

GRAHAM COUNTY UTILITIES, INC.
IMPORTANT NOTICE ABOUT AN INCREASE IN YOUR GAS RATES

On August 29, 2017, Graham County Utilities, Inc. (“GCU”) filed an application with the Arizona Corporation Commission (“ACC”) for an increase in revenues. After hearing and evaluating all the evidence, the ACC issued Decision No. 76754 on June 25, 2018, authorizing an overall 11.08 percent increase in revenue for GCU. The last rate increase was approved on April 22, 2016 (Decision No. 75509).

For an average residential customer using 69 therms per month in the winter, this results in an increase in the monthly bill of \$2.65, from \$42.43 to \$45.08 or 6.25%. For an irrigation customer using 214 therms per month in the summer, this results in an increase in the monthly bill of \$2.40, from \$68.37 to \$70.77 or 3.51%. For a commercial customer using 625 therms per month in the winter, this results in an increase in the monthly bill of \$8.35, from \$271.11 to \$279.46 or 3.08%.

The new rates and charges for Graham County Utilities, Inc. (Gas Division) will become effective July 1, 2018. If you have any questions regarding this notice, you may contact the Cooperative at Graham County Utilities, Inc., PO Drawer B, Pima AZ 85543 or call 928-485-2451. You may visit our website, www.gce.coop, for more information and details concerning your gas rates.

| | Monthly Basic Charge: | Basic Charge Increase: | Charge Per Therm: | Charge Per Therm Increase: | Average Increase %: |
|-------------|----------------------------------|-----------------------------------|------------------------------|---------------------------------------|--------------------------------|
| Residential | \$19.00 | \$2.65 | \$0.37800 | \$0.00000 | 6.25% |
| Commercial | \$42.00 | \$8.35 | \$0.37994 | \$0.00000 | 3.08% |
| Irrigation | \$30.00 | \$2.40 | \$0.19050 | \$0.00000 | 3.51% |