

**CHANGE IN RATES  
CUSTOMER NOTICE  
Francesca Water Company, Inc.  
W-03945A-13-0287**

**Dear Francesca Water Company Customer:**

At its Open Meeting on March 11, 2014, the Arizona Corporation Commission approved the following rates and charges requested by Francesca Water Company, Inc. in its application filed on August 29, 2013. The rates and charges herein will be effective for all service provided on and after April 1, 2014 per Decision No. 74397.

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 4,831 gallons per month by \$6.14 or 17 percent from \$35.31 to \$41.45.

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

|                              |
|------------------------------|
| <b>MONTHLY USAGE CHARGES</b> |
|------------------------------|

|                        |    |          |
|------------------------|----|----------|
| 5/8 x 3/4 - Inch Meter | \$ | 22.00    |
| 3/4 - Inch Meter       |    | 30.00    |
| 1 - Inch Meter         |    | 50.00    |
| 1 1/2 - Inch Meter     |    | 100.00   |
| 2 - Inch Meter         |    | 160.00   |
| 3 - Inch Meter         |    | 320.00   |
| 4 - Inch Meter         |    | 500.00   |
| 6 - Inch Meter         |    | 1,000.00 |

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|--|
| <b>COMMODITY CHARGE (All Classes, per 1,000 gallons)</b> |
|--|

|                              |    |      |
|------------------------------|----|------|
| <u>5/8 x 3/4-Inch Meters</u> |    |      |
| 0 to 3,000 Gallons           | \$ | 2.30 |
| 3,001 to 10,000 Gallons      |    | 4.00 |
| Over 10,000 Gallons          |    | 4.73 |
| <u>3/4-Inch Meters</u>       |    |      |
| 0 to 10,000 Gallons          | \$ | 4.35 |
| Over 10,000 Gallons          |    | 6.70 |
| <u>1-Inch Meter</u>          |    |      |
| 0 to 17,000 Gallons          | \$ | 4.35 |
| Over 17,000 Gallons          |    | 6.70 |
| <u>1 1/2-Inch Meter</u>      |    |      |
| 0 to 37,000 Gallons          | \$ | 4.35 |
| Over 37,000 Gallons          |    | 6.70 |
| <u>2-Inch Meter</u>          |    |      |
| 0 to 61,000 Gallons          | \$ | 4.35 |
| Over 61,000 Gallons          |    | 6.70 |
| <u>3-Inch Meter</u>          |    |      |
| 0 to 127,000 Gallons         | \$ | 4.35 |
| Over 127,000 Gallons         |    | 6.70 |
| <u>4-Inch Meter</u>          |    |      |
| 0 to 200,000 Gallons         | \$ | 4.35 |
| Over 200,000 Gallons         |    | 6.70 |
| <u>6-Inch Meter</u>          |    |      |
| 0 to 410,000 Gallons         | \$ | 4.35 |
| Over 410,000 Gallons         |    | 6.70 |

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| <b>SERVICE LINE AND METER INSTALLATION CHARGES</b> |                            |                                  |                      |
|--|----------------------------|----------------------------------|----------------------|
| (Refundable pursuant to A.A.C. R14-2-405)          | <b>Service Line Charge</b> | <b>Meter Installation Charge</b> | <b>Total Charges</b> |
| 5/8-inch x 3/4-inch Meter                          | \$ 430.00                  | \$ 130.00                        | \$ 560.00            |
| 3/4-inch Meter                                     | 430.00                     | 230.00                           | 660.00               |
| 1-inch Meter                                       | 480.00                     | 290.00                           | 770.00               |
| 1 1/2-inch Meter                                   | 535.00                     | 500.00                           | 1,035.00             |
| 2-inch Turbine Meter                               | 815.00                     | 1,020.00                         | 1,835.00             |
| 2-inch Compound Meter                              | 815.00                     | 1,865.00                         | 2,680.00             |
| 3-inch Turbine Meter                               | 1,030.00                   | 1,645.00                         | 2,675.00             |
| 3-inch Compound Meter                              | 1,150.00                   | 2,520.00                         | 3,670.00             |
| 4-inch Turbine Meter                               | 1,460.00                   | 2,620.00                         | 4,080.00             |
| 4-inch Compound Meter                              | 1,640.00                   | 3,595.00                         | 5,235.00             |
| 6-inch Turbine Meter                               | 2,180.00                   | 4,975.00                         | 7,155.00             |
| 6-inch Compound Meter                              | 2,300.00                   | 6,870.00                         | 9,170.00             |
| Over 6-inch  | At Cost                    | At Cost                          | At Cost              |

| <b>SERVICE CHARGES</b>              |          |
|-------------------------------------|----------|
| Establishment                       | \$ 40.00 |
| Service Charge (After Hours)        | 30.00    |
| Reconnection (Delinquent)           | 35.00    |
| Meter Re-Read (If Correct)          | 20.00    |
| Meter Test (If Correct)             | 30.00    |
| NSF Check                           | 25.00    |
| Deposit                             | *        |
| Deposit Interest                    | *        |
| Re-establishment (Within 12 Months) | **       |
| Deferred Payment (Per Month)        | 1.50%    |
| Late Fee (Per Month)                | ***      |

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

\*\* Months off system times the monthly minimum per Commission rule A.A.C. R-14-2-403(D).

\*\*\* \$5.00 or 1.5 percent, whichever is greater.

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).

In addition to the above listed rates the Arizona Corporation Commission also approved three Best Management Practices Tariffs: Public Education, Customer High Water Use Notification and Water System Tampering.