

CUSTOMER NOTICE: Tierra Mesa – Residential
CHANGE IN RATES
Docket No. WS-21155A-24-0219

Dear Cactus State Customer:

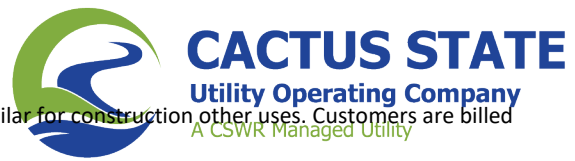
December 12, 2025

At its Open Meeting on November 6, 2025, the Arizona Corporation Commission approved a permanent increase requested by Cactus State in its application filed September 16, 2024. After investing approximately \$5.5 million in infrastructure improvements critical to the health and well-being of communities across the state, rates for Cactus State water and wastewater customers are changing. Per Decision No. 81549, the below rates and charges shall be effective for all service provided on or after December 1, 2025. These rate changes reflect the investments we make to continue providing safe and reliable service to residents and businesses in the communities we serve.

You will also see a temporary Rate Case Expense charge of \$2.04 per customer, per month which will automatically terminate at the end of three years or if expenses (\$335,000) are recovered in full before the three-year period expires. The new rates are as follows:

Meter Size	Tier	Gallons	Monthly Minimum Usage Charge	Commodity Rates per 1,000 Gallons
5/8" x 3/4"	1	0 to 3,000	\$32.64	\$5.98
	2	3,001 to 12,000		\$7.48
	3	Over 12,000		\$8.22
3/4"	1	0 to 3,000	\$32.64	\$5.98
	2	3,001 to 12,000		\$7.48
	3	Over 12,000		\$8.22
1"	1	0 to 25,000	\$81.60	\$7.48
	2	0 to 25,000		\$7.48
	3	Over 25,000		\$8.22
1 ½"	1	0 to 50,000	\$163.20	\$7.48
	2	0 to 50,000		\$7.48
	3	Over 50,000		\$8.22
2"	1	0 to 80,000	\$261.12	\$7.48
	2	0 to 80,000		\$7.48
	3	Over 80,000		\$8.22
3"	1	0 to 160,000	\$522.24	\$7.48
	2	0 to 160,000		\$7.48
	3	Over 160,000		\$8.22
4"	1	0 to 250,000	\$816.00	\$7.48
	2	0 to 250,000		\$7.48
	3	Over 250,000		\$8.22
6"	1	0 to 500,000	\$1,632.00	\$7.48
	2	0 to 500,000		\$7.48
	3	Over 500,000		\$8.22
Bulk Water ¹	3		By meter size	\$8.22

¹ Includes Bulk Water delivered from a fire hydrant meter or similar for construction other uses. Customers are billed monthly in arrears for water used.



Under the new water rates, residential customers on a 5/8" meter using 17,424 gallons of water per month may see the following bill impact:

System Name	Average Usage	Current Monthly Bill (Average Usage)	Estimated Bill Under New Rates	Change / % (\$)
Tierra Mesa - Residential	17424 gal	\$35.90	\$162.49	\$126.59/ 353%

Service Charges:

Establishment of Service	50.00
Reconnection of Service – Delinquent	50.00
After Hours Service Charge (at Customer's Request)	50.00
Meter Test (if Correct)	30.00
Meter Re-Read (if Correct)	40.00
NSF Check Charge	20.00
Deposit Requirement (Residential)	(a)
Deposit Requirement (Non-Residential)	(b)
Deposit Interest	(c)
Re-Establishment (Within 12 Months)	(d)
Late Payment Penalty	(e)
Deferred Payment (Per Month)	1.5%
Moving Meter at Customer Request	Cost
Service Line or Meter Size Charge (at Customer Request)	Cost

Monthly Service Charge for Fire Sprinklers

All Sizes **

(a) Two times the average residential class bill, per A.A.C. R14-2-403(B)(7) Company may waive deposit requirement at its discretion.

(b) 2 ½ times the customers estimated maximum monthly bill, per A.A.C. R14-2-403(B)(7) Company may waive deposit requirement at its discretion.

(c) 6.0%, per A.A.C. R14-2-403(B)(3)

(d) Number of months off system times the monthly minimum, per A.A.C. R14-2-403(D)

(e) Greater of 1.50% of unpaid monthly balance or \$5.00

Cost: All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.

** 2% of the Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$15.00 per month. The Service Charge for Fire Sprinklers is only applicable to service lines separate and distinct from the primary water service.

Privilege, Sales, or Use Tax

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409.D.5.

To view the updated Rate Schedule and Tariff, visit cactusstateuoc.com under the "Regulatory Information" section.