 | 1,670.00 | 2,715.00 |
| 3-inch Compound Meter | 1,165.00 | 2,545.00 | 3,710.00 |
| 4-inch Turbine Meter | 1,490.00 | 2,670.00 | 4,160.00 |
| 4-inch Compound Meter | 1,670.00 | 3,645.00 | 5,315.00 |
| 6-inch Turbine Meter | 2,210.00 | 5,025.00 | 7,235.00 |
| 6-inch Compound Meter | 2,330.00 | 6,920.00 | 9,250.00 |
| Over 6-Inch | At Cost | At Cost | At Cost |

In addition to collecting its regular rates and charges, the Company shall collect from its customers a proportionate share of any privilege, sales, or use tax per A.A.C. R14-2-409(D)(5).