

QUAIL CREEK WATER COMPANY, INC.

Docket Nos. W-02514A-25-0192, W-03861A-25-0193, W-01944A-25-0194, W-02514A-25-0216, W-03861A-25-0217, and W-01944A-25-0218) (Consolidated)

NEW RATES & SURCHARGE IMPLEMENTATION

Effective September 1, 2026

**Customers with questions about this notice should contact QCW
Toll-Free 888-712-1120 or Contactus@quailcreekwater.com**

On August 29, 2025, Quail Creek Water Company, Inc. ("QCW"), Ridgeview Utility Company ("RVU"), and Lago Del Oro Water Company ("LDO") (collectively, "Applicants") filed applications with the Arizona Corporation Commission ("Commission") requesting adjustments to their rates and charges for water utility service (Docket Nos. W-02514A-25-0192, W-03861A-25-0193, and W-01944A-25-0194 (consolidated)). The Applicants also requested to consolidate their operations into a single entity known as JW Water Utility, Inc. ("JWWU"), with the three water systems providing service under one tariff of rates and charges.

On October 3, 2025, QCW filed an application with the Commission, in Docket No. W-02514A-25-0216, requesting authority to issue evidence of indebtedness in an amount not to exceed \$3,500,000 and to encumber its real property and utility plant as security. RVU also filed an application with the Commission on October 3, 2025, in Docket No. W-03861A-25-0217, requesting authority to issue evidence of indebtedness in an amount not to exceed \$1,500,000 and to encumber its real property and utility plant as security. LDO likewise filed an application with the Commission on October 3, 2025, in Docket No. W-01944A-25-0218, requesting authority to issue evidence of indebtedness in an amount not to exceed \$2,500,000 and to encumber its real property and utility plant as security. The rate cases and financing dockets were consolidated for the purpose of hearing.

At the conclusion of the proceeding, the Commission issued Decision No. 82133 (August 27, 2026), which: (1) granted the request to consolidate QCW, RVU, and LDO to form JWWU; (2) established consolidated rates for JWWU; (3) implemented a rate case expense ("RCE") surcharge; and (4) approved debt financing for JWWU in an amount of up to \$7,500,000.

AUTHORIZED RATES AND RCE SURCHARGE

The new rates approved will **decrease** the monthly bill of a QCW 5/8 x 3/4-inch residential customer with an average usage of 4,388 gallons by \$9.35, from \$35.34 to \$25.99, or -26.46 percent. The RCE incurred was \$28,848, therefore JWWU is authorized to recover \$28,848. **The RCE surcharge is calculated to be \$0.08 per JWWU customer per month.** The surcharge will be an additional charge on each customer's bill **beginning September 1, 2026**, and will terminate in approximately three years, once the total RCE of \$28,848 has been recovered.

Monthly Usage Charge

Meter Size (all classes except as specified)	
5/8 x 3/4" Meter	\$ 15.09
3/4" Meter	15.09
1" Meter	37.73
1½" Meter	75.45
2" Meter	120.72
3" Meter	241.44
4" Meter	377.25
6" Meter	754.51
8" Meter	1,207.21
10" Meter	1,735.37

Golf Course Irrigation

6" Meter Golf Course Irrigation	\$ 603.61
8" Meter Golf Course Irrigation	965.77
10" Meter Golf Course Irrigation	1,388.30

Others Charges

Establishment per A.A.C. R14-2-403(D)	\$35.00
Re-Establishment per A.A.C. R14-2-403(D)	(a)
Reconnection (delinquent) per A.A.C. R14-2-403(D)	\$30.00
Meter Test (if correct) per A.A.C. R14-2-408(C)	30.00
Meter Re-Read (if correct) per A.A.C. R14-2-408(C)	30.00
NFS Check per A.A.C. R14-2-408(E)	30.00
Deferred Payment (per month)	1.5%
Late Charge	(b)
Service – After Hours	\$50.00(c)
Deposit Requirement	(d)
Deposit Interest per A.A.C. R14-2-403(B)	6.0%

Monthly Service Charge for Fire Sprinklers

4" Meter or smaller	(e)
6" Meter	(e)
8" Meter	(e)
10" Meter and larger	(e)

(a) Minimum charge times number of full months off the system per A.A.C. R14-2-403(D).

(b) Greater of \$3.00 or 1.5% of unpaid balance.

(c) Customer shall be charged for after-hours service calls outside of normal working hours for work performed at the customer's request or convenience.

(d) Per A.A.C. R14-2-403(B): Residential – two times the average bill by class; Non-Residential – two and one-half times the customer's estimated maximum monthly bill.

(e) 1% of monthly minimum for a comparable sized meter connection, but no less than \$5 per month (requires separate service line.)

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<u>Commodity Charge</u> (per 1,000 gallons of water)			
<u>Meter Size</u>	<u>Charge</u>	<u>Meter Size</u>	<u>Charge</u>
5/8 x 3/4" Meter – Residential		3" Meter (all classes except golf course irrigation, hydrant)	
1 gallon to 4,000 gallons	\$2.33	1 gallon to 107,000 gallons	\$4.08
4,001 to 10,000 gallons	4.08	Over 107,000 gallons	6.08
Over 10,000 gallons	6.08		
5/8 x 3/4" Meter – Commercial, Irrigation (except golf course irrigation)		4" Meter (all classes except golf course irrigation, hydrant)	
1 gallon to 10,000 gallons	\$4.08	1 gallon to 167,000 gallons	\$4.08
Over 10,000 gallons	6.08	Over 167,000 gallons	6.08
3/4" Meter – Residential		6" Meter (all classes except golf course irrigation, hydrant)	
1 gallon to 4,000 gallons	\$2.33	1 gallon to 334,000 gallons	\$4.08
4,001 to 10,000 gallons	4.08	Over 334,000 gallons	6.08
Over 10,000 gallons	6.08		
3/4" Meter – Commercial, Irrigation (except golf course irrigation)		8" Meter (all classes except golf course irrigation, hydrant)	
1 gallon to 10,000 gallons	\$4.08	1 gallon to 534,000 gallons	\$4.08
Over 10,000 gallons	6.08	Over 534,000 gallons	6.08
1" Meter (all classes except golf course irrigation, hydrant)		10" Meter (all classes except golf course irrigation, hydrant)	
1 gallon to 17,000 gallons	\$4.08	1 gallon to 1,150,000 gallons	\$4.08
Over 17,000 gallons	6.08	Over 1,150,000 gallons	6.08
1 1/2" Meter (all classes except golf course irrigation, hydrant)		Golf Course Irrigation – All Gallons	\$2.66
1 gallon to 34,000 gallons	\$4.08	Golf Course Irrigation HOA 1 – All Gallons	\$2.13
Over 34,000 gallons	6.08	Hydrant/Construction/Standpipe – All Gallons	\$6.08
2" Meter (all classes except golf course irrigation, hydrant)			
1 gallon to 54,000 gallons	\$4.08		
Over 54,000 gallons	6.08		

Service Line and Meter Installation Charges

<u>Meter</u>	<u>Service Line Charge</u>	<u>Meter Installation Charge</u>	<u>Total Charge</u>	<u>Meter</u>	<u>Service Line Charge</u>	<u>Meter Installation Charge</u>	<u>Total Charge</u>
5/8 x 3/4" Meter	\$ 415.00	\$ 155.00	\$ 570.00	3" Turbo Meter	\$1,015.00	\$1,620.00	\$2,635.00
3/4" Meter	415.00	205.00	620.00	3" Compound Meter	1,135.00	2,495.00	3,630.00
1" Meter	465.00	265.00	730.00	4" Turbo Meter	1,430.00	2,570.00	4,000.00
1 1/2" Meter	520.00	475.00	995.00	4" Compound Meter	1,610.00	3,545.00	5,155.00
2" Turbo Meter	800.00	995.00	1,795.00	6" Turbo Meter	2,150.00	4,925.00	7,075.00
2" Compound Meter	800.00	1,840.00	2,640.00	6" Compound Meter	2,270.00	6,820.00	9,090.00
				8" Meter or Larger	Cost	Cost	Cost

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax per Commission rule A.A.C. R14-2-409(D)(5).