

JOHNSON UTILITIES CUSTOMERS TO RECEIVE RATE REDUCTION

Docket #WS-02987A-I7-0392, Decision #76889

On September 11, 2018, the Arizona Corporation Commission (ACC) approved a reduction in rates for Johnson Utilities water and wastewater customers.

Regulated utilities are required to collect local, state and federal taxes as part of the service provided to customers. The Tax Cuts and Jobs Act of 2017 passed into law in December 2017, and reduced the corporate tax rate from 35 to 21 percent. However, current rates for Johnson Utilities customers were set by the ACC on August 12, 2014 at a 25 percent tax rate.

Until new rates are adopted by the ACC in a future rate case, the monthly rate for most Johnson Utilities customers will be **reduced** to adjust for the lower corporate tax rate now in effect. Customers will also receive a **one-time credit** on their October 2018 bill to refund corporate taxes collected from January through September 2018 at the previous tax rate before the ACC's approval.



In addition to the corporate tax savings, the reduction in rates also removes income taxes from the rates for service provided to Johnson Utilities water and wastewater customers.

These changes will become effective in the October 2018 billing cycle.

FOR EXAMPLE:

The majority of Johnson Utilities residential customers are on 3/4" meters. Below are examples of the savings for a 3/4" residential customer.



Water Service Only: Beginning with the October 2018 billing cycle, residential customers on a 3/4" meter will see their monthly water usage charge decrease to \$16.34, a savings of \$0.56 each month. In addition, a one-time credit of \$2.78 will appear on the October 2018 bill.



Wastewater Service Only: Beginning with the October 2018 billing cycle, residential customers on a 3/4" meter will see their monthly wastewater usage charge decrease to \$39.24, a savings of \$1.74 each month. In addition, a one-time credit of \$8.71 will appear on the October 2018 bill.



Customers Who Receive Both Water & Wastewater Service: Beginning with the October 2018 billing cycle, residential customers on a 3/4" meter will see their monthly water usage charge decrease to \$16.34. Their monthly wastewater usage charge will decrease to \$39.24. Combined, this will be a savings of \$2.30 each month.



Customers who receive both water and wastewater service will also receive one-time credits of \$2.78 (water) and \$8.71 (wastewater) on the October 2018 bill, a combined additional savings of \$11.49.

TAX SAVINGS FOR JOHNSON UTILITIES CUSTOMERS

One-Time Credit

Meter Size	Water	Wastewater
5/8"	\$1.85	\$5.81
3/4"	\$2.78	\$8.71
1"	\$4.63	\$14.51
1-1/2"	\$9.26	\$29.03
2"	\$14.82	\$46.44
3"	\$27.78	\$87.08
4"	\$46.30	\$145.13
6"	\$92.61	\$290.26

The one-time credit will appear on the October 2018 bill only.

Monthly Reduction in Rates for Water Customers

Meter Size	Old Water Minimum Charge	Savings	New Water Minimum Charge
5/8"	\$11.27	(\$0.37)	\$10.90
3/4"	\$16.90	(\$0.56)	\$16.34
1"	\$28.17	(\$0.93)	\$27.24
1-1/2"	\$56.33	(\$1.85)	\$54.48
2"	\$90.13	(\$2.96)	\$87.17
3"	\$180.26	(\$5.56)	\$174.70
4"	\$281.66	(\$9.26)	\$272.40
6"	\$563.31	(\$18.52)	\$544.79
8"	\$901.30	No Change	\$901.30
10"	\$1,295.61	No Change	\$1,295.61

Monthly Reduction in Rates for Wastewater Customers

Meter Size	Old Sewer Fee	Savings	New Sewer Fee
5/8"	\$37.27	(\$1.16)	\$36.11
3/4"	\$40.98	(\$1.74)	\$39.24
1"	\$52.17	(\$2.90)	\$49.27
1-1/2"	\$67.07	(\$5.81)	\$61.26
2"	\$108.06	(\$9.29)	\$98.77
3"	\$409.88	(\$17.42)	\$392.46
4"	\$782.48	(\$29.03)	\$753.45
6"	\$1,080.57	(\$58.05)	\$1,022.52
8"	\$1,490.80	No Change	\$1,490.80
10"	\$2,143.03	No Change	\$2,143.03

QUESTIONS?

480-987-9870
customerservice@johnsonutilities.com

