

PUBLIC NOTICE OF HEARING ON THE APPLICATION OF CACTUS STATE UTILITY OPERATING COMPANY, LLC FOR A RATE INCREASE, (DOCKET NO. WS-21155A-24-0219)

Summary

On October 15, 2024, Cactus State Utility Operating Company, LLC (“Cactus State”) filed with the Arizona Corporation Commission (“Commission”) an application for a determination of the current fair value of its utility plant and property and for changes in its rates and charges thereon for water utility service and for certain related approvals. Cactus State is seeking approval of consolidated rates applicable to all systems if the proposal is adopted.

Cactus State asserts that for the test year ending June 30, 2024 (“TY”) it has the following adjusted operating income, adjusted operating revenue, original cost rate base (“OCRB”), and rates of return:

| Original Cost Rate Base | Operating Revenue | Operating Income | Current Return on Rate Base |
|--------------------------------|--------------------------|-------------------------|------------------------------------|
| \$ 10,300,323 | \$ 1,571,484 | \$ (1,181,408) | -11.47% |

Cactus State’s proposed consolidated rates and charges would produce the following overall revenue increase and rates of return on OCRB:

| Original Cost Rate Base | Revenue Increase | Proposed Return on Rate Base | Percentage Revenue Increase |
|--------------------------------|-------------------------|-------------------------------------|------------------------------------|
| \$ 10,300,323 | \$ 2,909,179 | 9.29% | 185.12% |

The proposed rates and charges for customers with typical usage would result in the following monthly bill for a residential customer if the proposed consolidated rates are adopted or if standalone rates are adopted:

| Loma Estates | | | | |
|---------------------|----------------------------------|------------------------------------|-----------------------------------|---------------------------------|
| Use | Meter Size/ Monthly Usage | Bill Amount (Current Rates) | Bill Amount (Consolidated) | Bill Amount (Standalone) |
| Average | 2,020 | \$33.31 | \$63.04 | \$159.87 |
| Median | 476 | \$24.67 | \$49.60 | \$98.08 |

NEITHER THE COMMISSION'S UTILITIES DIVISION (“STAFF”) NOR ANY INTERVENOR HAS YET MADE ANY RECOMMENDATION REGARDING CACTUS STATE'S APPLICATION. THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF CACTUS STATE, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO CACTUS STATE’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 CACTUS STATE 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 Cactus State at: Cactus State's Service Department, 1630 Des Peres Road, Suite 140, Des Peres, MO 63131, Phone Number (800) 670-4869; support@cactusstate.com.

How You Can View or Obtain a Copy of the Application

Copies of the Application are available from Cactus State on its website at <https://centralstateswaterresources.com/cactus-state-regulatory-information/> and at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and the Commission's office at 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 **July 23, 2025, at 10:00 a.m.**, at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007.

A telephonic public comment meeting will be held on July 10, 2025, beginning at 5:30 p.m. and ending at 7:00 p.m. or until the last online caller has finished, whichever comes first. To provide telephonic public comments, call **1-877-309-3457** and enter pass code **24601833204###**.

A public comment meeting will be held at the beginning at 10:00 a.m. on July 23, 2025. Comment may be provided in-person at the Commission's offices at 1200 West Washington Street, Phoenix, Arizona 85007, or telephonically by calling **1-877-309-3457** and enter pass code **801972877###**.

The Commission will impose a **3-minute time limit per speaker** to ensure that everyone who desires to speak has an opportunity to do so.

Written public comments may be submitted by mailing a letter referencing **Docket No. WS-21155A-24-0219**, 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 "Meetings & Cases" 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 proceeding, you will receive no further notice of the proceedings in this docket 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 clicking on "Divisions", then "Hearing" and "Following 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 "Cases and Open Meetings" and then clicking on "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 June 10, 2025**. Instructions and restrictions for eFiling are available on the Commission's website at <http://azcc.gov/hearing/efile-for-utilities-instruction>. 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
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 **June 10, 2025**.

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.