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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE APPLICATION OF WOODRUFF WATER COMPANY, INC., FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICE IN PINAL COUNTY, ARIZONA	DOCKET NO. W-04264A-04-0438
IN THE MATTER OF THE APPLICATION OF WOODRUFF UTILITY COMPANY, INC., FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE SEWER SERVICE IN PINAL COUNTY, ARIZONA	DOCKET NO. SW-04265A-04-0439
IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION, TO EXTEND ITS EXISTING CERTIFICATES OF CONVENIENCE AND NECESSITY AT CASA GRANDE AND COOLIDGE, PINAL COUNTY, ARIZONA.	DOCKET NO. W-01445A-04-0755 **NOTICE OF FILING WATER TARIFF AND SEWER TARIFF; AND NOTICE OF INITIATION OF WATER SERVICE TO FIRST CUSTOMER**

Snell & Wilmer
L.L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

In compliance with Decision 68453, Woodruff Water Company, Inc., and Woodruff Utility Company, Inc., hereby file the following items:

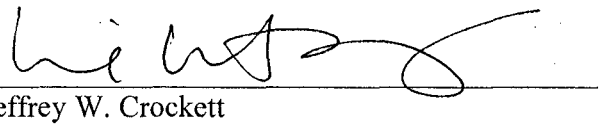
1. A copy of the tariff of Woodruff Water Company, consistent with the rates and charges authorized in Decision 68453, is attached hereto as Exhibit "A." Included as Part Two, Section I, of the water tariff is a cross-connection control tariff, and included as Part Two, Section II, of the tariff is a curtailment plan. The filing of this tariff addresses items 3 and 4 of Finding of Fact 122 in Decision 68453.

2. A copy of the tariff of Woodruff Utility Company, consistent with the rates and charges authorized in Decision 68453, is attached hereto as Exhibit "B." The filing of this tariff addresses item 3 of Finding of Fact 124 in Decision 68453.

Pursuant to Finding of Fact 122(10) in Decision 68453, Woodruff Water Company must notify the Utilities Division Compliance Section within 30 days of initiating service to its first customer. Woodruff Water Company commenced water service to its first customer on or about September 1, 2004, in connection with the company's Initial Request to Establish a New Service Area Right filed with the Arizona Department of Water Resources. This information was previously provided to the Commission's administrative law judge during the hearing in this case on May 23, 2005. *See Transcript Vol. I*, page 115, lines 6-16.

RESPECTFULLY submitted this 3rd day of March, 2006.

SNELL & WILMER



Jeffrey W. Crockett
Marcie Montgomery
One Arizona Center
400 East Van Buren
Phoenix, Arizona 85004-2202
Attorneys for Woodruff Water Company, Inc. and
Woodruff Utility Company, Inc.

ORIGINAL and 17 copies of the foregoing
filed this 3rd day of March, 2006, with:

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

A COPY of the foregoing was hand-delivered
this 3rd day of March, 2006, to:

Marc E. Stern, Administrative Law Judge
Hearing Division
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, Arizona 85007

Christopher C. Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Snell & Wilmer
L.L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

A COPY of the foregoing was mailed
this 3rd day of March, 2006, to:

Denis Fitzgibbons
Coolidge City Attorney
711 East Cottonwood, Suite E
Casa Grande, Arizona 85230-1208

Michael W. Patten
ROSHKA DEWULF & PATTEN, PLC
400 East Van Buren, Suite 800
Phoenix, Arizona 85004
Attorneys for Pulte Home Corporation

Ursula H. Gordwin
Casa Grande Assistant City Attorney
510 E. Florence Boulevard
Casa Grande, Arizona 85222

Robert W. Geake
Vice President and General Counsel
ARIZONA WATER COMPANY
P.O. Box 29006
Phoenix, Arizona 85038-9006

Steven A. Hirsch
BRYAN CAVE LLP
Two North Central Avenue, Suite 2200
Phoenix, Arizona 85004-4406

1801059

Snell & Wilmer
L.L.P.
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

EXHIBIT A

TARIFF

ISSUED BY:

Woodruff Water Company, Inc.
2555 East Camelback Road, Suite 700
Phoenix, Arizona 85044

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PART ONE
STATEMENT OF CHARGES
WATER SERVICE

I. RATES AND CHARGES

In Decision No. 68453, dated February 2, 2006, the Arizona Corporation Commission approved the following rates and charges to become effective April 3, 2006.

A. GENERAL RESIDENTIAL, COMMERCIAL AND INDUSTRIAL SERVICE

1. SCHEDULE OF MONTHLY CUSTOMER AND COMMODITY CHARGES

Meter Size-Inches	Minimum Charge Per Month[1]	Commodity Rate (per 1,000 gallons)	
		Gallons Used	Charge per 1,000 gallons
5/8" x ¾" Meter	$20.00	0 to 4,000	$2.08
		4,001 to 20,000	$3.12
		20,001 and above	$3.74
¾" Meter	$30.00	0 to 4,000	$2.08
		4,001 to 20,000	$3.12
		20,001 and above	$3.74
1" Meter	$50.00	0 to 25,000	$3.12
		25,001 and above	$3.74
1 ½" Meter	$100.00	0 to 42,000	$3.12
		42,001 and above	$3.74
2" Meter	$160.00	0 to 63,000	$3.12
		63,001 and above	$3.74
3" Meter	$300.00	0 to 120,000	$3.12
		120,001 and above	$3.74
4" Meter	$500.00	0 to 180,000	$3.12
		180,001 and above	$3.74
6" Meter	$1,000.00	0 to 207,000	$3.12
		207,001 and above	$3.74
8" Meter	$1,600.00	0 to 235,000	$3.12
		235,001 and above	$3.74
10" Meter	$2,300.00	0 to 262,000	$3.12
		262,001 and above	$3.74
12" Meter	$4,300.00	0 to 290,000	$3.12
		290,001 and above	$3.74

[1] The minimum monthly charge does NOT include any gallons of usage. Customers are responsible and subject to additional commodity charges as outlined in the Schedule of Monthly Customer and Commodity Charges.

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

2. SCHEDULE OF CHARGES FOR SERVICE LINE AND METER INSTALLATION

The following service line and meter installation charges are applicable and refundable pursuant to A.A.C. R14-2-405(B):

Meter Size-Inches	Installation Charges
5/8" x ¾" Meter	$400.00
¾" Meter	$440.00
1" Meter	$500.00
1 ½" Meter	$715.00
2" Meter (Turbo)	$1,170.00
2" Meter (Compound)	$1,700.00
3" Meter (Turbo)	$1,585.00
3" Meter (Compound)	$2,190.00
4" Meter (Turbo)	$2,540.00
4" Meter (Compound)	$3,215.00
6" Meter (Turbo)	$4,815.00
6" Meter (Compound)	$6,270.00
8" Meter (Turbo)	Cost (a)
8" Meter (Compound)	Cost (a)
10" Meter (Turbo)	Cost (a)
12" Meter (Compound)	Cost (a)

(a) Cost includes all parts, materials, labor, engineering, overhead and applicable taxes.

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

3. SCHEDULE OF MONTHLY SERVICE CHARGES FOR FIRE SPRINKLERS

SERVICE SIZE	MONTHLY CHARGE[2]
4" or smaller	1% of the monthly minimum charge for a 4" meter or $5.00, whichever is greater
6"	1% of the monthly minimum charge for a 6" meter or $5.00, whichever is greater
8"	1% of the monthly minimum charge for an 8" meter or $5.00, whichever is greater
10"	1% of the monthly minimum charge for a 10" meter or $5.00, whichever is greater
Larger than 10"	1% of the monthly minimum charge for a comparable sized meter connection or $5.00, whichever is greater

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, in accordance with A.A.C. R14-2-409(D)(5) or any successor rule.

[2] The monthly service charge for fire sprinklers is only applicable for service lines which are separate and distinct from the primary water service line to the service address.

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

III. ADDITIONAL CHARGES

The Company is authorized to charge the following additional service charges:

1. Establishment, each time an account is established for all customers during normal business hours.	$30.00
2. Establishment of an account during non-business hours.	$45.00
3. Reconnection for delinquency, each time a customer is disconnected.	$35.00
4. Non-Sufficient Funds (NSF) Check Charge (for each returned check).	$25.00
5. Meter re-read (only charged if the original reading was not in error).	$30.00
6. Meter test (only charged if meter is found to be registering correctly).	$30.00
7. Deferred payment finance charge (per month)	1.50%
8. Deposit interest (per month)[3]	*
9. Deposit[4]	*
10. Re-establishment, within 12 months[5]	*
11. Late payment penalty (per month)	1.50%[6]

IV. PERMITTED COSTS

A. The Company's costs shall be verified by invoice.

B. For any service provided by the Company "at cost" under this Tariff, cost shall include all labor, parts, materials, engineering, permit fees, other charges incurred, and applicable overhead (which overhead shall not exceed 10% of hard construction costs). Before the Company shall incur any costs in providing such service to a customer, the Company shall provide the customer with and estimate of the cost. After a customer's review of the cost estimate, the customer shall pay the amount of the estimated cost to the Company before the company will start construction.

C. In the event that the actual cost of providing a service is less than the estimated cost, the Company shall refund the difference to the customer within 30 days after the later of: (i) completion of the service, or (ii) the Company's receipt of all invoices, timesheets or other related documents supporting the costs of the service.

D. In the event the actual cost is more than the estimated cost, the Company shall bill the customer for the difference within 30 days after the later of: (i) completion of the service, or (ii) the Company's receipt of all invoices, timesheets or other related documents supporting the costs of the service. The amount so billed shall be due and payable 30 days after the invoice date.

E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

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[3] Per A.A.C. R14-2-403(B) or any successor rule.
[4] Per A.A.C. R14-2-403(B) or any successor rule.
[5] Number of months off system times the applicable monthly minimum service charge.
[6] This charge shall not apply if the customer has arranged for a deferred payment plan.

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

F. Permitted costs shall include any State or Federal income taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

V. PRIVATE FIRE SERVICE

A. APPLICATION TO WATER SERVICE AREAS

This Section V applies to all water service furnished for the specific purpose of providing private fire service. It is an express condition of the Company's provision of private fire service that no water may be taken through any private fire service system for any purpose other than for the extinguishment of fires.

B. RATE

The rates for private fire service are set forth in Section I(A)(3) above.

C. SPECIAL PROVISIONS

1. The customer shall pay, without refund, the entire cost of the private fire service.

2. The private fire service shall be installed by the Company or under the Company's direction and shall be the sole property and subject to the control of the Company, with the right to alter, repair, replace and the right to remove upon discontinuance of service.

3. The minimum diameter for private fire service will be four (4) inches. The maximum diameter for private fire service shall not be larger than the diameter of the water main to which the fire protection service is attached unless said main is circulating, in which case with the approval of the Company of the maximum diameter may be larger than the diameter of said circulating main.

4. If a water main of adequate size is not available adjacent to the premises to be served, then a new main from the nearest existing main of adequate size will be installed by the Company at the cost of the customer, and such cost shall not be subject to refund.

5. The private fire service facilities will include a detector check valve, backflow prevention device, or other similar device acceptable to the Company which will indicate the use of water. The facilities may be located within the customer's premises or within the public right-of-way adjacent thereto. Where located within the customer's premises, the Company and its duly authorized agents shall have the full right of ingress and egress from the premises for all purposes related to the operation, maintenance, repair, inspection and replacement of said facilities.

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

6. The customer shall notify the Company within 48 hours of an activation of the private fire service system where any amount of water is discharged.

7. No structure shall be built over any portion of the private fire service system. The customer shall maintain and safeguard the area occupied by the private fire service system from traffic and other hazardous conditions. The customer shall be responsible for any damage to the private fire service system whether such damage is the result of operation of the private fire service system or from any other cause.

8. Subject to the approval of the Company, any change in the location or construction of the private fire service system as may be requested or required by any public authority or by the customer shall be made by the Company only after payment to the Company of the entire cost of such change.

9. The customer shall separate the private fire service system from the customer's regular domestic water service facilities. Any unauthorized use of water through the private fire service will be charged for at the applicable tariff rates and shall be grounds for the Company's discontinuation of private fire service to the Customer without liability.

10. There shall be no cross connection between the systems supplied by water through the Company's private fire service and any other source of supply without the prior written approval of the Company. Such approval, if given, shall at a minimum require, at the customer's sole expense, installation of a special double check valve or other device acceptable to the Company. Any unauthorized cross connection shall be grounds for the immediate discontinuation of private fire service without liability.

11. LIMITATION ON LIABILITY. THE COMPANY SHALL SUPPLY ONLY SUCH WATER AT SUCH PRESSURES AS MAY BE AVAILABLE FROM TIME TO TIME AS A RESULT OF THE NORMAL OPERATION OF ITS WATER SYSTEM. THE COMPANY DOES NOT WARRANT NOR GUARANTEE ANY SPECIFIC WATER PRESSURE OR GALLONS-PER-MINUTE FLOW RATE AT ANY OF THE PRIVATE FIRE SERVICE FACILITIES INSTALLED. IN THE EVENT SERVICE IS INTERRUPTED OR IRREGULAR OR DEFECTIVE OR FAILS FROM CAUSES BEYOND THE COMPANY'S REASONABLE CONTROL OR THROUGH THE NEGLIGENCE OF ITS EMPLOYEES, SERVANTS OR AGENTS, THE COMPANY SHALL NOT BE LIABLE FOR ANY INJURIES OR DAMAGES ARISING THEREFROM.

12. The customer shall make no claim against the Company for any loss or damage resulting from services provided under this Section V.

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

VI. PUBLIC FIRE HYDRANT SERVICE

A. AVAILABILITY

Public fire hydrant service is available in all cities, towns and unincorporated areas in which the Company has a general water utility business where there are facilities of adequate capacity and pressure and where a legally recognized public fire protection authority, agency or entity has the responsibility to provide general fire protection, including the request for installation of and the payment of bills and payment for the installation and/or relocation of public fire hydrants.

B. APPLICATION

This Section VI applies to all Public Fire Hydrants installed for the specific purpose of providing public fire hydrant service.

C. RATE

There is no monthly fee applicable to public fire hydrant service.

D. SPECIAL PROVISIONS

1. The public fire protection authority, agency or entity having appropriate jurisdiction to do so shall specify the location of each public fire hydrant to be installed or relocated. Public fire hydrants shall not be installed or relocated on a water main with only one connection to the system without prior written approval of the Company.

2. The Company will own and maintain all public fire hydrants.

3. Prior to the installation or relocation by the Company of any public fire hydrant, the public fire protection authority, agency or entity requesting such public fire hydrant installation or relocation, as applicable, shall pay to the Company the entire cost of the installation or relocation of such public fire hydrant, including the cost of all the fire hydrant, valves, pipes, fittings, materials, labor, engineering, overhead and other costs of the Company. Such payment shall be non-refundable to the public fire protection authority, agency or entity requesting entity.

4. The cost of relocating any public fire hydrant shall be paid by the party requesting relocation. Included as relocation costs under this provision are those costs incurred in connection with moving a public fire hydrant because of street changes, including changes in grade.

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

5. Quantities of water delivered through public fire hydrants for purposes other than fire fighting shall be measured by a temporary meter installed on the hydrant or estimated, at the Company's sole discretion, and charges therefor shall be made to the person or entity which requests such water at the applicable commodity rate under the Company's General Service Schedule. In addition, the Company may charge a monthly service charge for the use of any temporary meter at the applicable meter rate under the Company's General Service Schedule.

6. Notwithstanding Section VI(D)(5) above, the public fire protection authority, agency or entity may use water for the purpose of testing hydrants at reasonable intervals. The Company shall be notified in advance of the date and time these tests are planned so that the Company may, in its sole discretion, have a representative in attendance at the test. The Company may refuse to give its permission to test at any given time if testing at that time would interfere with normal water system operations.

7. LIMITATION ON LIABILITY. THE COMPANY SHALL SUPPLY ONLY SUCH WATER AT SUCH PRESSURES AS MAY BE AVAILABLE FROM TIME TO TIME AS A RESULT OF THE NORMAL OPERATION OF ITS WATER SYSTEM. THE COMPANY DOES NOT WARRANT NOR GUARANTEE ANY SPECIFIC WATER PRESSURE OR GALLONS-PER-MINUTE FLOW RATE AT ANY PUBLIC FIRE HYDRANT. IN THE EVENT SERVICE IS INTERRUPTED OR IRREGULAR OR DEFECTIVE OR FAILS FROM CAUSES BEYOND THE COMPANY'S REASONABLE CONTROL OR THROUGH THE NEGLIGENCE OF ITS EMPLOYEES, SERVANTS OR AGENTS, THE COMPANY SHALL NOT BE LIABLE FOR ANY INJURIES OR DAMAGES ARISING THEREFROM.

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

I. CROSS-CONNECTION CONTROL

A. PURPOSE

To protect the public water supply from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow prevention assemblies pursuant to the provisions of the Arizona Administrative Code, Title 14, Chapter 2, Section 405.B.6, as adopted by the Arizona Corporation Commission, and Title 18, Chapter 4, Section 232, as adopted by the Arizona Department of Environmental Quality.

B. INSPECTIONS

The customer shall cooperate fully with the Company in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer's premises.

C. REQUIREMENTS

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, and specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-232 relating to backflow prevention:

1. The Company shall require a customer to pay for and install, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-232.B or C applies.

2. A backflow-prevention assembly required to be installed by the customer under this Tariff shall comply with the requirements set forth in A.A.C. R18-4-232.D and E.

3. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days in which to comply with the notice. If the customer can show good cause as to why the customer cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission may grant additional time for compliance with this requirement.

4. Testing of any backflow prevention assembly shall be in conformance with the requirements of A.A.C. R18-4-232.F.

Applies to all **WATER** service areas

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

5. Upon receipt of a request by the Company, the customer shall provide the Company with records of installation and testing of any backflow prevention assembly. For each backflow-prevention assembly, these records shall include:

    a. assembly identification number and description;
    b. location;
    c. date(s) of test(s);
    d. description of repairs made by tester; and
    e. tester's name and certificate number.

D. DISCONTINUANCE OF SERVICE:

In accordance with A.A.C. R14-2-407 and 410 and provisions of this Tariff, the Company shall terminate service or deny service to a customer who fails to install and/or test a backflow-prevention assembly as required by this Tariff.

1. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, the Company may terminate service immediately and without notice to the customer. In the event of the termination of service, the backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.

2. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and retested within fourteen (14) days of written notice from the Company. Failure to install or to remedy the deficiency or malfunction of the backflow prevention assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

II. CURTAILMENT PLAN

A. APPLICABILITY

This Section VIII is applicable to all customers served by the Company where the Company determines that temporary water shortages might lead to water system outages, whether caused by drought, fire, or other disaster, diminishing supplies, contamination, equipment failure, increased demands or other causes.

B. PURPOSE

The purpose of this curtailment plan is to implement procedures to cause all customers, regardless of customer class, to reduce water by compliance with specified water conservation measures and other actions required to reduce each customer's normal water use.

C. NOTICE OF CURTAILMENT IMPLEMENTATION

The Company shall notify customers of the need to curtail water use, the stage of curtailment implemented, and the extent of curtailment required, by using one or more of the most appropriate methods listed below, as determined by the Company:

1. A notice published in a local newspaper of general circulation that serves the targeted area.
2. A bill insert or a notice on the customer's monthly bill.
3. Radio and television announcements in the targeted area.
4. Signs, leaflets, or other means of providing public notice as determined by the Company.

The Company shall notify the customers when such curtailment is no longer needed.

D. CURTAILMENT STAGES

Stage One: **Voluntary** water use reduction by customers of 25% or less, as specified by the Company, by adhering to the following practices:

1. No washing of streets, sidewalks, driveways, parking lots, service station aprons, or other exterior features.
2. No washing of automobiles, trucks, trailers, trailer houses, or any type of mobile equipment.
3. Exterior landscape watering not more frequently than once every 2 days.
4. Exterior landscape automatic watering timers reduced from their normal duration setting.
5. No filling of swimming or wading pools.
6. Restaurants to serve drinking water only upon request.
7. Hotels, motels, and other temporary lodging facilities to notify their customers that towels and linens will be washed upon request only, and that their water use should be limited.

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

8. Use of water from fire hydrants only in case of fire.
9. Do not waste water. Examples: Do not let water run down streets or repair any leaking plumbing fittings.
10. Reduce other water uses such that the targeted reduction from the customer's historic water use is achieved.

Stage Two: **Voluntary** water use reduction by customers of more than 25%, as specified by the Company, by adhering to the practices listed under Stage One and the following practices:

1. Exterior landscape watering not more frequently than once every 3 days.
2. Exterior landscape automatic watering timers further reduced from their normal duration setting.
3. Reduce other water uses such that the targeted reduction from the customer's historic water use is achieved.
4. No use of construction water services for dust control, soil compaction, or similar purposes.

Stage Three: **Mandatory** water use reduction by customers to a level specified by the Company, by adhering to the practices listed under Stage One and Stage Two and the following practices:

1. Exterior landscape watering not more frequently than once every 4 days.
2. Exterior landscape automatic watering timers reduced from their normal duration setting.
3. Reduce other water uses such that the targeted water use reduction is achieved.
4. No use of construction water services and other temporary services.
5. Have on hand a minimum of a 3-day emergency supply of drinking water.

E. EXEMPTIONS AND APPEALS

Reduction under curtailment Stages One, Two and Three do not apply to water directly used for public health and safety purposes.

A customer who wishes an exemption from the targeted water use reduction must submit a written request to the Company within ten days of the Company's notice of curtailment. Following review of the request, the Company shall decide whether the targeted water use reduction for that customer should be changed. The Company's decision shall be final.

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

F. TARGETED WATER USE REDUCTION LEVEL

1. All water bills rendered during a Stage Three curtailment shall show the customer's targeted water use reduction percentage, together with all other information the Company considers necessary for the customer to achieve the targeted water use reduction level. If the water bill shows that the customer used water above the targeted water use level, the water bill will include a notice to the customer to end all outdoor water use and that failure to comply will result in temporary loss of service. If the customer exceeds the targeted water use level in the following month, the water bill for that month will include a notice to the customer that water service will be terminated for failure to comply with the curtailment procedures imposed by the Company during supply shortages unless the customer agrees to take actions satisfactory to the Company to end unauthorized use of water. A customer's water service will not be terminated for this type of failure to comply without first receiving notice from the Company of its intent to terminate service.

2. If a customer does not take corrective actions satisfactory to the Company and water service is subsequently terminated and such customer believes water service was terminated in error, the customer should call the Company's local office to discuss the basis of the Company's termination of water service with a customer service representative or office manager. If a customer believes that water service was terminated improperly, the customer may contact the Commission's Consumer Services Section to initiate an investigation.

3. Any customer whose service is terminated for failure to comply with the specific actions required shall not have service restored until such customer demonstrates compliance with such specific actions, satisfactory to the Company, and pays any past due water charges plus a reconnection charge.

G. SPECIAL PROVISIONS

1. The Company shall provide a copy of the curtailment tariff to any customer, upon request.

2. If curtailment efforts do not reduce water use sufficiently and localized water shortages result, the Company will inform the customers of the availability of alternative water supplies in other areas of the Company's water system or neighboring water systems.

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III. RULES AND REGULATIONS

The following terms and conditions ("Terms and Conditions") for the provision of water service which are based on the Arizona Administrative Code, Title 14, Chapter 2, Article 4, apply to all customers who obtain water service from the Company.

A. DEFINITIONS

In these rules and regulations, unless the context otherwise requires, the following definitions shall apply:

1. "Advance in aid of construction." Funds provided to the Company by the applicant under the terms of a main extension agreement, the value of which may be refundable.

2. "Applicant." A person requesting the Company to supply water service.

3. "Application." A request to the Company for water service, as distinguished from an inquiry as to the availability or charges for such service.

4. "Arizona Corporation Commission" or "Commission." The regulatory authority of the State of Arizona having jurisdiction over public service corporations operating in Arizona.

5. "Billing month." The period between any two regular readings of the Company's meters at approximately thirty (30) day intervals.

6. "Billing period." The time interval between two consecutive meter readings that are taken for billing purposes.

7. "Commodity charge." The unit of cost per billed usage, as set forth in the Tariff.

8. "Company." Woodruff Water Company, Inc.

9. "Contribution in aid of construction." Funds provided to the Company by the applicant under the terms of a main extension agreement and/or tariff, the value of which is not refundable.

10. "Customer." The person or entity in whose name water service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of water bills regularly issued in his or her name, regardless of the identity of the actual user of the service.

11. "Customer charge." The amount the customers must pay the Company for the availability of water service, excluding any water used, as specified in the Company's tariffs.

12. "Day." Calendar day.

Applies to all **WATER** service areas

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13. "Distribution main." A water main of the Company from which service lines may be extended to customers.

14. "Interruptible water service." Water service that is subject to interruption or curtailment.

15. "Main extension." The water mains and ancillary equipment necessary to extend the existing water distribution system to provide water service to additional customers.

16. "Master meter." A meter for measuring or recording the flow of water at a single location where said water is transported through an underground piping system to tenants or occupants for their individual consumption.

17. "Meter." The instrument for measuring and indicating or recording the volume of water that has passed through it.

18. "Meter tampering." A situation where a meter has been illegally altered. Common examples are meter bypassing and broken meter seals.

19. "Minimum charge." The monthly amount the customer must pay for the availability of water service, including an amount of usage, as specified in the Company's tariffs.

20. "Minimum delivery pressure." Twenty (20) pounds per square inch gauge (psig) at the meter or point of delivery.

21. "Permanent customer." A customer who applies for and receives permanent water service from the Company.

22. "Permanent service." Water service which, in the opinion of the Company, is of a permanent and established character. The use of water may be continuous, intermittent, or seasonal in nature.

23. "Person." Any individual, partnership, joint venture, corporation, governmental agency or other organization operating as a single entity.

24. "Point of delivery." The point where facilities owned, leased or under license by a customer connects to the Company's pipes or at the outlet side of the meter.

25. "Premises." All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.

26. "Residential subdivision development." Any tract of land which has been divided into four or more contiguous lots for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.

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27. "Residential use." Use of water for domestic purposes such as personal consumption, water heating, cooking, and other residential uses, and includes use in apartment buildings, mobile home parks, and other multi-unit residential buildings.

28. "Service area." The territory in which the Company has been granted a Certificate of Convenience and Necessity or is otherwise authorized by the Commission to provide water service.

29. "Service call out charge." The charge, as specified in the Company's tariffs, which covers the cost of responding to a customer's request for water or other Company service during a period other than regular working hours.

30. "Service establishment charge." The charge, as specified in the Company's tariffs, which covers the cost of establishing a new account.

31. "Service line." A water line that transports water from a common source of supply (normally a distribution main) to the customer's point of delivery.

32. "Service reconnection charge." The charge, as specified in the Company's tariffs, which must be paid by the customer prior to the restoration of water service each time water service is terminated for nonpayment, or whenever water service is terminated for failure to otherwise comply with the Company's tariffs.

33."Service re-establishment charge." The charge, as specified in the Company's tariffs, for water service at the same location to the same customer or any member of such customer's household where water service had been ordered discontinued or had been discontinued for failure to pay a delinquent bill within the preceding twelve (12) months.

34. "Single family dwelling." A house, an apartment, or a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.

35. "Tariffs." The documents filed with the Commission which list the services and products offered by the Company and which set forth the terms and conditions and a schedule of the rates and charges for those services and products.

36. "Temporary service." Water service to premises or enterprises which, in the opinion of the Company, is temporary in character, or where it is known in advance that the water service will be of limited duration. Water service which, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.

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B. ESTABLISHMENT OF WATER SERVICE

INFORMATION FROM NEW APPLICANTS

1. The Company may obtain the following minimum information from each new applicant for water service:

a. Name or names of applicant(s).
b. Proof of identification (social security number, driver's license number, or similar identifying information).
c. Tax assessor parcel number of premises to be served.
d. Service address or location and telephone number.
e. Billing address and telephone number, if different than service address.
f. Address where water service was provided previously.
g. Date applicant will be ready for water service.
h. Indication of whether premises have been supplied with water service previously.
i. Purpose for which water service is to be used.
j. Indication of whether applicant is owner or tenant of or agent for the premises.

2. The Company may require a new applicant for water service to appear at the Company's local office to produce proof of identity and sign the Company's application form.

3. Where water service is requested by two or more individuals, the Company has the right to collect the full amount owed to the Company from any one of the applicants.

DEPOSITS

1. The Company may require a deposit from any new applicant for water service.

2. The Company will issue a nonnegotiable receipt to the applicant for the deposit. The inability of the customer to produce such a receipt will in no way impair his or her right to receive a refund of the deposit which is reflected on the Company's records.

3. Interest on deposits will be calculated annually at an interest rate filed by the Company and approved by the Commission in a tariff proceeding. In the absence of such, the interest rate shall be six (6) percent.

4. Interest will be credited to the customer's bill annually.

5. Residential deposits will be refunded within thirty (30) days after:

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a. Twelve (12) consecutive months of water service without being delinquent in the payment of water bills provided the Company may re-establish the deposit if the customer becomes delinquent in the payment of water bills two or more times within a twelve (12) consecutive month period.

b. The discontinuance of water service when the customer has paid all outstanding amounts due the Company.

6. A separate deposit may be required for each meter installed.

7. The amount of a deposit required by the Company will be determined according to the following terms:

a. Residential customer deposits will not exceed two times the average residential class water bill as evidenced by the Company's most recent annual report filed with the Commission.
b. Nonresidential customer deposits will not exceed two and one-half times that customer's estimated maximum monthly water bill.
c. The Company may review the customer's usage after water service has been connected and adjust the deposit amount based upon the customer's actual usage.

8. Upon discontinuance of water service, the deposit may be applied by the Company toward settlement of the customer's water bill.

GROUNDS FOR REFUSAL OF WATER SERVICE

The Company may refuse to establish water service if any of the following conditions exist:

1. The applicant has an outstanding amount due for the same class of water service with the Company and the applicant is unwilling to make arrangements with the Company for payment.

2. A condition exists which in the Company's judgment is unsafe or hazardous to the applicant, the general population, or the Company's personnel or facilities.

3. Refusal by the applicant to provide the Company with a deposit.

4. The applicant is known to be in violation of the Company's tariffs filed with the Commission or the Commission's rules and regulations.

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5. Failure of the applicant to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the applicant and which have been specified by the Company as a condition for providing water service.

6. The applicant falsifies his or her identity for the purpose of obtaining water service.

SERVICE ESTABLISHMENT, RE-ESTABLISHMENT, AND RECONNECTION CHARGES

1. The Company will make a non-refundable charge, as approved by the Commission, for the establishment, re-establishment, or reconnection of water service. Billing for the service establishment charge will be rendered as a part of the customer's first water service bill.

2. Should water service be established during a period other than regular working hours at the applicant's request, the applicant will be required to pay a service call out charge for the water service establishment. Where the Company's scheduling will not permit water service establishment during regular working hours on the same day requested, the applicant can elect to pay the service call out charge for water service establishment after regular working hours that day.

3. For the purpose of this section, water service establishment is where a customer's facilities are ready and acceptable to the Company and the Company needs only to install a meter, read a meter, or turn the service on.

4. If water service is to be re-established within a twelve (12) month period at the same service location for a customer, or for any member of such customer's household, payment of a non-refundable service re-establishment charge is required. In addition, if service was terminated by the Company for failure to pay a delinquent balance, then payment of the delinquent balance plus a service reconnection for delinquency charge will also be required. Payment of the applicable charges will be required as a pre-condition to the re-establishment of service and is to be made at the time of application for re-establishment of service.

TEMPORARY SERVICE AND DISCONTINUANCE OF TEMPORARY SERVICE

1. The water rates, service charges, and fees for temporary service shall be the same as those prescribed for permanent service established above in Part One.

2. If no undue hardship to its existing customers would result therefrom, the Company will establish temporary service provided the applicant for such service deposits with the Company, in advance of water service establishment, the estimated cost of installing and removing the facilities necessary to establish the temporary service; and

a. Deposits a sum of money equal to the estimated bill for water service where the duration of temporary service is to be less than one (1) month.

b. Satisfies the Company's deposit requirements for permanent service where the duration of water service is to exceed one (1) month.

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3. If at any time during the term of the agreement for water service the character of a temporary customer's operations changes so that, in the opinion of the Company, the customer is classified as permanent, the terms of the Company's main extension rule shall apply.

4. If at any time during the term of the temporary service, the character of the customer's operations changes so that, in the opinion of the Company, the customer should be classified as permanent, the applicable sections of Part One and Two will apply and govern the disposition of the customer's payment to the Company of the estimated cost of installing and removing the temporary service.

5. If at any time during the term of the temporary service, the character of the customer's operations causes hardship to the Company's permanent customers, the Company shall have the right to discontinue temporary service to the customer, but will provide a thirty (30) day advanced written notice to the customer of the Company's intent to discontinue service.

SERVICE RENDERED UNDER SPECIAL AGREEMENT

Water service will normally be rendered in accord with these Terms and Conditions, and other tariffs and at such rate or rates as may from time to time be authorized by the Commission. However, in the case of the customer whose requirements are of unusual nature or characteristics, special rates and/or contract arrangements may be required.

OPTIONAL RATE SCHEDULE

Certain optional rate schedules applicable to certain classes of service may allow a customer the option to select other applicable rate schedules to be effective initially, or after service under such a schedule has been established, from and after the next meter reading, upon written notice to the Company. However, no further change may be made within the next succeeding twelve (12) months. Rate schedules specifying a specific contract period, or contract periods specified within agreements, are not subject to change prior to termination of the contract period.

C. MINIMUM CUSTOMER INFORMATION REQUIREMENTS

INFORMATION FOR RESIDENTIAL CUSTOMERS

1. The Company will make available, upon customer request, not later than sixty (60) days from the date of request, a concise summary of the rate schedule applied for by such customer. The summary will include the following:

a. Monthly minimum or customer charge.
b. Rate blocks, where applicable.
c. Any adjustment factor(s) and method of calculation.

2. The Company will, to the extent practical, identify the tariff most advantageous to the customer and notify the customer of such prior to water service establishment.

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3. In addition, the Company will make available, upon customer request, not later than sixty (60) days from the date of request, a copy of these Terms and Conditions, other tariffs, and the Commission's rules and regulations governing:

a. Deposits.
b. Terminations of water service.
c. Billing and collection.
d. Complaint handling.

4. The Company, upon written request of a customer, will transmit a concise statement of actual consumption by such customer for each billing period during the prior twelve (12) months unless such data is not reasonably ascertainable.

5. The Company will inform all new customers of their right to obtain the above-specified information.

INFORMATION REQUIRED DUE TO CHANGES IN TARIFFS

1. The Company will transmit to affected customers by the most economic means available a concise summary of any change in the Company's tariffs affecting those customers.

2. This information will be transmitted to the affected customers within sixty (60) days of the effective date of the change.

D. SERVICE LINES AND ESTABLISHMENT

PRIORITY AND TIMING OF WATER SERVICE ESTABLISHMENT

1. After an applicant has complied with the Company's application and deposit requirements and has been accepted for water service by the Company, the Company will schedule that customer for water service establishment.

2. Water service establishment will be scheduled for completion within five (5) working days of the date the customer has been accepted for water service, except in those instances when the customer requests water service establishment beyond the five (5) working day limitation.

3. When the Company has made arrangements to meet with a customer for water service establishment purposes and the Company or the customer cannot make the appointment during the prearranged time, the Company will reschedule the water service establishment to the satisfaction of both parties.

4. The Company will schedule water service establishment appointments within a maximum range of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Company and the customer.

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5. Water service establishment shall be made only by qualified Company service personnel.

6. For the purposes of this section, water service establishment is where a customer's facilities are ready and acceptable to the Company and the Company need only to install a meter, read a meter, or turn the service on.

SERVICE LINES

1. An applicant for water service shall be responsible for the cost of installing all customer piping up to the meter.

2. An applicant for water service shall pay to the Company, as a refundable advance for construction, the full cost of a five-eighths- (5/8) inch or a one- (1) inch service line and meter and box if on new pipelines (no charge for five-eighths (5/8) inch and one (1) inch if on existing pipelines), and the full cost of two- (2) inch and larger service lines and meters and boxes if on either existing or new pipelines. Except where the advances for construction for meters and service lines have been included in advances for construction for main extensions, and thus are refundable pursuant to main extension contracts approved by the Commission, each advance for construction for a service line and meter will be repaid by the Company by an annual credit of one-tenth (1/10) of the amount received (including applicable state and federal income taxes), said credit to be applied upon the water bill rendered in November of each year, until fully paid, for each water service and meter for which the advance was made, said credit to commence the month of November for all such advances received during the preceding calendar year.

3. Where water service is being provided for the first time, the customer shall provide and maintain a private cutoff valve within eighteen (18) inches of the meter on the customer's side of the meter, and the Company will provide a like valve on the Company's side of such meter.

4. The Company at its option may install its meter at the property line, on the customer's property or in another location mutually agreed upon.

5. Where the meter or service line location on the customer's premises is changed, either at the request of the customer or due to alterations on the customer's premises, the customer shall provide and have installed at his or her expense all piping necessary for relocating the meter and the Company will make a non-refundable charge for moving the meter and/or service line.

6. The customer's piping must be installed in such a manner as to prevent cross-connection or backflow into the Company's water system in compliance with the Company's "Cross-Connection Control" provision in Section I of Part Two above.

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EASEMENTS AND RIGHTS-OF-WAY

1. Each customer shall grant or secure necessary easement(s) and/or right(s)-of-way satisfactory to the Company, to enable the Company to provide proper water service to the customer. Failure on the part of the customer to grant or secure satisfactory easement(s) and/or right(s)-of-way shall be grounds for the Company to refuse water service. The Company may, but will not be required to, extend or install its facilities in easement(s) or right(s)-of-way where final grades have not been established, or where the street has not been brought to grade as established by public authority or where, in the opinion of the Company, the extension or installation would not allow for the development of an orderly water distribution system.

2. When the Company discovers that a customer or the customer's agent is performing work or has constructed facilities adjacent to or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the Company's access to its facilities, the Company shall notify the customer or the customer's agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation, at the customer's expense.

ABNORMAL EQUIPMENT CHARACTERISTICS

Certain types of equipment on a customer's premises may have abnormal characteristics which can cause severe fluctuations in volume or pressure or interfere with water service by the Company to its customers. In such cases, the Company may decline to serve or terminate service to such premises until the customer, at his or her expense, has provided suitable apparatus to hold to reasonable limits the effect of such fluctuations on volume or pressure. Circumstances may require that such equipment be supplied separately from another water service, and in such event, the Company may meter and bill such service separately from other water service supplied to the customer's premises.

E. MAIN EXTENSION AGREEMENTS

CONDITIONS GOVERNING MAIN EXTENSIONS

1. An applicant for the extension of mains may be required to pay to the Company or deliver by bill of sale to the Company completed work which has been constructed in accordance with plans approved by the Company and for which the Company has inspected and accepted construction, as a refundable advance for construction, before construction is commenced, the estimated reasonable cost of all mains and service lines up to twelve (12) inches in diameter, valves, fittings, meters, and meter boxes. The cost of such items shall include preparation of plans, plan check fees and construction inspection fees. When applicable, the applicant shall reimburse the Company its costs for reviewing plans for main extensions and for the inspection of construction prior to acceptance.

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2. In the event that additional facilities are required to provide pressure, storage, or water supply, exclusively for the new water service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future customers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances for construction.

3. The cost of fire hydrants, fire services and fire mains, and the cost of oversizing mains, service lines or reservoirs for fire service purposes shall be paid by the applicant as a contribution in aid of construction before construction is commenced. The provisions of Private Fire Service, Section V of Part One, and Public Hydrant Service, Section VI of Part One, shall also apply. Except as provided for in paragraph 6, below, such cost shall not be subject to refund.

4. Upon request by a potential applicant for a main extension, the Company upon customer's request will prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the Company to prepare detailed plans, specifications, or cost estimates will be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company will, upon request, make available within forty-five (45) days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts Company construction of the extension, the deposit will be credited to the cost of construction; otherwise the deposit will be non-refundable. If the extension is to include oversizing of facilities to be done at the Company's expense, appropriate details will be set forth in the plans, specifications and cost estimates. Alternatively, the applicant may prepare plans and cost estimates for the main extension project for review by Company. The Company shall review such plans in accordance with construction standards it establishes at its reasonable discretion. Upon approval, the applicant may proceed with construction and the actual cost of construction, not to exceed the cost estimate initially submitted, shall be the basis for preparation of a Main Extension Agreement described below. The applicant shall submit its detailed cost records to the Company as evidence of the cost. The applicant agrees to reimburse the Company its cost in reviewing plans and inspecting construction prior to acceptance of construction, and such costs shall be included in the total cost of the main extension project.

5. If the Company requires an applicant to advance funds for a main extension, the Company will furnish the applicant a copy of Main Extension Agreements provisions in the Terms and Conditions and the Commission's rules and regulations governing main extension agreements prior to the applicant's acceptance of the Company's extension agreement. The Company shall not accept new customers on the newly constructed extension unless and until the Company and the applicant have signed a Main Extension Agreement for the extension.

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6. If the facilities are constructed by the Company, the Company will determine and inform the applicant of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the Company's actual cost of construction is less than the total amount paid, the Company will refund the difference (including applicable state and federal income taxes) to the applicant; conversely, if the Company's actual cost of construction is more than the total amount paid, the applicant shall pay the difference (including applicable state and federal income taxes) to the Company within sixty (60) days of receipt of an invoice from the Company.

7. The provisions of this section apply only to those applicants who, in the Company's judgment, will be permanent customers of the Company. Applications for temporary service shall be governed by these Terms and Conditions and other Company tariffs concerning temporary service.

8. In the case of disagreement or dispute regarding the application of this rule or any of its several provisions, or where the application of this rule works an injustice or undue hardship upon any party or anticipated party to any agreement hereunder, the party aggrieved may refer the matter to the Commission for hearing and decision in accord with the Rules of Practice and Procedure of the Commission.

REFUNDS

Refunds of advances for construction made pursuant to this section will be made in accord with the following method:

1. The Company will each year pay to the party making an advance for construction under a main extension agreement, or that party's assignees or other successors in interest where the Company has received written notice and evidence of such assignment or succession, an amount equal to ten percent (10%) of the total gross annual revenue from water sales plus applicable state and federal income taxes to each bona fide customer whose service line is connected to distribution mains covered by the main extension agreement, for a period of ten- (10) years.

2. Refunds will be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period.

3. A balance remaining at the end of the ten- (10) year period set out shall become non-refundable, in which case the balance not refunded will be entered as a contribution in aid of construction in the accounts of the Company.

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4. The aggregate refunds under this section shall in no event exceed the total of the advances for construction plus applicable state and federal income taxes.

5. No interest will be paid by the Company on any amounts advanced for construction.

6. The Company will make no refunds from any revenue received from any other service lines connected to distribution mains leading up to or taking off from the particular main extension covered by the agreement.

7. Amounts advanced for construction of main extensions will be refunded in accord with the Company's tariffs in force and effect on the date the agreement therefor was executed.

ALL AGREEMENTS ARE TO BE IN WRITING

All main extension agreements entered into under this section will be evidenced by a written statement, and signed by the Company and by the parties advancing or contributing the funds under this section, or by the duly authorized agents of each.

SYSTEM TO BE AS SPECIFIED BY THE COMPANY

1. The size, design, type and quality of materials of the system installed under this section, the location in the ground, and the manner of installation will be specified by the Company, and will be in accord with the requirements of the Commission and/or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission and/or other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions shall be a minimum of six (6) inches standard diameter with a working pressure rating of one hundred fifty (150) psig.

2. Single residential customer advances for construction shall not exceed the reasonable cost of construction of a six (6) inch diameter main extension. For customer advances for other than a single residential customer, the main sizes will conform to the following specifications:

a. For mains installed along section lines or their equivalent, a minimum diameter of twelve (12) inches will be required.
b. For mains installed along mid-section lines or their equivalent, a minimum diameter of eight (8) inches will be required.
c. For all other locations, a minimum diameter of six (6) inches will be required.

COMPANY OWNS ALL FACILITIES

All pipelines, valves, fittings, wells, tanks, meters, boxes, service lines or other facilities installed under this section shall be the sole property of the Company, and parties making advances for and/or contributions in aid of construction under this section shall have no right, title or interest in any such facilities.

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MAIN EXTENSIONS WILL BE SCHEDULED PROMPTLY

The Company will schedule all new requests for main extension agreements, and for water service under main extension agreements, promptly and in the order received.

APPLICANT MAY REQUEST SPECIFIC CONTRACTOR(S) BE ALLOWED TO BID

An applicant for water service seeking to enter into a main extension agreement may request that the Company include on a list of contractors from whom bids will be solicited, the name(s) of any qualified and bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the Company. If a lower bid is thus obtained or if a bid is obtained at an equal price with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company will meet the terms and conditions of the bid proffered, or enter into a construction contract with the contractor proffering such bid. A performance bond in the total amount of the contract may be required by the Company from the contractor prior to construction.

FILING OF AGREEMENTS

All agreements under this section will be filed with and approved by the Utilities Division of the Commission along with a Certificate of Approval to Construct, as issued by the Arizona Department of Environmental Quality or its delegated agent.

1. For main extension agreements with individual residential customers, the approval of the Arizona Department of Environmental Quality or its delegated agent will be obtained by the Company and submitted to the Commission.

2. For main extension agreements with other than individual residential customers, approval of the Arizona Department of Environmental Quality or its delegated agent must be obtained by the applicant and submitted by the applicant to the Company which, in turn, will submit such approval to the Commission with the agreement.

F. PROVISION OF WATER SERVICE

COMPANY RESPONSIBILITY

The Company will be responsible for providing the type of water service requested to the customer's point of delivery.

CUSTOMER RESPONSIBILITY

1. Each customer shall be responsible for installing and maintaining all facilities on the customer's side of the point of delivery in a safe and efficient manner and in accord with the rules of the Arizona Department of Environmental Quality.

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2. Each customer shall be responsible for safeguarding all Company property installed in or on the customer's premises for the purpose of supplying water to that customer.

3. Each customer shall exercise reasonable care to prevent loss or damage to the Company's property, excluding ordinary wear and tear. The customer shall be responsible for loss of, or damage to, Company property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the Company for the cost of necessary repairs or replacements.

4. Each customer shall be responsible for payment for any damage to Company facilities resulting from that customer's unauthorized breaking of meter seals, or interfering with, tampering with or bypassing the Company meter serving that customer.

5. Water furnished to a customer by the Company shall be used only on the customer's premises and shall not be resold, or diverted to any other premises. During critical water conditions, as determined by the Commission, the customer shall use water only for those purposes specified by the Commission. During emergency water conditions, as determined by the Company (with notice to the Commission as soon as possible), the customer shall use water only for those purposes specified by the Company. Disregard for this section shall be sufficient cause for refusal or termination of water service.

CONTINUITY OF WATER SERVICE

The Company will make reasonable efforts to supply a satisfactory and continuous level of water service. However, the Company shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuance of water service resulting from:

1. Any cause against which the Company could not have reasonably foreseen or made provision for, i.e., force majeure.

2. Intentional water service interruptions to make repairs or perform routine maintenance.

3. Curtailment.

WATER SERVICE INTERRUPTIONS

1. The Company will make reasonable efforts to re-establish water service within the shortest possible time when water service interruptions occur.

2. In the event of a national emergency or local disaster resulting in disruption of normal water service, the Company may, in the public interest, interrupt water service to other customers to provide necessary water service to civil defense or other emergency service agencies on a temporary basis until normal water service to these agencies can be restored.

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3. When the Company plans to interrupt water service for more than four (4) hours to perform necessary repairs or maintenance, the Company will attempt to inform affected customers, at least twenty-four (24) hours in advance, of the scheduled date and estimated duration of the water service interruption. Such repairs will be completed in the shortest possible time to minimize any inconvenience to the customers.

MINIMUM DELIVERY PRESSURE

The Company will maintain a minimum standard delivery pressure of twenty (20) psig at the customer's meter or point of delivery.

CONSTRUCTION STANDARDS

The Company will construct all facilities in accord with the guidelines established by the Arizona Department of Environmental Quality or its designated agent and other standards established by the Company in accordance with this Tariff.

SERVICE COMPLAINTS

The Company will:

1. Make a full and prompt investigation of all service complaints made to, either the Company or the Commission by a customer.

2. Respond to the complainant and/or the Commission representative within five (5) working days as to the status of the Company's investigation of the complaint.

3. Notify the complainant and/or the Commission representative of the final disposition of each complaint. Upon request of the complainant or the Commission representative, the Company will report the findings of its investigation in writing.

4. Inform the customer of his or her right of appeal to the Commission.

G. METER READING

FREQUENCY

Each meter will be read monthly on as close to the same date as practical.

MEASURING OF WATER SERVICE

1. All water delivered by the Company will be billed on the basis of metered volume sales except that the Company may, at its option, provide a fixed charge schedule for the following:

a. Temporary service where the water use can be readily estimated.
b. Public fire hydrant service and private fire service.
c. Water used for street sprinkling and sewer flushing, when provided for by contract between the Company and the municipality or other local governmental authority.

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d. Other fixed charge schedules as submitted to and approved by the Commission.

2. Where there is more than one meter at a location, each meter will be tagged or plainly marked as to indicate the facilities being metered.

CUSTOMER REQUESTED REREADS

1. The Company will, at the request of a customer, reread the customer's meter within ten (10) working days after such request by the customer.

2. Any rereads will be charged to the customer at a rate on file and approved by the Commission, provided that the original reading was not in error.

3. When a reading is found to be in error, the reread will be at no charge to the customer.

ACCESS TO CUSTOMER PREMISES

The Company shall have the right of safe ingress to and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with the Company's facilities and property used in furnishing water service and the exercise of any and all rights secured to it by law, the Company's tariffs, or the Commission's rules and regulations.

CUSTOMER REQUESTED METER TESTS

The Company will test a meter upon customer request and the Company will charge the customer for such meter test according to the Additional Charges in Section III of Part One. However, if the meter is found to be in error by more than three (3) percent, no meter testing fee will be charged to the customer.

H. BILLING AND COLLECTION

FREQUENCY OF WATER BILLS, METER READING SCHEDULES, ESTIMATED WATER BILLS

1. The Company will bill monthly for services rendered.

2. If the Company is unable to read the meter on the scheduled meter read date, the Company will estimate the consumption for the billing period, giving consideration to the following factors where applicable:

a. The customer's usage during the same month of the previous year.
b. The amount of usage during the preceding month.

3. After the second consecutive month of estimating the customer's water bill for reasons other than severe weather, the Company will attempt to secure an accurate reading of the meter.

4. Estimated water bills will be issued only under the following conditions:

a. Severe weather conditions which prevent the Company from reading the meter.

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b. Circumstances that make it dangerous or impossible to read the meter, i.e., locked gates, blocked meters, vicious or dangerous animals, etc.

5. Each water bill based on estimated usage will indicate that it is an estimated bill.

COMBINING METERS

Each metered service at a customer's premises will be considered separately for billing purposes, and the readings of two (2) or more metered services will not be combined.

BILLING TERMS

1. All bills for water service are due and payable when rendered. Any payment not received within fifteen (15) days from the date the water bill was rendered shall be considered delinquent and a late payment penalty will be charged to the customer's account.

2. For the purposes of this section, the date a water bill is rendered is the date the bill is mailed as evidenced by the postmark date.

3. All delinquent water bills are subject to the provisions of the Company's termination procedures, as set forth in the Termination of Water Service provisions in these Terms and Conditions.

4. All payments shall be mailed to the address shown on the remittance envelope or made at an office of the Company.

APPLICABLE TARIFFS, PREPAYMENT, FAILURE TO RECEIVE, COMMENCEMENT DATE, TAXES

1. Each customer will be billed under the applicable tariff indicated in the customer's application for service.

2. The Company will accept advance payment for water service.

3. Failure to receive water bills or notices which have been properly placed in the United States mail shall not prevent such water bills from becoming delinquent nor relieve the customer of his or her obligations therein.

4. Charges for water service commence when the water service is installed and service is made available, whether used or not.

5. In addition to the collection of regular rates and charges, the Company will collect from customers a proportionate share of any applicable privilege, sales or use tax.

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METER ERROR CORRECTIONS

1. If any meter after testing is found to be more than three (3) percent in error, either fast or slow, proper correction between three (3) percent and the amount of the error will be made of previous readings, and adjusted water bills will be rendered according to the following terms:

a. For the period of three (3) months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding three (3) months since the meter shall have been shown to be in error by such test, or

b. From the date the error occurred, if the date of the cause can be definitely fixed.

2. No adjustment will be made by the Company except to the customer last served by the meter tested.

NON-SUFFICIENT FUNDS CHECKS

1. The Company is allowed to recover a fee, at a rate on file and approved by the Commission, for each instance where a customer tenders payment for water service with a non-sufficient funds ("NSF") check.

2. When the Company is notified by the customer's bank that there are insufficient funds to cover the check tendered for water service, the Company will require the customer to make payment in cash, by money order, certified check, or other means which guarantee the customer's payment to the Company.

3. A customer who tenders an NSF check shall in no way be relieved of the obligation to render payment to the Company under the original terms of the water bill nor defer the Company's provision for termination of water service for nonpayment of water bills.

5. No personal checks will be accepted if two (2) NSF checks have been received by the Company within a twelve- (12) month period in payment of any billing.

DEFERRED PAYMENT PLAN

1. The Company will, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid water bills for water service.

2. Each deferred payment agreement entered into by the Company and the customer due to the customer's inability to pay an outstanding water bill in full will provide that water service will not be terminated if the customer agrees to pay:

a. A reasonable amount of the outstanding water bill at the time of entering into the deferred payment agreement.
b. All future bills for water service in accord with the billing and collection tariffs of the Company.

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c. A reasonable portion of the remaining outstanding balance in installments over a period not to exceed six (6) months

3. For the purpose of determining a reasonable installment payment schedule under this section, the Company and the customer will give consideration to the following conditions:

a. The size of the delinquent account.
b. The customer's ability to pay.
c. The customer's payment history.
d. The length of time that the debt has been outstanding.
e. The circumstances which resulted in the debt being outstanding.
f. Any other relevant factors related to the circumstances of the customer.

4. A customer who desires to enter into a deferred payment agreement must establish such agreement prior to the Company's scheduled termination date for nonpayment of that customer's water bill(s); customer failure to execute a deferred payment agreement prior to the scheduled termination date shall not prevent the Company from terminating water service for nonpayment.

5. Deferred payment agreements must be in writing and must be signed by the customer and an authorized Company representative.

6. A deferred payment agreement will include a finance charge as approved by the Commission in a tariff proceeding.

7. If a customer has not fulfilled the terms of a deferred payment agreement, the Company shall have the right to terminate water service pursuant to the Termination of Water Service provisions in these Terms and Conditions, and, under such circumstances, the Company shall not be required to offer subsequent negotiation of a deferred payment agreement prior to termination of water service.

CUSTOMER'S REQUEST FOR DISCONTINUANCE OF WATER SERVICE

1. A customer may have service discontinued by giving not less than three (3) days advance notice thereof to the Company. Charges for service may be required to be paid until the requested date of discontinuance or such later date as will provide not less than the required three (3) days advanced notice.

2. The outgoing party shall be responsible for all water service provided up to the scheduled turn-off date.

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I. TERMINATION OF WATER SERVICE

NONPERMISSIBLE REASONS TO TERMINATE WATER SERVICE

The Company will not terminate water service for any of the reasons stated below:

1. Delinquency in payment for water service rendered to a prior customer at the premises where water service is being provided, except in the instance where the prior customer continues to reside on the premises.

2. Failure of the customer to pay for services or equipment which are not regulated by the Commission.

3. Nonpayment by the customer of a bill related to another class of water service.

4. Failure of the customer to pay a water bill correcting a previous underbilling due to an inaccurate meter or meter failure, if the customer agrees to pay over a reasonable period of time.

TERMINATION OF WATER SERVICE WITHOUT NOTICE

1. Water service may be terminated without advance written notice under the following conditions:
   a. The existence of an obvious hazard to the safety or health of the customer or the general population.
   b. The Company has evidence of meter tampering or fraud.
   c. Unauthorized resale or use of water service.
   d. Failure of a customer to comply with the curtailment procedures imposed by the Company during supply shortages.

2. The Company will not restore water service until the conditions which resulted in the termination of water service have been corrected to the satisfaction of the Company.

TERMINATION OF WATER SERVICE WITH NOTICE

The Company may terminate water service to any customer for any reason stated below, provided the Company has met the notice requirements:

1. Customer violation of any of the Company's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.

2. Failure of the customer to pay a delinquent bill for water service.

3. Failure of the customer to meet or maintain the Company's credit and deposit requirements.

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4. Failure of the customer to provide the Company reasonable access to its facilities and property.

5. Customer breach of a written contract for water service between the Company and the customer.

6. When necessary for the Company to comply with an order of any governmental agency having jurisdiction over the Company concerning water service termination.

TERMINATION NOTICE REQUIREMENTS

1. The Company will not terminate water service to any of its customers without providing advance written notice to the customer of the Company's intent to terminate water service, except under those conditions specified where advance written notice is not required.

2. Such advance written notice will contain, at a minimum, the following information:

a. The name of the person whose water service is to be terminated and the address where water service is being rendered.
b. The provision of the Company's tariffs or the Commission's rules and regulations that was violated and explanation thereof, or the amount of the water bill which the customer has failed to pay in accord with the payment policy of the Company.
c. The date on or after which water service may be terminated.
d. A statement advising the customer to contact the Company at a specific address or phone number for information regarding any deferred payment or other procedures which the Company may offer or to work out some other mutually agreeable solution to avoid termination of the customer's service.
e. A statement advising the customer that the Company's stated reason for the termination of services may be disputed by contacting the Company at a specific address or phone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the Company shall retain the option to terminate water service.

TIMING OF TERMINATIONS WITH NOTICE

1. The Company will give at least ten (10) days' advance written notice prior to the termination date.

2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.

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3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof, or, in the case of a violation of the Company's tariffs or the Commission's rules and regulations, the customer has not satisfied the Company that such violation has ceased, the Company may then terminate water service on or after the date specified in the notice without giving further notice.

4. Water service will only be terminated in conjunction with a personal visit to the premises by an authorized representative of the Company.

5. The Company has the right (but not the obligation) to remove any or all of its property installed on the customer's premises upon the termination of water service.

LANDLORD/TENANT RULE

In situations where water service is rendered at an address different from the mailing address of the water bill, or where the Company knows that a landlord/tenant relationship exists and that the landlord is the customer of the Company, and where the landlord as a customer would otherwise be subject to termination of water service, the Company may not terminate water service until the following actions have been taken:

1. Where it is feasible to so provide water service, the Company, after providing notice as required in this section, shall offer the occupant the opportunity to subscribe for water service in his or her own name. If the occupant then declines to so subscribe, the Company may terminate water service pursuant to this section.

2. The Company shall not attempt to recover from a tenant or condition water service to a tenant with the payment of any outstanding water bills or other charges due upon the outstanding account of the landlord.

RESTORATION OF TERMINATED WATER SERVICE

Water service terminated for nonpayment of water bills will be restored only after all bills are paid in full, a deposit or re-deposit is made, if required, and a water service reconnection charge has been paid.

J. LIMITATION OF COMPANY'S RESPONSIBILITY AND LIABILITY

COMPANY RESPONSIBILITY

The Company does not assume the responsibility of inspecting or maintaining any customer's piping or apparatus and will not be responsible therefor; however, the Company reserves the right to refuse water service unless the customer's piping or apparatus is installed in such manner as to prevent cross connections or backflow into the Company's system in compliance with the Company's "Cross-Connection Control" provisions in Section I of Part Two.

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

INDEMNIFICATION FROM CLAIMS AND/OR INJURIES

The customer shall indemnify the Company and hold it harmless from and against all claims, loss, expense or liability except that caused solely by the Company's gross negligence or willful misconduct.

1796691.3

EXHIBIT B

TARIFF

Issued March 3, 2006

Effective April 3, 2006

ISSUED BY:

Woodruff Utility Company, Inc.
2555 East Camelback Road, Suite 700
Phoenix, Arizona 85044

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ISSUED BY:

Woodruff Utility Company, Inc.
2555 East Camelback Road, Suite 700
Phoenix, Arizona 85044

PART ONE
STATEMENT OF CHARGES
WASTEWATER SERVICE

I. RATES

In Decision No. 68453, dated February 2, 2006, the Arizona Corporation Commission approved the following rates and charges to become effective April 3, 2006.

A. SCHEDULE OF MONTHLY CUSTOMER CHARGES

Meter Size Inches	Charge Per Month
5/8" x ¾" Meter	$52.00
¾" Meter	$52.00
1" Meter	$130.00
1 ½" Meter	$260.00
2" Meter	$416.00
3" Meter	$780.00
4" Meter	$1,300.00
6" Meter	$2,600.00

B. SCHEDULE OF EFFLUENT CHARGES

Effluent Sales—General Irrigation:

Per Acre Foot (or 325,851 gallons) for general irrigation	$300.00
Per 1,000 Gallons for general irrigation	$0.92

Effluent Sales—Agricultural Irrigation:

Per Acre Foot (or 325,851 gallons) of treated effluent	$300.00
Per 1,000 Gallons of treated effluent	$0.92

PART ONE
STATEMENT OF CHARGES
WASTEWATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, in accordance with A.A.C. R14-2-608(D)(5) or any successor rule.

III. ADDITIONAL CHARGES

The Company is authorized to charge the following additional charges:

1. Establishment of an account during business hours.[1]	$30.00
2. Establishment of an account during non-business hours.	$35.00
3. Re-establishment of an account.[2]	*
4. Reconnection after disconnection for Delinquency (applies each time a customer is disconnected)	$30.00
5. Service Call Out (charge per hour for service during non-business hours)	$35.00
6. Minimum Deposit	$35.00
7. Deposit Interest, per annum[3]	*
8. Non-Sufficient Funds (NSF) Check Charge (for each returned check)	$25.00
9. Late Payment Penalty (per month)	1.50%[4]
10. Deferred Payment Finance Charge (per month)	1.50%
11. Main Extension and Additional Facilities Agreements	At cost
12. All revenue related taxes will be charged customers	At cost

[1] This fee may not be collected by the Company if the customer is also a customer of Woodruff Water Company has paid a service establishment fee to Woodruff Water Company.
[2] Number of months off system times the monthly minimum.
[3] Per A.A.C. R14-2-603(B) or any successor rule.
[4] This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

PART ONE
STATEMENT OF CHARGES
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IV. PERMITTED COSTS

A. Costs shall be verified by invoice.

B. For any service provided by the Company "at cost" under this Tariff, cost shall include all labor, parts, materials, engineering, permit fees, other charges incurred, and applicable overhead (which overhead shall be charged at a rate of 10% of hard construction costs). Before the Company shall incur any costs in providing such service to a customer, the Company shall provide the customer with and estimate of the cost. After a customer's review of the cost estimate, the customer shall pay the amount of the estimated cost to the Company before the company will start construction.

C. *In the event that the actual cost of providing a service is less than the estimated cost*, the Company shall refund the difference to the customer within 30 days after the later of: (i) completion of the service, or (ii) the Company's receipt of all invoices, timesheets or other related documents supporting the costs of the service.

D. In the event the actual cost is more than the estimated cost, the Company shall bill the customer for the difference within 30 days after the later of: (i) completion of the service, or (ii) the Company's receipt of all invoices, timesheets or other related documents supporting the costs of the service. The amount so billed shall be due and payable 30 days after the invoice date.

E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

F. Permitted costs shall include any State or Federal income taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

I. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

1. The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission.

2. No customer shall discharge, or cause to be discharged, any industrial, hazardous, or any other non-residential waste into the sewer system. If any industrial, hazardous, or any other non-residential waste is discharged, or will be discharged, into the sewer system by a customer, the Company is authorized to require the customer to install a pretreatment mechanism at the customer's expense. For the purposes of this section, the following definitions apply:

a. "Industrial waste" means any liquid, gaseous, or solid waste from or produced at an industrial operation.

b. "Hazardous waste" means any products such as paints, pesticides, cleaners and solvents, stains and varnishes, or other flammable liquids; solid, liquid, semisolid or contained gaseous material that contains lead, cadmium, mercury, or arsenic compounds or any other compound considered a hazard to human health or the environment; any other waste as defined in A.R.S. 49-921(5) (2006); or any other waste deemed hazardous by the Company.

c. "Non-residential waste" means any waste that does not fall under the definition of residential waste; "residential waste" means any solid waste including garbage, rubbish and sanitary waste from septic tanks that is generated from households including single and multiple family residences, hotels and motels, bunkhouses, ranger stations, crew quarters, campgrounds, picnic grounds and day-use recreation areas.

d. "Pretreatment mechanism" means a device, method, technique or process designed to change the physical, chemical or biological character or composition of industrial or hazardous waste so as to neutralize such waste or to render such waste non-hazardous, safer for transport, amenable for recovery, amenable for storage, or reduced in volume.

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3. No customer shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewers; sewage pumping plants; all processes; devices and connection sewers; and all similar sewage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will be required of said units prior to their being allowed to hookup to the wastewater system.

D. Termination of Water Service for Violation of Wastewater Rules and Regulations

For any person connected to the Company's sewer system and Woodruff Water Company's water system who violates the Company's wastewater terms and conditions as set forth in this Part Two, the Company is authorized to instruct Woodruff Water Company to discontinue water service to that customer. This termination authority does not apply to non-payment for water or wastewater services.

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

II. RULES AND REGULATIONS

The following terms and conditions ("Terms and Conditions") for the provision of wastewater service which are based on the Arizona Administrative Code, Title 14, Chapter 2, Article 6, apply to all customers who obtain wastewater service from Woodruff Utilities Company.

A. DEFINITIONS

In these rules and regulations, unless the context otherwise requires, the following definitions shall apply:

1. "Advance in aid of construction." Funds provided to the Company by the applicant under the terms of a collection main extension agreement the value of which may be refundable.

2. "Applicant." A person requesting the Company to supply sewer service.

3. "Application." A request to the Company for sewer service, as distinguished from an inquiry as to the availability or charges for such service.

4. "Arizona Corporation Commission." The regulatory authority of the state of Arizona having jurisdiction over public service corporations operating in Arizona.

5. "Billing month." The period between any two regular billings -- approximately 30 day interval.

6. "Billing period." The time interval between two consecutive billings.

7. "Collection main." A sewer main of the Company from which service collection lines are extended to customers.

8. "Commodity charge." The unit of cost per billed discharge as set forth in the Company's tariffs.

9. "Company." Woodruff Utilities Company, Inc.

10. "Contributions in aid of construction." Funds provided to the Company by the applicant under the terms of a collection main extension agreement and/or service connection tariff the value of which are not refundable.

11. "Customer." The person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.

11. "Customer charge." The amount the customer must pay the Company for the availability of sewer service, excluding any amount of discharged, as specified in the Company's tariffs.

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12. "Day." Calendar day.

13. "Minimum charge." The amount the customer must pay for the availability of sewer service, including an amount of discharge, as specified in the Company's tariffs.

14. "Permanent customer." A customer who is a tenant or owner of a service location who applies for and receives sewer service.

15. "Permanent service." Service which, in the opinion of the Company, is of a permanent and established character. The use of sewer service may be continuous, intermittent, or seasonal in nature.

16. "Person." Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.

17. "Point of collection." The point where pipes owned, leased, or under license by a customer connects to the Company's collection system.

18. "Premises." All of the real property and apparatus employed in a single enterprise on an integral parcel of land undivided by public streets, alleys or railways.

19. "Residential subdivision development." Any tract of land which has been divided into four or more contiguous lots for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.

20. "Residential use." Service to customers discharging sewage for domestic purposes.

21. "Rules." The regulations set forth in the tariffs which apply to the provision of sewage service.

22. "Service area." The territory in which the Company has been granted a Certificate of Convenience and Necessity and is authorized by the Commission to provide sewer service.

23. "Service establishment charge." The charge as specified in the Company's tariffs which covers the cost of establishing a new account.

24. "Service line." A sewer line that transports sewage from a customer's point of collection to a common source (normally a collection main) of collection of the Company's.

25. "Service reconnect charge." The charge as specified in the Company's tariffs which must be paid by the customer prior to reconnection of sewer service each time the sewer service is disconnected for nonpayment or whenever service is discontinued for failure otherwise to comply with the Company's fixed rules.

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STATEMENT OF TERMS AND CONDITIONS
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26. "Service reestablishment charge." A charge as specified in the Company's tariffs for service at the same location where the same customer had ordered a service disconnection within the preceding 12-month period.

27. "Sewage." Ground garbage, human or animal excretions, and other domestic, commercial or industrial waste normally disposed of through a sanitary sewer system.

28. "Single family dwelling." A house, an apartment, a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a permanent home.

29. "Tariffs." The documents filed with the Commission which list the services and products offered by the Company and which set forth the terms and conditions and a schedule of the rates and charges for those services and products.

30. "Temporary service." Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.

B. ESTABLISHMENT OF SERVICE

INFORMATION FROM NEW APPLICANTS

1. The Company may obtain the following minimum information from each new applicant for service:

a. Name or names of applicant(s).
b. Service address or location and telephone number.
c. Billing address or location and telephone number, if different than service address.
d. Address where service was provided previously.
e. Date applicant will be ready for service.
f. Indication of whether premises have been supplied with Company service previously.
g. Purpose for which service is to be used.
h. Indication of whether applicant is owner or tenant of or agent for the premises.

2. The Company may require a new applicant for service to appear at the Company's designated place of business to produce proof of identity and sign the Company's application form.

3. Where service is requested by two or more individuals the Company shall have the right to collect the full amount owed to the Company from any one of the applicants.

PART TWO
STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

DEPOSITS

1. The Company may require a deposit from any new applicant for service.

2. The Company shall issue a nonnegotiable receipt to the applicant for the deposit. The inability of the customer to produce such a receipt shall in no way impair his right to receive a refund of the deposit which is reflected on the Company's records.

3. Interest on deposits shall be calculated annually at an interest rate filed by the Company and approved by the Commission in a tariff proceeding. In the absence of such, the interest rate shall be 6%.

4. Interest shall be credited to the customer's bill annually.

5. Residential deposits shall be refunded within 30 days after:

a. 12 consecutive months of service without being delinquent in the payment of Company bills provided the Company may reestablish the deposit if the customer becomes delinquent in the payment of bills three or more times within a 12 consecutive month period.
b. Upon discontinuance of service when the customer has paid all outstanding amounts due the Company.

6. A separate deposit may be required for each service installed.

7. The amount of a deposit required by the Company shall be determined according to the following terms:

a. Residential customer deposits shall not exceed two times the average residential class bill as evidenced by the Company's most recent annual report filed with the Commission.
b. Nonresidential customer deposits shall not exceed 2 1/2 times that customer's estimated maximum monthly bill.

8. The Company may review the customer's discharge after service has been established and adjust the deposit amount based upon the customer's actual discharge.

9. Upon discontinuance of service, the deposit may be applied by the Company toward settlement of the customer's bill.

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GROUNDS FOR REFUSAL OF SERVICE

The Company may refuse to establish service if any of the following conditions exist:

1. The applicant has an outstanding amount due for the same class of utilities services with the Company, and the applicant is unwilling to make arrangements with the Company for payment.

2. A condition exists which in the Company's judgment is unsafe or hazardous to the applicant, the general population, or the Company's personnel or facilities.

3. Refusal by the applicant to provide the Company with a deposit.

4. Customer is known to be in violation of the Company's tariffs filed with the Commission or of the Commission's rules and regulations.

5. Failure of the customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the customer and which have been specified by the Company as a condition for providing service.

SERVICE ESTABLISHMENTS, RE-ESTABLISHMENTS OR RECONNECT CHARGE

1. The Company may make a charge as approved by the Commission for the establishment, reestablishment, or reconnection of Company service.

2. For the purpose of this rule, service establishments are where the customer's facilities are ready and acceptable to the Company and do not require construction on the part of the Company.

3. If service is to be re-established within a twelve (12) month period at the same service location for a customer, or for any member of such customer's household, payment of a non-refundable service re-establishment charge is required. In addition, if service was terminated by the Company for failure to pay a delinquent balance, then payment of the delinquent balance plus a service reconnection for delinquency charge will also be required. Payment of the applicable charges will be required as a pre-condition to the re-establishment of service and is to be made at the time of application for re-establishment of service.

TEMPORARY SERVICE AND DISCONTINUANCE OF TEMPORARY SERVICE

1. The wastewater rates, service charges, and fees for temporary service shall be the same as those prescribed for permanent service established above in Part One.

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2. If no undue hardship to its existing customers would result therefrom, the Company will establish temporary service provided the applicant for such service deposits with the Company, in advance of service establishment, the estimated cost of installing and removing the facilities necessary to establish the temporary service; and

a. Deposits a sum of money equal to the estimated bill for water service where the duration of temporary service is to be less than one (1) month.

b. Satisfies the Company's deposit requirements for permanent service where the duration of water service is to exceed one (1) month.

3. If at any time during the term of the agreement for service the character of a temporary customer's operations changes so that in the opinion of the Company the customer is classified as permanent, the terms of the Company's main extension rules shall apply.

4. If at any time during the term of the temporary service, the character of the customer's operations changes so that, in the opinion of the Company, the customer should be classified as permanent, the applicable sections of Part One and Two will apply and govern the disposition of the customer's payment to the Company of the estimated cost of installing and removing the temporary service.

5. If at any time during the term of the temporary service, the character of the customer's operations causes hardship to the Company's permanent customers, the Company shall have the right to discontinue temporary service to the customer, but will provide a thirty (30) day advanced written notice to the customer of the Company's intent to discontinue service.

SERVICE CALLS OR ESTABLISHMENTS DURING NORMAL BUSINESS HOURS

A service charge shall be made to the customer based upon the time, materials, and equipment used by the Company for the following:

1. Interruption caused by the customer's willful act or omission, negligence, or failure of customer owned equipment, even though the Company is unable to perform any work beyond the point of delivery.

2. Reconnection of sewer service to any customer previously disconnected for nonpayment, unlawful use of service, misrepresentation to the Company, unsafe conditions, threats to Company personnel or property, failure to permit safe access, detrimental effects of customer demands on the Company system, failure to establish credit and/or sign an agreement for service, or any other reason authorizing the Company to make such disconnection.

SERVICE CALLS OR ESTABLISHMENTS DURING NON-BUSINESS HOURS

A service charge, not to exceed the actual cost of the employee's time and the materials and equipment used by the Company, will be imposed for a service call during non-business hours for the following:

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1. Interruptions caused by the customer's willful act or omission, negligence, or failure of customer owned equipment, even though the Company is unable to perform any work beyond the point of delivery. The Company shall make reasonable effort to advise the customer about the possibility of such charges before the service call starts.

2. Reconnection of sewer service to any customer previously disconnected for nonpayment, *unlawful use of service, misrepresentation to the Company, unsafe conditions*, threats to Company personnel or property, failure to permit safe access, detrimental effects of customer demands on the Company system, failure to establish credit and/or sign an agreement for service or any other reason authorizing the Company to make such disconnection. Such work will be performed only when requested and agreed to by the customer.

C. MINIMUM CUSTOMER INFORMATION REQUIREMENTS

INFORMATION FOR RESIDENTIAL CUSTOMERS

1. The Company shall make available upon customer request not later than 60 days from the date of request a concise summary of the rate schedule applied for by such customer. The summary shall include the following:

a. Monthly minimum or customer charge, identifying the amount of the charge and the specific amount of minimum discharge included in the minimum charge, where applicable.
b. Rate calculation, including where applicable, computations based upon seasonal or annual water usages.

2. The Company shall to the extent practical identify the tariff most advantageous to the customer and notify the customer of such prior to service commencement.

3. In addition, the Company shall make available upon customer request not later than sixty (60) days from the date of request a copy of the Commission's rules and regulations governing:

a. Deposits
b. Terminations of service
c. Billing and collection
d. Complaint handling.

4. The Company shall inform all new customers of their rights to obtain the information specified above.

INFORMATION REQUIRED DUE TO CHANGES IN TARIFFS

1. The Company shall transmit to affected customers by the most economic means available a concise summary of any change in the Company's tariffs affecting those customers.

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2. This information shall be transmitted to the affected customer within sixty (60) days of the effective date of the change.

D. SERVICE CONNECTIONS

PRIORITY AND TIMING

1. After an applicant has complied with the Company's application and deposit requirements and has been accepted for service by the Company, the Company shall schedule that customer for service connection.

2. Service connections shall be scheduled for completion within five (5) working days of the date the customer has been accepted for service, except in those instances when the customer requests service connection beyond the five (5) working day limitation.

3. When the Company has made arrangements to meet with a customer for service establishment purposes and the Company or the customer cannot make the appointment during the prearranged time, the Company shall reschedule the connection to the satisfaction of both parties.

4. The Company will schedule wastewater service establishment appointments within a maximum range of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Company and the customer.

5. For the purposes of this rule, establishment of service takes place only when the customer's facilities are ready and acceptable to the Company.

CUSTOMER PROVIDED FACILITIES

1. An applicant for service shall be responsible for the installation of all plumbing up to the applicant's property line. In addition, the applicant is responsible for the proper grade or leveling of the sewer connection so that it conforms with the collection system of the Company.

2. Funds collected for service connections may be nonrefundable contributions to the Company.

CUSTOMER PROVIDED EQUIPMENT SAFETY AND OPERATION

Each customer shall be responsible for maintaining all equipment and facilities using or used for Company services located on his side of the point of collection in safe operating condition.

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EASEMENTS AND RIGHTS-OF-WAY

1. Each customer shall grant adequate easement(s) and right(s)-of-way satisfactory to the Company to ensure that customer's proper service connection. Failure on the part of the customer to grant adequate easement(s) and right(s)-of-way shall be grounds for the Company to refuse service. The Company may, but will not be required to, extend or install its facilities in easement(s) or right(s)-of-way where final grades have not been established, or where the street has not been brought to grade as established by public authority or where, in the opinion of the Company, the extension or installation would not allow for the development of an orderly wastewater treatment and facilities system.

2. When the Company discovers that a customer or his agent is performing work or has constructed facilities adjacent to or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the Company's access to equipment, the Company shall notify the customer or his agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation at the customer's expense.

3. If it is necessary for the Company to excavate in an easement or right-of-way to extend or repair sewer facilities, the Company will not be responsible for the cost to replace or repair landscaping, fences, trees, shrubs, structures, etc. placed within the easement or right-of-way.

4. The Company shall at all times have the right of safe ingress and egress from the customer's premises at all reasonable hour for any purpose reasonably connected with the Company's property used in furnishing service.

E. COLLECTION MAIN EXTENSION AGREEMENTS

EXTENSION OF MAINS AND SERVICES; ADVANCES IN AID OF CONSTRUCTION

1. The Company will supply services for temporary purposes, provided that the Company has capacity available in excess of the Company's regular needs and provided the Company has available material and equipment necessary to supply said service. Each applicant for such service must pay in advance, to the Company, the Company's estimate of the cost of labor and materials, less salvage value on removal, for installing and removing such service.

2. An applicant for the extension of mains or services may be required to pay the Company or deliver by bill of sale to the Company completed work which has been constructed in accordance with plans approved by the Company and for which the Company has inspected and accepted construction, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all main service pipe lines, fittings, other costs and reasonable overheads. The cost of such items shall include preparation of plans, plan check fees, and construction inspection fees. When applicable, the applicant shall reimburse the Company its cost for reviewing plans for main extensions and for the inspection of construction prior to acceptance.

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3. Upon request by a potential applicant for a collection main extension, the Company upon customer's request will prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a collection main extension requesting the Company to prepare detailed plans, specifications, or cost estimates may be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company shall, upon request, make available within 90 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed collection main extension. Where the applicant accepts the plans and the Company proceeds with construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the Company's expense, appropriate details shall be set forth in the plans, specifications and cost estimates. Alternatively, the applicant may prepare plans and cost estimates for the main extension project for review by Company. The Company shall review such plans in accordance with construction standards it establishes at its reasonable discretion. Upon approval, the applicant may proceed with construction and the actual cost of construction, not to exceed the cost estimate initially submitted, shall be the basis for preparation of a Main Extension Agreement described below. The applicant shall submit its detailed cost records to the Company as evidence of the cost. The applicant agrees to reimburse the Company its cost in reviewing plans and inspecting construction prior to acceptance of construction, and such costs shall be included in the total cost of the main extension project.

4. If the Company requires an applicant to advance funds for a main extension, the Company will furnish the applicant a copy of Main Extension Agreements provisions in the Terms and Conditions and the Commission's rules and regulations governing main extension agreements prior to the applicant's acceptance of the Company's extension agreement. The Company shall not accept new customers on the newly constructed extension unless and until the Company and the applicant have signed a Main Extension Agreement for the extension.

5. If the facilities are constructed by the Company, the Company will determine and inform the applicant of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the Company's actual cost of construction is less than the total amount paid, the Company will refund the difference (including applicable state and federal income taxes) to the applicant; conversely, if the Company's actual cost of construction is more than the total amount paid, the applicant shall pay the difference (including applicable state and federal income taxes) to the Company within sixty (60) days of receipt of an invoice from the Company.

6. The provisions of this section apply only to those applicants who, in the Company's judgment, will be permanent customers of the Company. Applications for temporary service shall be governed by these Terms and Conditions and other Company tariffs concerning temporary service.

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7. In the case of disagreement or dispute regarding the application of this rule or any of its several provisions, or where the application of this rule works an injustice or undue hardship upon any party or anticipated party to any agreement hereunder, the party aggrieved may refer the matter to the Commission for hearing and decision in accord with the Rules of Practice and Procedure of the Commission.

8. No extension of facilities shall be made by the Company, or installations made by the applicant, without first having received approval of plans and specifications of such extensions or installations from the Arizona Department of Health Services. A copy of such written approval shall then be filed with the Utilities Division of the Arizona Corporation Commission.

REFUNDS

Refunds of advances for construction made pursuant to this section will be made in accord with the following method:

1. The Company will each year pay to the party making an advance for construction under a main extension agreement, or that party's assignees or other successors in interest where the Company has received written notice and evidence of such assignment or succession, an amount equal to five percent (5%) of the total gross annual revenue from water sales plus applicable state and federal income taxes to each bona fide customer whose service line is connected to distribution mains covered by the main extension agreement, for a period of twenty- (20) years.

2. Refunds will be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period.

3. A balance remaining at the end of the twenty- (20) year period set out shall become non-refundable, in which case the balance not refunded will be entered as a contribution in aid of construction in the accounts of the Company.

4. The aggregate refunds under this section shall in no event exceed the total of the advances for construction plus applicable state and federal income taxes.

5. No interest will be paid by the Company on any amounts advanced for construction.

6. The Company will make no refunds from any revenue received from any other service lines connected to distribution mains leading up to or taking off from the particular main extension covered by the agreement.

7. Amounts advanced for construction of main extensions will be refunded in accord with the Company's tariffs in force and effect on the date the agreement therefor was executed.

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MINIMUM WRITTEN AGREEMENT REQUIREMENTS

1. Each collection main extension agreement shall, at a minimum, include the following information:

a. Name and address of applicant(s)
b. Proposed service address or location
c. Description of requested service
d. Description and sketch of the requested main extension
e. A cost estimate to include materials, labor, and other costs as necessary
f. Payment terms
g. A clear and concise explanation of any refunding provisions, if appropriate
h. The Company's estimated start date and completion date for construction of the collection main extension

2. Each applicant shall be provided with a copy of the written collection main extension agreement.

ALL AGREEMENTS ARE TO BE IN WRITING

All main extension agreements entered into shall be evidenced by a written agreement, and signed by the Company and the parties advancing the funds for advances in aid, or the duly authorized agents of each.

SYSTEM TO BE AS SPECIFIED BY THE COMPANY

The size, design, type and quality of materials and of the system, installed location in the ground, and the manner of installation, shall be specified by the Company, and shall accord with the requirements of the Commission or other public agencies having authority therein. The Company may install line extensions of any size meeting the requirements of the Commission or any other public agencies having authority over the construction and operation of the sewer system.

MAIN EXTENSIONS WILL BE SCHEDULED PROMPTLY

The Company shall schedule within reason all new requests for line extension agreements, and for service under line extension agreements, promptly and in the order received.

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APPLICANT MAY REQUEST SPECIFIC CONTRACTOR(S) BE ALLOWED TO BID

An applicant for service seeking to enter into a main extension agreement may request that the Company include on a list of contractors from whom bids will be solicited, the name(s) of any qualified and bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the Company. If a lower bid is thus obtained or if a bid is obtained at an equal price with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company will meet the terms and conditions of the bid proffered, or enter into a construction contract with the contractor proffering such bid. A performance bond in the total amount of the contract may be required by the Company from the contractor prior to construction.

OWNERSHIP OF FACILITIES

Any facilities installed under this section shall be the sole property of the Company, and parties making advances for and/or contributions in aid of construction under this section shall have no right, title or interest in any such facilities.

FILING OF AGREEMENTS

All agreements under this section will be filed with and approved by the Utilities Division of the Commission along with a Certificate of Approval to Construct, as issued by the Arizona Department of Environmental Quality or its delegated agent.

1. For main extension agreements with individual residential customers, the approval of the Arizona Department of Environmental Quality or its delegated agent will be obtained by the Company and submitted to the Commission.

2. For main extension agreements with other than individual residential customers, approval of the Arizona Department of Environmental Quality or its delegated agent must be obtained by the applicant and submitted by the applicant to the Company which, in turn, will submit such approval to the Commission with the agreement.

F. PROVISION OF WASTEWATER SERVICE

COMPANY RESPONSIBILITY

1. The Company shall be responsible for the safe conduct and handling of the sewage from the customer's point of collection.

2. The Company may, at its option, refuse service until the customer has obtained all required permits and/or inspections indicating that the customer's facilities comply with local construction and safety standards.

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CUSTOMER RESPONSIBILITY

1. Each customer shall be responsible for maintaining all facilities on the customer's premises in safe operating condition and in accordance with the rules of the state Department of Health.

2. Each customer shall be responsible for safeguarding all Company property installed in or on the customer's premises for the purpose of supplying Company service to that customer.

3. Each customer shall exercise reasonable care to prevent loss or damage to the Company's property, excluding ordinary wear and tear. The customer shall be responsible for loss of, or damage to, Company property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the Company for the cost of necessary repairs or replacements.

CONTINUITY OF SERVICE

The Company shall make reasonable efforts to supply a satisfactory and continuous level of service. However, the Company shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuation of service resulting from:

1. Any cause against which the Company could not have reasonably foreseen or made provision for, i.e., force majeure

2. Intentional service interruptions to make repairs or perform routine maintenance

3. Any temporary overloading of the Company's collection or treatment facilities.

SERVICE INTERRUPTION

1. The Company shall make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.

2. The Company shall make reasonable provisions to meet emergencies resulting from failure of service, and shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.

3. In the event of a national emergency or local disaster resulting in disruption of normal service, the Company may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

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4. When the Company plans to interrupt service for more than four hours to perform necessary repairs or maintenance, the Company shall attempt to inform affected customers at least twenty-four (24) hours in advance of the scheduled date and estimated duration of the service interruption. Such repairs shall be completed in the shortest possible time to minimize the inconvenience to the customers of the Company.

CONSTRUCTION STANDARDS

The design, construction and operation of all sewer plants shall conform to the requirements of the Arizona Department of Environmental Quality, any local Department of Health authority, or any successor agencies, and other standards established by the Company in accordance with this Tariff. Phase construction is acceptable.

G. BILLING AND COLLECTION

FREQUENCY

The Company shall bill monthly for services rendered.

MINIMUM BILL INFORMATION

Each bill for residential service will contain the following minimum information:

1. Billed discharge, where applicable
2. Company telephone number
3. Amount due and due date
4. Customer's name
5. Service account number, if available
6. Past due amount, where appropriate
7. Adjustment factor, where applicable
8. Other approved tariff charges.

BILLING TERMS

1. All bills for Company services are due and payable no later than fifteen (15) days from the date the bill is rendered. Any payment not received within this time-frame shall be considered past due and a late payment penalty will be charged to the customer's account.

2. For purposes of this rule, the date a bill is rendered is the date the bill is mailed as evidence by the postmark date.

3. All delinquent bills shall be subject to the provisions of the Termination of Wastewater Services in these Terms and Conditions.

4. All payments shall be mailed to the address shown on the remittance envelope or made at an office of the Company.

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APPLICABLE TARIFFS, PREPAYMENT, FAILURE TO RECEIVE, COMMENCEMENT DATE, TAXES

1. Each customer shall be billed under the applicable tariff indicated in the customer's application for service.

2. The Company shall make provisions for advance payment for sewer services.

3. Failure to receive bills or notices which have been properly placed in the United States mail shall not prevent such bills from becoming delinquent nor relieve the customer of his obligations therein.

4. Charges for service commence when the service is installed and connection made, whether used or not.

5. In addition to the collection of regular rates, the Company may collect from its customers a proportionate share of any privilege, sales or use tax, or other imposition based on the gross revenues received by the Company.

NON-SUFFICIENT FUNDS CHECKS

1. The Company shall be allowed to recover a fee, as approved by the Commission for each instance where a customer tenders payment for Company service with a non-sufficient funds (NSF) check.

2. When the Company is notified by the customer's bank that there are insufficient funds to cover the check tendered for Company service, the Company may require the customer to make payment in cash, by money order, certified check, or other means which guarantee the customer's payment to the Company.

3. A customer who tenders an insufficient check shall in no way be relieved of the obligation to render payment to the Company under the original terms of the bill nor defer the Company's provision for termination of service for nonpayment of bills.

4. No personal checks will be accepted if two (2) NSF checks have been received by the Company within a twelve- (12) month period in payment of any billing.

DEFERRED PAYMENT PLAN

1. The Company may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for service.

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H. TERMINATION OF WASTEWATER SERVICE

NONPERMISSIBLE REASONS TO DISCONNECT SERVICE

The Company may not disconnect service for any of the reasons stated below:

1. Delinquency in payment for services rendered to a prior customer at the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.

2. Failure of the customer to pay for services or equipment which are not regulated by the Commission.

3. Nonpayment of a bill related to another class of sewer service.

4. Failure to pay for a bill to correct a previous underbilling due to a billing error if the customer agrees to pay over a reasonable period of time.

5. Disputed bills where the customer has complied with the Commission's rules and regulations.

TERMINATION OF SERVICE WITHOUT NOTICE

1. Company service may be disconnected without advance written notice under the following conditions:

a. The existence of an obvious hazard to the safety or health of the consumer or the general population.
b. The Company has evidence of fraud.

2. The Company shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the Company.

3. The Company shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of one year and shall be available for inspection by the Commission.

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TERMINATION OF SERVICE WITH NOTICE

1. The Company may disconnect service to any customer for any reason stated below provided the Company has met the notice requirements established by the Commission:

a. Customer violation of any of the Commission's rules.
b. Failure of the customer to pay a delinquent bill for Company service.
c. Failure to meet or maintain the Company's credit and deposit requirements.
d. Failure of the customer to provide the Company reasonable access to its equipment and property.
e. Customer breach of a written contract for service between the Company and customer.
f. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.

2. The Company shall maintain a record of all terminations of service with notice. This record shall be maintained for one year and be available for Commission inspection.

TERMINATION NOTICE REQUIREMENTS

1. The Company shall not terminate service to any of its customers without providing advance written notice to the customer of the Company's intent to disconnect service, except under those conditions specified where advance written notice is not required.

2. Such advance written notice shall contain, at a minimum, the following information:

a. The name of the person whose service is to be terminated and the address where service is being rendered.
b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of the Company, if applicable.
c. The date on or after which service may be terminated.
d. A statement advising the customer that the Company's stated reason for the termination of services may be disputed by contacting the Company at a specific address of phone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the Company shall retain the option to terminate service after affording this opportunity for a meeting and concluding that the reason for termination is just and advising the customer of his right to file a complaint with the Commission.

TIMING OF TERMINATIONS WITH NOTICE

1. The Company shall be required to give at least five (5) days' advance written notice prior to the termination date.

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2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.

3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof or in the case of a violation of the Company's rules the customer has not satisfied the Company that such violation has ceased, the Company may then terminate service on or after the day specified in the notice without giving further notice.

LANDLORD/TENANT RULE

In situations where service is rendered at an address different from the mailing address of the bill or where the Company knows that a landlord/tenant relationship exists and that the landlord is the customer of the Company, and where the landlord as a customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:

1. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the rules.

2. The Company shall not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

I. LIMITATION OF COMPANY'S RESPONSIBILITY AND LIABILITY

COMPANY RESPONSIBILITY

The Company does not assume the responsibility of inspecting or maintaining any customer's piping or apparatus and will not be responsible therefor; however, the Company reserves the right to refuse water service unless the customer's piping or apparatus is installed in such manner as to prevent cross connections or backflow into the Company's system in compliance with the Company's "Cross-Connection Control" provisions in Section I of Part Two.

INDEMNIFICATION FROM CLAIMS AND/OR INJURIES

The customer shall indemnify the Company and hold it harmless from and against all claims, loss, expense or liability except that caused solely by the Company's gross negligence or willful misconduct.

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