

PUBLIC NOTICE OF HEARING AND PUBLIC COMMENT MEETINGS ON THE APPLICATIONS OF PIMA UTILITY COMPANY FOR THE SETTING OF RATES AND CHARGES FOR UTILITY SERVICE AND FOR AUTHORITY TO INCUR INDEBTEDNESS

(Consolidated Docket Nos. W-02199A-25-0269, SW-02199A-25-0270, SW-02199A-26-0019, and W-02199A-26-0020)

Rate Applications Summary

On December 24, 2025, Pima Utility Company (“Pima”) filed applications with the Arizona Corporation Commission (“Commission”), requesting adjustments to its rates and charges for water utility service (Docket Nos. W-02199A-25-0269), and sewer utility service (SW-02199A-25-0270). Pima also requested to deconsolidate into two separate entities, “Pima Water” providing water utility service and “Pima Sewer” providing sewer utility service.

In the rate application for Pima Water, Pima requests authorization to increase water rates to generate total revenues of \$4,953,319. This would constitute an increase in revenues of \$2,308,058, or approximately 87.25 percent, over adjusted test year revenues of \$2,645,262, resulting in a 9.16 percent rate of return on Pima’s proposed fair value rate base for water of \$10,859,714. If Pima’s request is granted as proposed, the monthly bill for a 5/8 x 3/4” meter residential customer with an average consumption of 6,051 gallons would be \$19.39, a \$6.50 or 50.42 percent increase to the present monthly bill of \$12.89. In addition, Pima requests approval of a rate case expense (“RCE”) surcharge and has calculated the proposed surcharge to be \$0.17 per customer per month for three years. With the RCE surcharge, a residential customer would pay \$19.56, a \$6.67 or 51.75 percent increase to the current monthly bill.

Pima’s rate application for Pima Sewer requests authorization to increase sewer rates to generate total revenues of \$5,809,305. This is an increase in revenues of \$2,122,087, or 57.55 percent, over adjusted test year revenues of \$3,687,218, resulting in a 9.16 percent rate of return on Pima’s proposed fair value rate base for sewer of \$13,425,887. If Pima’s request is granted, the monthly bill for a residential customer would be \$41.20, a \$15.16 or 58.20 percent increase to the present monthly bill of \$26.04. Pima also requests approval of a RCE surcharge for Pima Sewer of \$0.17 per customer per month for three years. With the RCE surcharge, a residential customer would pay \$41.37, a \$15.33 or 58.87 percent increase to the current monthly bill.

Financing Applications Summary

On January 30, 2026, Pima filed with the Commission applications for authority to incur evidence of indebtedness and to encumber its real property and plant as security for such indebtedness. The financing application for Pima Sewer, filed in Docket No. SW-02199A-26-0019, requests authority to incur indebtedness of up to \$7,500,000. The financing application for Pima Water, filed in Docket No. W-02199A-26-0020, requests authority to incur indebtedness of up to \$5,000,000. The Commission has now consolidated the rate applications and financing applications and will consider these applications as a single matter.

Pima’s financing applications state that the financing for Pima Water and Pima Sewer is intended to allow them each to achieve capital structures of 65% equity and 35% debt, in contrast to their current capital structures of 100% equity, and for financing capital expenditures and/or general corporate purposes. Pima proposes to obtain the loans from JW Water Holdings, LLC or another affiliated company, at a fixed interest rate based on the 20-year U.S. Treasury rate applicable at each loan’s closing, plus 150 basis points, and to have each loan mature up to 20 years after its closing.

The Commission’s Utilities Division (“Staff”) is in the process of reviewing and analyzing the applications and has not yet made recommendations regarding Pima’s requests. **THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF PIMA, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO PIMA’S RATE AND FINANCING APPLICATIONS BASED ON THE EVIDENCE PRESENTED IN THE CONSOLIDATED MATTER. THE FINAL RATES APPROVED BY THE COMMISSION MAY BE HIGHER, LOWER, OR DIFFERENT THAN THE RATES PROPOSED BY PIMA OR BY OTHER PARTIES. ADDITIONALLY, THE COMMISSION MAY APPROVE FINANCING AUTHORITY OTHER THAN THAT REQUESTED BY PIMA OR MAY DENY FINANCING AUTHORITY.**

Contact Information

A customer with questions concerning how the applications may affect his or her bill or other substantive questions may contact Pima at toll-free number 888-712-1120; Email: Contactus@pimautility.com.

How You Can View or Obtain Copies of the Applications

Copies of the applications are available from Pima on the internet via its website, www.jwwater.com/pima; 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.

Arizona Corporation Commission Public Hearing Information

The Commission will hold a hearing on this matter beginning **October 19, 2026, at 10:00 a.m.**, at the Commission’s offices at 1200 West Washington Street, Phoenix, Arizona 85007.

Public Comment Opportunities

The Commission will take public comment on these matters **at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona, 85007**, as follows:

- On **August 26, 2026 at 5:00 p.m.**
- At the start of the public hearing on **October 19, 2026, at 10:00 a.m.**

During public comment meetings at the Commission's offices, **both telephonic and in-person comment** may be provided. To provide **telephonic** public comments, **call 1-877-309-3457 and enter passcode 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 Nos. W-02199A-25-0269, SW-02199A-25-0270, SW-02199A-26-0019, and W-02199A-26-0020** 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) using "Meetings & Cases" and "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 unless you sign up to Follow the Docket. However, all documents filed in this matter 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 "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 "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 June 1, 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 June 1, 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.