

**CUSTOMER NOTICE  
CAYETANO, INC. DBA LAKEWOOD WATER COMPANY  
DOCKET NO. W-01809A-22-0248, ET AL.**

Dear Lakewood Water Company Customer,

On April 17, 2023, the Arizona Corporation Commission (“Commission”) approved a rate increase requested by Cayetano, Inc. dba Lakewood Water Company (“Company”). Per Decision No. 78912, the new rates become effective for all service provided on and after May 1, 2023.

The adopted rates will increase the typical residential bill for a 5/8-inch meter, with a median usage of 5,677 gallons, from \$18.35 to \$21.61, for an increase of \$3.26 or 17.77%. Decision No. 78912 also authorizes a rate case surcharge of \$1.65 per customer, per month, which will go into effect on May 1, 2023, and shall terminate on April 17, 2027, or once \$25,000.00 has been recovered, whichever occurs first.

Decision No. 78912 also authorizes the Company to obtain a 20-year amortizing loan from the Water Infrastructure Finance Authority of Arizona (“WIFA”) to finance a new well, storage tank rehabilitation and expansion, a booster pump, communication equipment, and pipeline, in an amount not to exceed \$1,218,750 at an interest rate to be determined at the time the loan is closed. The Company anticipates the loan will close in September 2023 and the WIFA loan surcharge will take effect four months thereafter. With the estimated WIFA loan surcharge of \$32.17, the typical residential bill for a 5/8-inch meter, with a median usage of 5,677 gallons, would increase to \$53.78, a total increase from current rates of \$35.43 or 193%. The rate case expense surcharge will add an additional \$1.65 to the median 5/8-inch meter bill.

If you have any questions regarding this notice, please contact Lakewood Water Company, 2015 Forbes Blvd, Suite 105, Tucson, AZ 85745, or at (520) 623-5172.

*The new rates and charges for Lakewood Water Company will be as follows:*

**Monthly Usage Charge:**

5/8” x 3/4” Meter	\$12.00
3/4” Meter	18.00
1” Meter	30.00
1 1/2” Meter	60.00
2” Meter	96.00
3” Meter	192.00
4” Meter	300.00
6” Meter	600.00
8” Meter	960.00
10” Meter	1,380.00

**Commodity Rates**

**(Per 1,000 gallons)**

Gallons included in Minimum 0

**5/8" x 3/4" & 3/4" Meter**

First 3,000 Gallons \$1.37

From 3,001 to 7,000 Gallons 2.06

Over 7,000 Gallons 2.69

**1" Meter**

First 24,000 Gallons 2.06

Over 24,000 Gallons 2.69

**1 1/2-inch Meter**

First 60,000 Gallons 2.06

Over 60,000 Gallons 2.69

**2-inch Meter**

First 100,000 Gallons 2.06

Over 100,000 Gallons 2.69

**3-inch Meter**

First 215,000 Gallons 2.06

Over 215,000 Gallons 2.69

**4-inch Meter**

First 340,000 Gallons 2.06

Over 340,000 Gallons 2.69

**6-inch Meter**

First 680,000 Gallons 2.06

Over 680,000 Gallons 2.69

**8-inch Meter**

First 1,100,000 Gallons 2.06

Over 1,100,000 Gallons 2.69

**10" Meter**

First 1,600,000 Gallons 2.06

Over 1,600,000 Gallons 2.69

**Standpipe/Bulk Water**

All Gallons 2.69

**Service Line and Meter Installation Charges:**

(Refundable pursuant to A.A.C. R14-2-405)

	<b>Service Line</b>	<b>Meter Charge</b>	<b>Total Charge</b>
5/8 x 3/4" Meter	\$430.00	\$130.00	\$560.00
3/4" Meter	430.00	230.00	660.00
1" Meter	480.00	290.00	770.00
1 1/2" Meter	535.00	500.00	1,035.00
2" Turbine Meter	815.00	1,020.00	1,835.00
2" Compound Meter	815.00	1,865.00	2,680.00
3" Turbine Meter	1,030.00	1,645.00	2,675.00
3" Compound Meter	1,150.00	2,545.00	3,695.00
4" Turbine Meter	1,460.00	2,620.00	4,080.00
4" Compound Meter	1,640.00	3,595.00	5,235.00
6" Turbine Meter	2,180.00	4,975.00	7,155.00
6" Compound Meter	2,300.00	6,870.00	9,170.00

**Service Charges:**

Establishment	\$40.00
After Hours Service Charge (At Customer's Request)	\$45.00
Reconnection (Delinquent)	\$40.00
Meter Test (If Correct)	\$30.00
Deposit	*
Deposit Interest	**
Re-Establishment (Within 12 Months)	***
NSF Check	\$35.00
Deferred Payment	****
Meter Re-Read (If Correct)	\$15.00
Late Fee (Per Month)	*****

**Monthly Service Charge for Fire Sprinklers**

4" or smaller	*****
6"	*****
8"	*****

\* Per Commission Rule A.A.C. R14-2-403(B)(7).

\*\* Per Commission Rule A.A.C. R14-2-403(B)(3).

\*\*\* Months off system times the monthly minimum A.A.C. R14-2-403(D).

\*\*\*\* 1.50% of unpaid monthly balance, per Commission Rule A.A.C. R14-2-409(G)(6).

\*\*\*\*\* 1.50% per month on the unpaid monthly balance or \$5.00, whichever is greater.

\*\*\*\*\* 1% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$5.00 per month. The Service Charge for Fire Sprinklers is only applicable to service lines separate and distinct from the primary water service line.

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