

EPCOR USA

Wastewater Rate Review

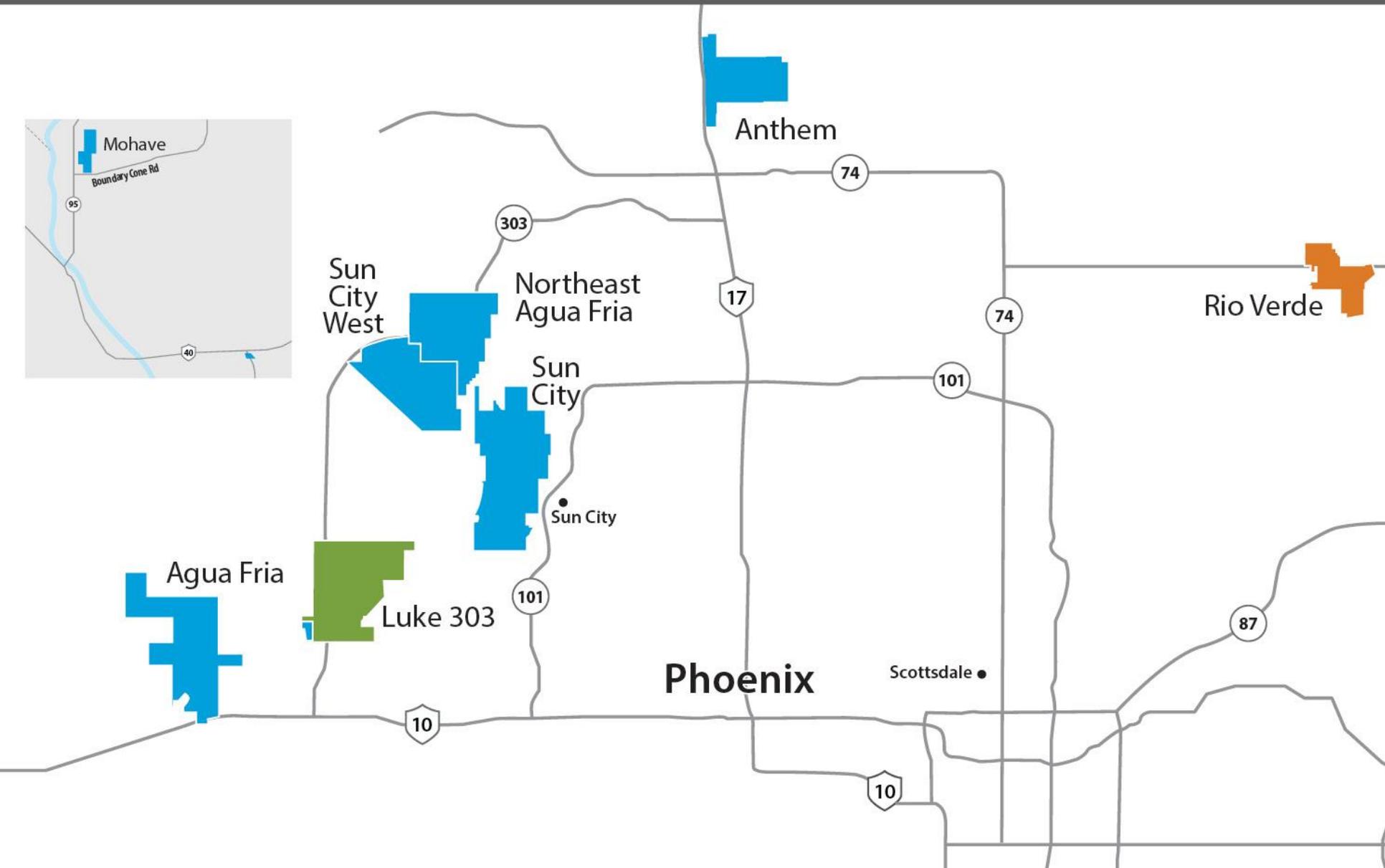


Agenda

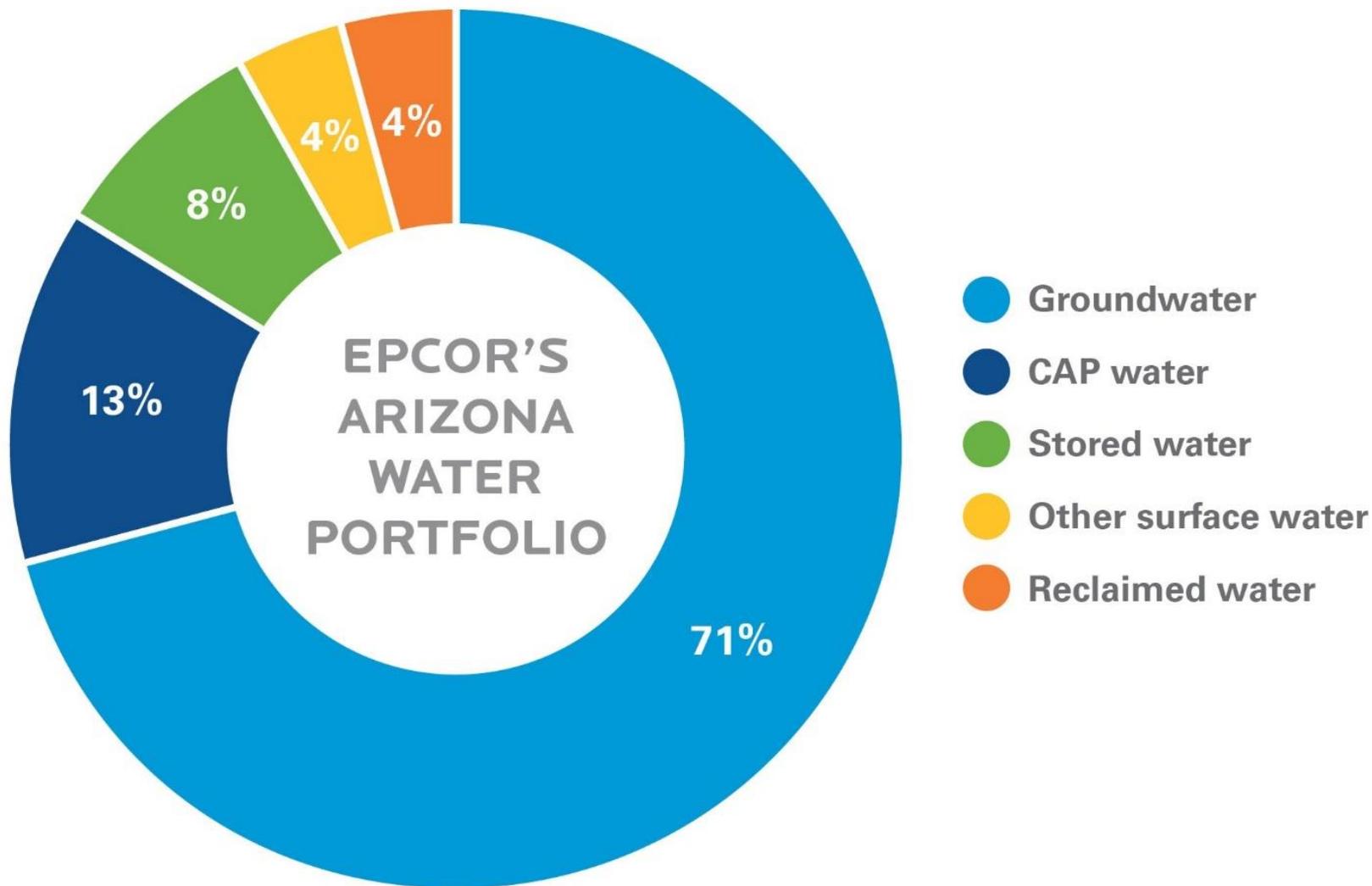
- Water reclamation
- Order to file new case
- Regulatory process
- Current rate review application
- Customer assistance programs
- Next steps



WASTEWATER DISTRICTS IN ARIZONA



EPCOR'S ARIZONA WATER PORTFOLIO



WATER RECLAMATION SUCCESS

18.2

billion gallons of purified water
returned to the natural cycle

=

55,000

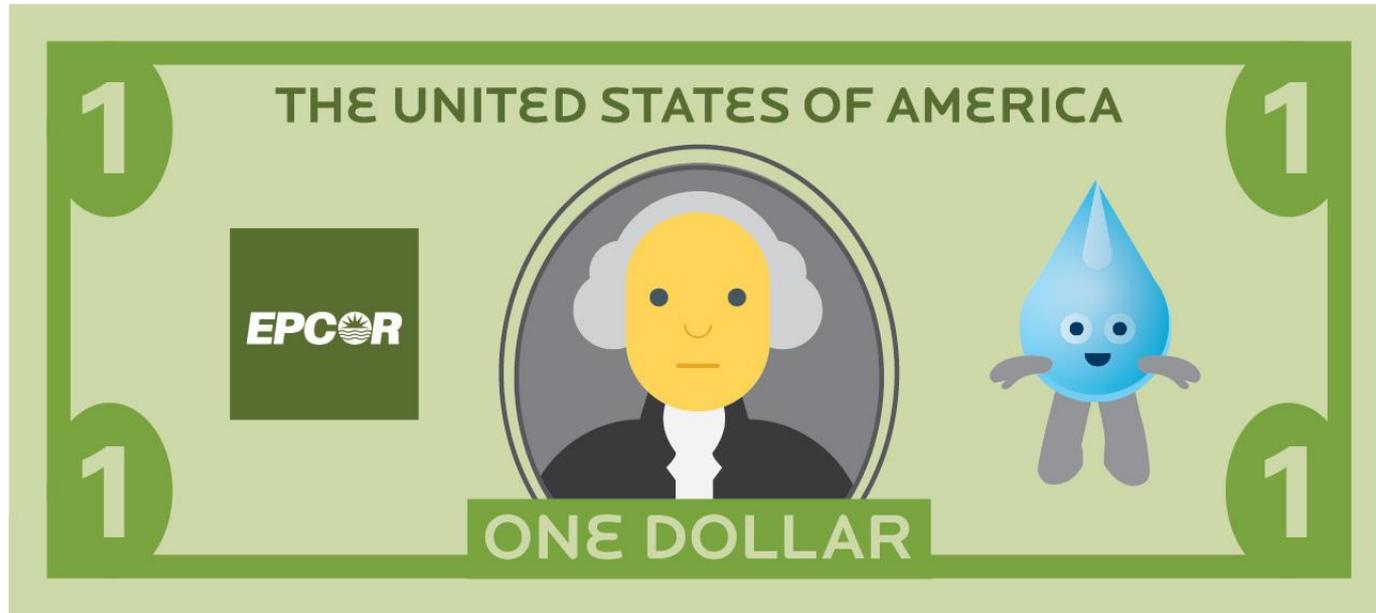
football fields covered in a foot of water

HOW RATES ARE SET

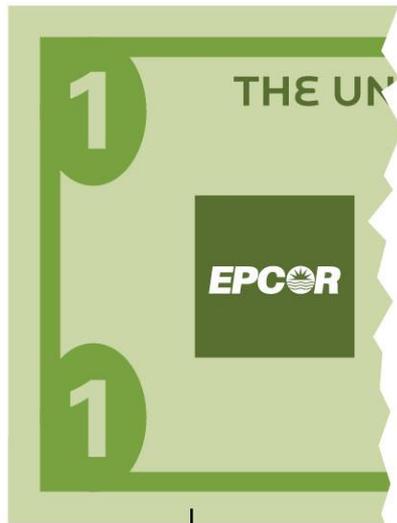
- Regulated by Arizona Corporation Commission
- Formal rate application – 24-to-30 month process
 - Expenses reviewed and approved by ACC
 - Investment evaluated for prudence and used/usefulness
 - Customers noticed
 - Procedural schedule set by Administrative Law Judge



WHAT'S IN A DOLLAR OF WATER



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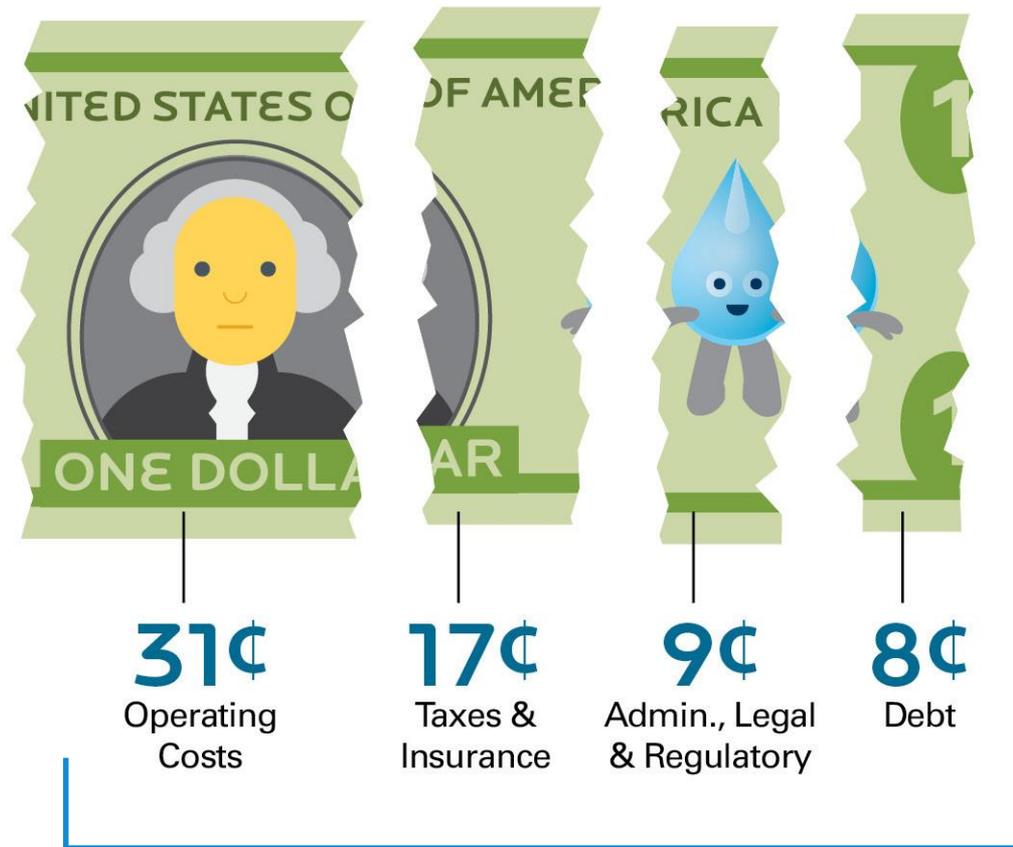


32¢
Capital
Investment

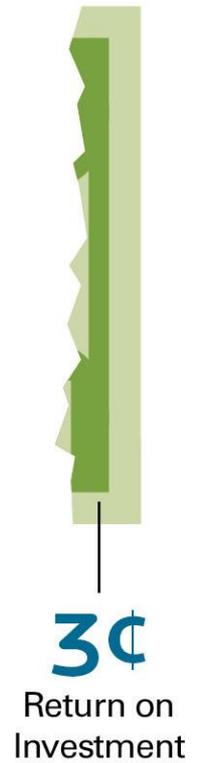
- Investment in system
 - Plant
 - Pipes
 - Equipment

WHAT'S IN A DOLLAR OF WATER

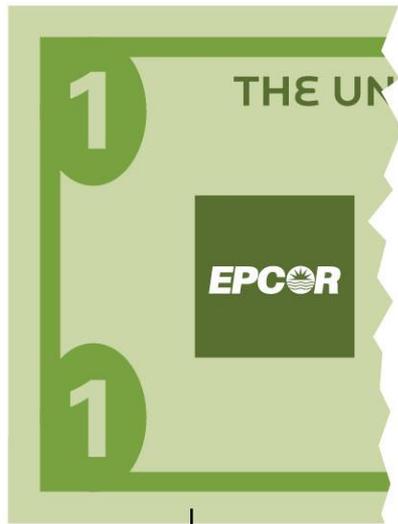
Operating costs to provide safe and reliable service



WHAT'S IN A DOLLAR OF WATER



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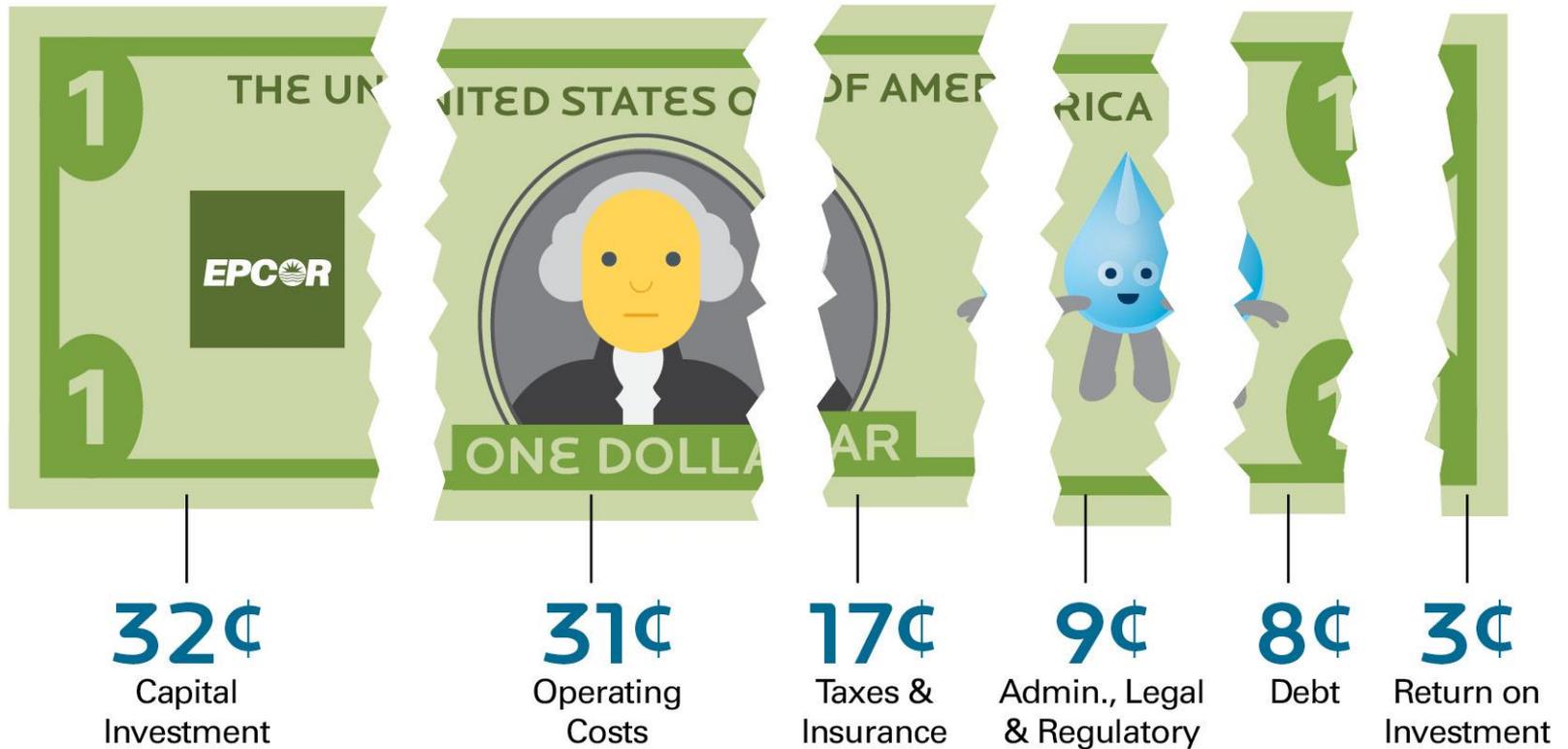


32¢
Capital
Investment



3¢
Return on
Investment

WHAT'S IN A DOLLAR OF WATER



RATE CASE HISTORY

2015

Test year for Arizona and Rio Verde wastewater districts

2016

Luke 303 wastewater district created

2017

New rates set for Arizona and Rio Verde wastewater districts

2017

Order to file application for new rates issued

August 2022

New rate review application filed

POTENTIAL BILL IMPACTS

	Current Rates	Proposed Standalone Rate	Proposed Consolidated Rate	Potential Standalone Bill Impact	Potential Consolidated Bill Impact
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Arizona wastewater	\$38.59	\$42.41	\$46.31	\$3.82	\$7.72
Luke 303 wastewater	\$89.33	\$210.00	\$46.31	\$120.67	(\$43.02)
Rio Verde wastewater	\$63.95	\$88.89	\$46.31	\$24.94	(\$17.64)
All districts combined			\$46.31		

Based on 7,000 gallons of residential water usage. Excludes all fees and surcharges.

POTENTIAL BILL IMPACTS

	Average Usage	Current Bill	Proposed Bill	Change
Rio Verde Water Residential 3/4"	6,628	\$24.94	\$28.49	\$3.55
Rio Verde Water Residential 1"	9,899	\$31.93	\$40.96	\$9.03
Rio Verde Water Residential 1 1/2"	53,983	\$162.34	\$195.53	\$33.20

CUTTING EDGE, AWARD WINNING

- 2022 Voluntary Protection Program - Star level (Arizona Division, Department of Occupational Safety and Health Administration)
- 2020 Water Environment Federation Utility of the Future Today
- 2020 AZ Water Association Large Water Project of the Year – White Tank Water Treatment Plant expansion



200+ awards from 2012-today for safety, reliability, and service excellence

CUSTOMER ASSISTANCE PROGRAMS



Low Income
Assistance
Program

\$10 Credit



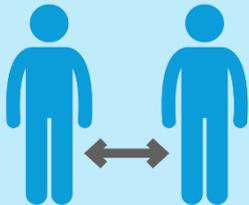
Deployed Service
Member
Credit

Bill waived if qualified



Disabled
Veterans
Assistance

\$10 Credit



COVID Hardship Assistance for Customers

\$10 credit per month

Available to customers impacted by COVID medically or through loss of employment/income

What's Next

- In-person and virtual information sessions
- Ongoing communication
- Public comment sessions
- June 5 public hearing
- Late Fall 2023 decision



QUESTIONS?



Customer Care: 1.800.383.0834
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epcor.com/waterratereview