

November 23, 2020

MEMBER NAME

MEMBER ADDRESS

**IMPORTANT RATE INCREASE NOTICE - PLEASE READ**

Graham County Utilities, Inc. Water Division (“GCU” or “Cooperative”) has notified the Arizona Corporation Commission (“Commission”) that it intends to file a streamlined application (“Streamlined Application”) on or about October 1, 2020, to increase its rates and charges pursuant to A.R.S. § 40-250 and A.A.C. R14-2-107 (“Rule 107”), the Commission’s rule authorizing the filing of streamlined rate applications for electric, natural gas and affiliated water cooperatives. GCU is requesting an overall rate increase of \$48,228 or 6% over actual test year total base revenue. GCU’s test year for this rate filing is December 31, 2019. GCU states that the rate increase is necessary to recover operating costs and maintain the financial integrity of the Cooperative. The last general rate increase for GCU was effective May 1, 2010.

A residential customer with monthly summer consumption of 11,975 gallons (average summer usage) will see an increase in his/her bill of \$3.48 per month (from \$58.14 to \$61.62), or 5.98%. A residential customer with monthly summer consumption of 7,300 gallons (median usage) will see an increase in his/her bill of \$2.54 per month (from \$42.26 to \$44.80), or 6%. The proposed percentage increases by rate class over existing base rates are:

<b>Customer Class</b>	<b>Increase in Monthly System Charge</b>	<b>\$ Increase in Gallons Used Charge</b>	<b>% Increase Average Summer Usage</b>	<b>% Increase Median Usage</b>
Residential	\$1.17	21 cents per 1,000 Gallons	5.98%	6%
Commercial	\$1.17	21 cents per 1,000 Gallons	5.98%	6%
Resale - Wholesale	\$3.00	11.52 cents per 1,000 Gallons	6%	6%

**Processing the Streamlined Application**

Rule 107 provides streamlined procedures that should reduce rate case expense for processing rate applications of electric, natural gas and affiliated water cooperatives where the requested increase in total base revenue does not exceed 6% of the actual test year total base revenue. The rule requires that within 20 days after providing this notice to customers, GCU may file its Streamlined Application to increase rates. Streamlined refers to the fact that such an application will be processed under a shorter time-frame than a rate increase application filed pursuant to A.A.C. R14-2-103 (“Rule 103”) and, therefore, receive a less comprehensive (possibly less costly) review/analysis by Commission Staff than a Rule 103 review/analysis. GCU’s Streamlined Application may be approved without a formal evidentiary hearing. However, the Commission may at any time - at the request of Staff, an intervenor, or on its own - require GCU’s rate increase application to be processed pursuant to the more comprehensive Rule 103 requirements. You can view the entire Rule 103 and 107 at [http://apps.azsos.gov/public\\_services/Title\\_14/14-02.pdf](http://apps.azsos.gov/public_services/Title_14/14-02.pdf).

### **Public Comment and Intervention**

A person desiring to object to the Streamlined Application or to request intervention in the rate case must file the objection or the intervention request not later than the date specified below.

Written public comments regarding GCU's Streamlined Application, including objections to it being processed pursuant to the alternative Rule 107 streamlined requirements, may be submitted by mailing a letter referencing Docket No. W-02527A-20-0343 to the Commission's Consumer Services Section at 1200 W. Washington, Phoenix, Arizona 85007, or by e-mail. For a form to use and instructions on how to e-mail comments to the Commission, go to: <http://eservice.azcc.gov/Utilities/PublicComment>.

Requests to intervene may be filed in Docket No. W-02527A-20-0343 by any person entitled by law to intervene or who is directly and substantially affected by the proceeding. If you require assistance, either to provide public comment or to seek intervention, you may contact the Commission's Consumer Services Section during normal business hours at 602-542-4251 or 1-800-222-7000 (Phoenix office); or you may contact GCU during normal business hours at 928-485-2451. All motions to intervene and all objections to the streamlined Application must be filed on or before December 23, 2020.

***The Rule 107 streamlined rate process is available to GCU only if the Commission receives objections from less than 61 GCU customers by December 23, 2020. If the Commission receives objections from at least 61 GCU customers by December 23, 2020, GCU will not be eligible to use the Rule 107 streamlined process, but will instead need to use the Rule 103 rate increase application process which would involve a formal evidentiary hearing and a more comprehensive review/analysis by Commission Staff.***

### **How You Can View or Obtain a Copy of the Application and Other Filed Documents**

A copy of the Streamlined Application is available for public inspection during regular business hours at GCU's offices located at 9 West Center Street, Pima, Arizona 85543. A copy of the Streamlined Application is also available at GCU's website ([www.gce.coop](http://www.gce.coop)). After November 23, 2020, a copy of the Streamlined Application will also be available for public inspection during regular business hours at the Commission's Docket Control Center at 1200 W. Washington Street, Phoenix, Arizona, 85007, in the Commission's Tucson Office at 400 W. Congress, Tucson, Arizona, 85701 and on the Internet via the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function.

### **GCEC Contact Information**

Graham County Utilities, Inc.  
9 West Center Street  
PO Drawer B  
Pima, Arizona 85543  
Phone: 928-485-2451

### **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, Carolyn Buck, e-mail [cBuck@azcc.gov](mailto:cBuck@azcc.gov), voice phone number 602-542-3931. Requests should be made as soon as possible to allow time to arrange the accommodation.