CUSTOMER NOTIFICATION

Kyllo Development Corp. dba Bradshaw Mountainview Water Company ("Bradshaw") has applied to the Arizona Corporation Commission for an adjustment in rates. The current rates have been in effect since February of 2017. An increase in rates is necessary at this time due to increased system operating costs, necessary system upgrades and issues related to aging infrastructure. Based on the Company's un-audited Test Year results, Bradshaw realized an operating loss of $39,693. The Company is requesting a revenue increase of $185,509 to the current rates. Please see the attached Schedules 7 and 8 of the Company's application for the current and proposed rates.

The Application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, it can be accessed at www.azutility.com/bradshaw-mountain-view#rates, or email customerservice@azutility.com for alternative delivery. **Please be advised that the rates and charges ultimately approved by the Commission may be higher or lower than the rates and charges requested in the Application.**

Customer input is an important part of the Commission's analysis of the requested adjustment and is a factor in determining whether a hearing will be conducted. Customers should bring to the Commission's attention any questions or concerns related to the Company's Application, including service, billing procedures or other factors important in determining the reasonableness of charges. Customers may have the right to intervene in this matter. Customers wishing to communicate with the Commission, or request information on intervention in the proceeding, should contact the Commission's Consumer Services Section at 800-222-7000 (if located outside the Phoenix local calling area) or 602-542-4251 in the Phoenix local calling area. Written public comments may be submitted by mailing a letter referencing **Docket No. WS-02089A-26-0446** to the Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website (www.azcc.gov) by clicking on "Cases and Open Meetings" and "Make a Public Comment in a Docket".

If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket 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 "Cases and Open Meetings" and "Follow a Docket or Document Type."

Customers are advised that the Commission may act upon the Application without a hearing. Regardless of whether a formal hearing is held, customer comments submitted in writing will be placed in the office file, which the Commission reviews prior to making its final decision on the Application. It is important that customers contact the Commission within 15 days of the receipt of this notice so that the Commission's Staff can consider customer comments and concerns in developing its recommendations to the Commission.

CURRENT AND PROPOSED WATER RATES

MONTHLY MINIMUM OR BASIC SERVICE CHARGE

METER SIZE	CUSTOMER CLASS	CURRENT RATES		CUSTOMER CLASS	PROPOSED RATES	
		RATE	GALLONS INCLUDED		RATE	GALLONS INCLUDED
5/8 x 3/4-inch Meter	All	$ 18.80	0	All	$ 30.00	0
3/4-inch Meter	All	18.80	0	All	45.00	0
1-inch Meter	All	47.00	0	All	75.00	0
1-1/2-inch Meter	All	94.00	0	All	150.00	0
2-inch Meter	All	150.40	0	All	240.00	0
3-inch Meter	All	282.00	0	All	480.00	0
4-inch Meter	All	470.00	0	All	750.00	0
6-inch Meter	All	940.00	0	All	1,500.00	0
Rate Case Surcharge	N/A	N/A	N/A	All	$ 1.01	0

Commodity Rates: (Per 1,000 gallons)

Gallons included in Minimum - 0

	CURRENT RATES			PROPOSED RATES		
		Gallons			Gallons	
5/8 x 3/4-inch Meter - All Classes	RATES	FROM	TO	RATES	FROM	TO
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
3/4-inch Meter - All Classes						
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
1-inch Meter - Residential						
FIRST TIER	$ 2.00	0	3,000	$ 2.50	0	3,000
SECOND TIER	$ 2.67	3,001	8,000	$ 4.25	3,001	8,000
THIRD TIER	$ 2.80	Over 8,000 Gallons		$ 7.94	8,001	50,000
FOURTH TIER	N/A	N/A	N/A	$ 12.00	Over 50,000 Gallons	
1-inch Meter - Non-Residential						
FIRST TIER	$ 2.67	0	14,000	$ 4.25	0	14,000
SECOND TIER	$ 2.80	Over 14,000 Gallons		$ 7.94	Over 14,000 Gallons	

GALLONS IN EXCESS OF MINIMUM FOR LARGER METER SIZES WITH ONE TIER BREAK - RESIDENTIAL, COMMERCIAL & INDUSTRIAL Commodity Charge (Per 1,000 Gallons)

	CURRENT RATES - ALL CLASSES			PROPOSED RATES - ALL CLASSES		
	RATES		BREAK-OVER POINT	RATES		BREAK-OVER POINT
METER SIZE	Up to Break-Over Point	After Break-Over Point		Up to Break-Over Point	After Break-Over Point	
1-1/2-inch Meter	$ 2.67	$ 2.80	28,000	$ 4.25	$ 7.94	28,000
2-inch Meter	$ 2.67	$ 2.80	56,000	$ 4.25	$ 7.94	56,000
3-inch Meter	$ 2.67	$ 2.80	120,000	$ 4.25	$ 7.94	120,000
4-inch Meter	$ 2.67	$ 2.80	285,000	$ 4.25	$ 7.94	285,000
6-inch Meter	$ 2.67	$ 2.80	640,000	$ 4.25	$ 7.94	640,000

CURRENT AND PROPOSED WATER SERVICE CHARGES

SERVICE LINE AND METER INSTALLATION CHARGES:

(Refundable pursuant to AAC R14-2-405)	CURRENT CHARGES			COMPANY PROPOSED		
METER SIZE	**Service Line**	**Meter**	**Total**	**Service Line**	**Meter**	**Total**
5/8" x 3/4" Meter	$ 500.00	$ 150.00	$ 650.00	$ 565.00	$ 370.00	$ 935.00
3/4" Meter	476.00	224.00	700.00	565.00	390.00	955.00
1" Meter	468.00	252.00	720.00	629.00	455.00	1,084.00
1-1/2" Meter	605.00	495.00	1,100.00	699.00	953.00	1,652.00
2" Meter - Turbine	805.00	945.00	1,750.00	1,054.00	1,066.00	2,120.00
2" Meter - Compound	N/A	N/A	N/A	1,054.00	1,928.00	2,982.00
3" Meter - Turbine	$ 1,100.00	$ 1,650.00	$ 2,750.00	1,327.00	1,703.00	3,030.00
3" Meter - Compound	N/A	N/A	N/A	1,480.00	3,832.00	5,312.00
4" Meter - Turbine	$ 1,440.00	$ 2,560.00	$ 4,000.00	1,892.00	2,723.00	4,615.00
4" Meter - Compound	N/A	N/A	N/A	2,121.00	4,856.00	6,977.00
6" Meter - Turbine	$ 2,240.00	$ 5,760.00	$ 8,000.00	2,807.00	5,126.00	7,933.00
6" Meter - Compound	N/A	N/A	N/A	2,959.00	7,058.00	10,017.00
Over 6" Meters	At Cost	At Cost	At Cost	At Cost	At Cost	At Cost

Monthly Service Charge for Fire Sprinklers:

2% of Monthly Minimum for a comparable sized meter connection, but no less than $10.00 per month. The service charge for fire sprinklers is only applicable to service lines separate and distinct from the primary water service line.

SERVICE CHARGES	**CURRENT CHARGES**	**PROPOSED CHARGES**
Establishment	$ 45.00	$ 45.00
Reconnection (Delinquent)	$ 45.00	$ 50.00
Meter Test (If Correct)	$ 40.00	$ 40.00
Deposit	*	*
Deposit Interest	No tariff	***
After Hours Service Charge	$ 45.00	$ 75.00
Reestablishment (Within 12 Months)	**	**
NSF check	$ 25.00	25.00
Deferred Payment (Per Month)	1.50%	1.50%
Meter Reread (If Correct)	$ 15.00	$ 20.00
Late payment (Per Month)	1.50%	****

* Per Commission Rule A.A.C. R-14-2-403(B)(7).
** Months off system times the monthly minimum per A.A.C. R14-2-403(D).
*** Per Commission Rule A.A.C. R-14-2-403(B)(3).
**** 1.5% of the past due amount or $5.00, whichever is greater.

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