

**PART THREE**  
**CUSTOMER ASSISTANCE TARIFF**  
**DOMESTIC SERVICE - SINGLE FAMILY ACCOMMODATION**

**APPLICABILITY**

Applicable to residential wastewater service for domestic use rendered to individuals who meet all the program qualifications and special conditions of this rate schedule.

**PROGRAMS**

This Customer Assistance Tariff ("CAT") contains the following programs: (1) Low-Income Program; (2) Deployed Services Member Program; and (3) Disabled Veteran Program. Collectively, these three programs are referred to as the "Customer Assistance Programs."

**TERRITORY**

Within all customer service areas served by SaddleBrooke Utility Company ("SBU" or "Company").

**RATES**

Fifteen percent (15%) discount applied to the regular filed tariff.

**PROGRAM QUALIFICATIONS**

1. The SBU bill must be in your name and the address must be your primary residence.
2. You may not be claimed as a dependent on another person's tax return.
3. You must reapply each time you move residences.
4. You must renew your application once every year, or sooner, if requested.
5. You must notify SBU within thirty (30) days if you become ineligible for the CAT.

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**SPECIAL CONDITIONS**

1. **Application:** An application on a form authorized by the Commission is required for each request for service under this schedule. A customer must reapply every year or sooner, if requested.
2. **Commencement of Rate:** Eligible customers whose applications have been approved shall be billed on this schedule commencing with the next regularly scheduled billing period that follows approval of application by SBU.
3. **Verification:** Information provided by the applicant is subject to verification by SBU. Refusal or failure of a customer to provide documentation of eligibility acceptable to SBU, upon request by SBU, shall result in removal from this rate schedule.
4. **Notice from Customer:** It is the customer's responsibility to notify SBU if there is a change of eligibility status.
5. **Rebilling:** Customers may be re-billed retroactively for periods of ineligibility under the applicable rate schedule.
6. **Participation Limit:** The CAT (for all three programs included) is limited to 400 customers of the Company. Applications will be reviewed and approved on a first come, first served basis. Applicants will be placed on a waiting list if the participation limit has been met.
7. **Qualification:** A customer that qualifies for more than one program will only receive benefits from one program per year. CAT benefits will not be combined or accumulated.

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**LOW-INCOME PROGRAM**

To qualify for the low-income program, the total gross annual income of all persons living in your household cannot exceed the income levels below:

**Effective August 1, 2021**

<u>No. of Person in Household</u>	<u>Total Gross Annual Income*</u>
1	\$19,320
2	\$26,130
3	\$32,940
4	\$39,750
5	\$46,560
6	\$53,370

For each additional person residing in the household, add \$6,810

**\*Qualifying annual incomes are set at 150 percent of the 2021 federal poverty levels.**

Acceptance into the program is subject to verification of income source.

For the purpose of the program the "gross household income" means all money and non-cash benefits, available for living expenses, from all sources, both taxable and non-taxable, before deductions for all people who live in your home. This includes, but is not limited to:

Wages or salaries	Social Security, SSI, SSP	Rental or royalty income
Interest or dividends from:	Scholarships, grants, or other aid	Profit from self-employment
Savings account, stocks or bonds	used for living expenses	(IRS form Schedule C, Line 29)
Unrealized capital gains	Disability payments	Worker's Compensation
Unemployment benefits	Food Stamps	Child Support
TANF (AFDC)	Insurance settlements	Spousal Support
Pensions	Gifts	

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**DEPLOYED SERVICES MEMBER PROGRAM**

This program allows the Company to provide a 15% discount to deployed service members of the United States Military.

The Company will provide the credit on the deployed service member's bill provided that the following criteria are met:

1. Deployment is not a "permanent change of station." Permanent change of station requires a service member to permanently change his or her place of residence, paid for by the applicable military branch. A service member's decision to keep a secondary residence in Arizona would be discretionary and would not qualify for this credit.
2. Deployed member does not have family living in the premises. Short term deployments, where a spouse and/or dependents remain in the United States would not qualify, as the service member would receive separate compensation from the military to cover domestic expenses while deployed.
3. The deployed service member is an active member of the military (*e.g.*, Air Force, Army, Coast Guard, Marines, and Navy), as defined by 10 U.S.C. § 101(a)(4), and includes any member of the Reserves or National Guard called to active duty.

**ADMINISTRATION**

1. Participation shall be determined on a first come, first served basis.
2. Each service member's eligibility must be verified based on written orders from the service member's command.
3. Continued eligibility will be determined periodically through a recertification process.
4. The Company is permitted to seek Commission approval to change participant limits based on level of participation.

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**DISABLED MILITARY VETERAN PROGRAM**

This program allows the Company to provide a 15% discount to disabled military veterans of the United States Military.

The Company will provide the credit on the disabled military veteran's bill provided that the following criteria are met:

1. Disabled military veteran was honorably discharged from the armed forces.
2. Disabled military veteran must have a permanent disability rating related to their military duty service.
3. The disabled military veteran must have been an active member of the military (e.g., Air Force, Army, Coast Guard, Marines, and Navy), as defined by 10 U.S.C. § 101(a)(4), and includes any member of the Reserves or National Guard called to active duty.

**ADMINISTRATION**

1. Participation shall be determined on a first come, first served basis.
2. Each service member's eligibility must be verified based on documentation demonstrating a medical discharge or other written documentation from the United States Department of Defense or Department of Veteran Affairs.
3. Continued eligibility will be determined periodically through a recertification process.
4. The Company is permitted to seek Commission approval to change participant limits based on level of participation.
5. Qualifying annual incomes are set at 200 percent of the 2021 federal poverty levels.

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**DISABLED MILITARY VETERAN PROGRAM**

**Effective August 1, 2021**

<u>No. of Person in Household</u>	<u>Total Gross Annual Income*</u>
1	\$25,760
2	\$34,840
3	\$43,920
4	\$53,000
5	\$62,080
6	\$71,160

For each additional person residing in the household, add \$9,080

Acceptance into the program is subject to verification of income source.

For the purpose of the program the “gross household income” means all money and non-cash benefits, available for living expenses, from all sources, both taxable and non-taxable, before deductions for all people who live in your home. This includes, but is not limited to:

Wages or salaries	Social Security, SSI, SSP	Rental or royalty income
Interest or dividends from:	Scholarships, grants, or other aid	Profit from self-employment
Savings account, stocks or bonds	used for living expenses	(IRS form Schedule C, Line 29)
Unrealized capital gains	Disability payments	Worker’s Compensation
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**RECOVERY OF COST OF AND CUSTOMER SURCHARGES**

The Company shall recover the CAT costs from a monthly CAT surcharge on all residential and non-residential wastewater customers who are not participating in the CAT. SBU is entitled to seek recovery of direct costs (*i.e.*, those costs directly associated with the programs, which costs would not be incurred in the absence of the programs). The Company shall account for those direct costs separately from other operating costs.

SBU shall be entitled to implement a CAT surcharge on non-participating residential and non-residential wastewater as follows.

- For customers participating in the CAT, the Company shall maintain a balancing account detailing the beginning and ending balance of the cumulative unrecovered program costs each month.
- SBU's authorized rate of return shall be applied monthly to the average of the beginning balances of the cumulative unrecovered program costs for wastewater service and included in the beginning balances for the following month.
- Using the balancing account, SBU shall calculate the monthly surcharge for each customer as follows:

(Ending Balance for CAT Balancing Account including amortized carrying costs during recovery period/Number of active non-participating wastewater connections at year end)/12

- The ending balance in the balancing account shall equal the beginning balances plus discounts allowed on bills for the twelve month tracking period, plus direct program costs incurred in the twelve month period plus the return less surcharge fees billed in the twelve month tracking period.
- SBU shall implement a monthly surcharge for the CAT for each twelve-month period of the CAT. The Company shall calculate the monthly surcharge each year based on the active number of customer connections as of December 31 of the prior year. The Company shall file notice of the surcharge, along with a report on the CAT, with the Arizona Corporation Commission on or before January 31 and the surcharge shall be implemented on customer bills in February of each year with the recovery period ending in January of the following year.