



0000082804

**ORIGINAL**

**SALLQUIST, DRUMMOND & O'CONNOR**

ATTORNEYS AT LAW  
TEMPE OFFICE

4500 S. LAKESHORE DRIVE  
SUITE 339

TEMPE, ARIZONA 85282

**RECEIVED**

2008 MAR 20 P 2:06

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

PHONE (480) 839-5202  
FACSIMILE (480) 345-0412  
E-MAIL [dick@sd-law.com](mailto:dick@sd-law.com)

RICHARD L. SALLQUIST

March 20, 2008

**HAND DELIVERY**

Kay Kilger  
Arizona Corporation Commission  
Docket Control  
1200 West Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission

**DOCKETED**

MAR 20 2008

DOCKETED BY *mn*

Re: Utility Source, LLC; Docket No WS-04235A-06-0303; Decision No. 70140; Revised Tariff

Dear Ms. Kilger:

Enclosed are fifteen (15) copies of the Revised Tariff required by the subject Decision. This Revised Tariff incorporates all of the revisions proposed by Staff.

In the event you have any questions regarding this matter please do not hesitate to contact the undersigned.

Sincerely,

Richard L. Sallquist

Enclosures

cc: Utilities Division  
Lonnie McCleve

**UTILITY SOURCE, L.L.C.**

DOCKET WS- 04235A

---

# TARIFF

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

36100.00000.226

**UTILITY SOURCE, L.L.C.**

DOCKET WS- 04235A

---

**TABLE OF CONTENTS**

**PART ONE – STATEMENT OF CHARGES WATER SERVICE**

1

I. RATES .....	1
A. All Services .....	1
B. Commodity Charges .....	1
II. TAXES AND ASSESSMENTS .....	4
III. ADDITIONAL CHARGES .....	5
A. Establishment of Service .....	5
B. Re-establishment of Service .....	5
C. Reconnection of Service .....	5
D. Charge for Moving Meter at Customer Request.....	5
E. Minimum Deposit Requirement .....	6
F. Meter test per Rule .....	6
G. Meter Reread .....	6
H. Charge for NSF Check.....	6
I. Deferred Payment Finance Charge .....	6
J. Late Payment Charge .....	7
K. Service Calls .....	7
L. Service Line Tariff and Meter Advance Policy .....	8
M. Main Extension Tariff.....	8
IV. PERMITTED COSTS .....	9

**PART TWO – STATEMENT OF TERMS AND CONDITIONS WATER SERVICE**

I. CROSS-CONNECTION CONTROL .....	11
A. Purpose.....	11
B. Inspections.....	11
C. Requirements.....	11
D. Discontinuance of Service.....	13
II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS .....	14

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

**UTILITY SOURCE, L.L.C.**

DOCKET WS-04235A

---

III. CURTAILMENT PLAN .....	15
IV. RULES AND REGULATIONS .....	22

**PART THREE – STATEMENT OF CHARGES WASTEWATER SERVICE**

I. RATES .....	24
II. TAXES AND ASSESSMENTS .....	25
III. ADDITIONAL CHARGES .....	26
A. Establishment of Service .....	26
B. Re-establishment of Service .....	26
C. Reconnection of Service .....	26
D. Minimum Deposit Requirement .....	27
E. Charge for NSF Check .....	27
F. Deferred Payment Finance Charge .....	27
G. Late Payment Charge .....	27
H. Service Calls .....	28
I. Service Lateral Connection Charges .....	28
J. Main Extension Tariff .....	28
IV. PERMITTED COSTS .....	29

**PART FOUR – STATEMENT OF TERMS AND CONDITIONS WASTEWATER SERVICE**

I. CUSTOMER DISCHARGE TO SYSTEM .....	31
A. Service Subject to Regulation .....	31
B. Waste Limitations .....	31
C. Inspection and Right of Entry .....	32
D. Termination of Water Service for Violation of Wastewater Rules and Regulations .....	33
II. RULES AND REGULATIONS .....	34

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART ONE**  
**STATEMENT OF CHARGES**  
**WATER SERVICE**

**I. RATES**

In Opinion and Order No. 70140, dated January 23, 2008, the Commission approved the following rates and charges to become effective February 1, 2008.

<u>Meter Size</u>	<u>Usage Included in</u> <u>Minimum Charge</u>	<u>Minimum</u> <u>Charge</u>
Inches	Gallons	Per Month

A. General Residential, Commercial, Industrial, and Irrigation Service

5/8 X 3/4 Meter	0	\$18.50
3/4" Meter	-0-	18.50
1" Meter	-0-	46.50
1 1/2" Meter	-0-	92.50
2" Meter	-0-	148.00
3" Meter	-0-	296.00
4" Meter	-0-	462.50
6" Meter	-0-	925.00

B. Commodity Charges

5/8" X 3/4" Meter (Residential and Commercial)	<u>Per 1,000</u> <u>Gallons</u>
0 to 4,000 Gallons	\$ 4.80
4,001-9,000 Gallons	\$ 7.16
Over 9,000 Gallons	\$ 8.60

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
 Utility Source, L.L.C.  
 521 E. San Pedro  
 Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART ONE**  
**STATEMENT OF CHARGES**  
**WATER SERVICE**

	<b>Per 1,000 Gallons</b>
3/4" Meter (Residential and Commercial)	
0 to 4,000 Gallons	\$ 4.80
4,001-9,000 Gallons	\$ 7.16
Over 9,000 Gallons	\$ 8.60
	<b>Per 1,000 Gallons</b>
1 Inch Meter (Residential and Commercial)	
0 to 27,000 Gallons	\$ 7.16
Over 27,000 Gallons	\$ 8.60
	<b>Per 1,000 Gallons</b>
1-1/2 Inch Meter (Residential and Commercial)	
0 to 57,000 Gallons	\$ 7.16
Over 57,000 Gallons	\$ 8.60
	<b>Per 1,000 Gallons</b>
2 Inch Meter (Residential and Commercial)	
0 to 94,000 Gallons	\$ 7.16
Over 94,000 Gallons	\$ 8.60
	<b>Per 1,000 Gallons</b>
3 Inch Meter (Residential and Commercial)	
0 to 195,000 Gallons	\$ 7.16
Over 195,000 Gallons	\$ 8.60

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART ONE**  
**STATEMENT OF CHARGES**  
**WATER SERVICE**

<b>4 Inch Meter (Residential and Commercial)</b>	<b>Per 1,000</b>
0 to 309,000 Gallons	<b>Gallons</b>
Over 309,000 Gallons	\$ 7.16
	\$ 8.60
<b>6 Inch Meter (Residential and Commercial)</b>	<b>Per 1,000</b>
0 to 615,000 Gallons	<b>Gallons</b>
Over 615,000 Gallons	\$ 7.16
	\$ 8.60
<b>Multi-Family Mobile Home and Commercial</b>	N/A
<b>Irrigation Meters</b>	<b>Per 1,000</b>
	<b>Gallons</b>
	\$ 9.26
<b>Standpipe or Bulk Water</b>	<b>Per 1,000</b>
	<b>Gallons</b>
	\$ 10.35
<b>Construction Water</b>	<b>Per 1,000</b>
	<b>Gallons</b>
	\$ 10.35

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
 Utility Source, L.L.C.  
 521 E. San Pedro  
 Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

---

Applies to all WATER service areas

**PART ONE**

**STATEMENT OF CHARGES**  
**WATER 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, per Rule R14-2-409(D)(5).

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART ONE**  
**STATEMENT OF CHARGES**  
**WATER SERVICE**

**III. ADDITIONAL CHARGES<sup>1</sup>**

A.	Establishment of Service Per Rule R14-2-403D (new customer charge, in addition to E, L and M below)	\$ 20.00
1.	If after hours	\$ 40.00
B.	Re-establishment of Service Per Rule R14-2-403D (same customer, same location within 12 months)	Note <sup>2</sup>
C.	Reconnection of Service Per Rule R14-2-403D	\$ 50.00
1.	Reconnection (Delinquent and After Hours) additional	\$ 40.00
D.	Charge for Moving Meter at Customer Request Per Rule R14-2-405B	Cost <sup>3</sup>

<sup>1</sup> Additional charges authorized in Part III, Paragraph III E, F and G shall not be duplicated for dual service customers.

<sup>2</sup> Number of months off the system times the Monthly Minimum

<sup>3</sup> See Sheet No. 9.

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
 Utility Source, L.L.C.  
 521 E. San Pedro  
 Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART ONE**  
**STATEMENT OF CHARGES**  
**WATER SERVICE**

E.	Minimum Deposit Requirement Per Rule R14-2-403B	
	1. Residential customer	(2 times estimated average monthly bill)
	2. Non residential customer	(2-1/2 times estimated maximum monthly bill)
	3. Deposit Interest (per annum)	6.0%
F.	Meter test per Rule, If correct Per Rule R14-2-408F	\$20.00
G.	Meter Reread Per Rule R14-2-408C	\$ 10.00
H.	Charge for NSF Check Per Rule R14-2-409F	\$ 20.00
I.	Deferred Payment Finance Charge Per month	1 ½ % <sup>4</sup>

<sup>4</sup> Per Rule A.A.C. R14-2-409 (G) (6)

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

Applies to all WATER service areas

**PART ONE**

**STATEMENT OF CHARGES**

**WATER SERVICE**

J.	Late Payment Charge Per Month	1 ½% <sup>5 6 7</sup>
K.	Service Calls, per hour After hours only	\$40.00 <sup>8</sup>

<sup>5</sup> Per Rule A.A.C. R14-2-403(B)

<sup>6</sup> Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

<sup>7</sup> This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

<sup>8</sup> For service problem found to be on Customer's side of meter. Company will not repair problem.

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART ONE**

**STATEMENT OF CHARGES**  
**WATER SERVICE**

L. Service Line Advance <sup>9</sup>

5/8 x3/4 Inch	\$	520.00
3/4 Inch	\$	575.00
1 Inch	\$	660.00
1 1/2 Inch	\$	900.00
2" Turbine Meter	\$	1,525.00
2" Compound Meter	\$	2,320.00
3" Turbine Meter	\$	2,275.00
3" Compound Meter	\$	3,110.00
4" Turbine Meter	\$	3,360.00
4" Compound Meter	\$	4,475.00
6" Turbine Meter	\$	6,035.00
6" Compound Meter	\$	8,050.00

M. Main Extension Tariff  
Per Rule R14-2-406B

Cost<sup>10</sup>

<sup>9</sup> The customer shall be the owner of and be responsible for the design, installation, maintenance and operation of the Service Line on the customer's side of the water meter.

<sup>10</sup> Per Sheet No. 9.

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

---

Applies to all WATER service areas

**PART ONE**  
**STATEMENT OF CHARGES**  
**WATER SERVICE**

**IV. PERMITTED COSTS**

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at costs, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

---

Applies to all WATER service areas

**PART ONE**

**STATEMENT OF CHARGES**  
**WATER SERVICE**

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 Federal, State or local 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.

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS  
WATER SERVICE**

**I. CROSS-CONNECTION CONTROL<sup>11</sup>**

**A. Purpose.**

To protect the public water supply in the Company's water supply in the Company's water system 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 115, as adopted by the Arizona Department of Environmental Quality, or Maricopa County Environmental Services Division, as those regulations may be revised from time to time.

**B. Inspections.**

The customers 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, specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

<sup>11</sup> Approved in Decision No, 67446, dated January 4, 2005

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all WATER service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

1. The Company may require a customer to pay for and have installed, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-115.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. R18-4-115.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 this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may grant additional time for this requirement.

4. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. and Maricopa County Environmental Services Division. The Company shall not require an unreasonable number of tests.

5. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:

---

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS  
WATER SERVICE**

- 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 may 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. 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 tested within fourteen (14) days of written notice by the Company. Failure to install or to remedy the deficiency or dysfunction of the assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all **WATER** service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

**II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY**  
**LIMITATIONS**

A. The Company will 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 will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

---

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS  
WATER SERVICE**

**III. CURTAILMENT PLAN FOR UTILITY SOURCE, L.L.C.<sup>12</sup>**

ADEQ Public Water System Number: PWS I.D. #03-394

Utility Source, LLC ("Company") is authorized to curtail water service to all customers, residential and commercial, within its certificated area under the following terms and conditions:

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of this tariff or no later than sixty (60) days after the date of this tariff.

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

**Stage 1 Exists When:**

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

<sup>12</sup> Approved in Decision No. 67446, dated January 4, 2005

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all **WATER** service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

**Stage 2 Exists When:**

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, or poor water production creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

---

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all WATER service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

**Stage 3 Exists When:**

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis. Standpipe service shall be suspended.

Restrictions: Under Stage 3, Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

---

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all WATER service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
  
2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
  
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

---

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

Applies to all WATER service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS  
WATER SERVICE**

**Stage 4 Exists When:**

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- ◆ Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- ◆ Washing of any vehicle is prohibited
- ◆ The use of water for dust control or any outdoor cleaning uses is prohibited
- ◆ The use of drip or misting systems of any kind is prohibited
- ◆ The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- ◆ The use of construction water shall be prohibited
- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity is prohibited

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

Applies to all **WATER** service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

The Company's operation of its standpipe service shall be prohibited. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
  
2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.
  
3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented.

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all **WATER** service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Service Section at 1-800-222-7000 to initiate an investigation.

---

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all WATER service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

**IV. RULES AND REGULATIONS**

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

---

Issued February 1, 2005

Effective January 4, 2005

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all **WATER** service areas

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS**  
**WATER SERVICE**

This Sheet intentionally left blank

---

Issued January 31, 2008

Effective February 1, 2008

**ISSUED BY:**

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF TERMS AND CONDITIONS  
WASTEWATER SERVICE**

**I. RATES**

In Opinion and Order No. 70140, dated January 23, 2008, the Commission approved the following rates and charges to become effective on February 1, 2008:

A. Wastewater Service

Rate per 1,000 gallons water usage:

Residential	\$	5.84
Car Washes, Laundromats, Commercial, Manufacturing	\$	5.71
Hotels and Motels	\$	7.66
Restaurants	\$	9.46
Industrial Laundries	\$	8.39
Waste Haulers	\$	171.20
Restaurant Grease	\$	149.80
Treatment Plant Sludge	\$	171.20
Mud Sump Waste	\$	535.00

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS-04235A

Canceling Sheet No.

Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF TERMS AND CONDITIONS  
WASTEWATER SERVICE**

B.	Effluent Service <sup>a</sup>	Monthly Minimum	Gallons Included	(000) Gallons
	All Service Sizes	\$0.00	-0-	\$0.00

<sup>a</sup> Effluent Service shall be provided on an "as available" basis at the Company's Wastewater Treatment Plant from a Company owned Standpipe. In the event a customer desires pipeline service to his property, that customer shall enter into the Company's standard Line Extension Agreement to cover pipeline cost, construction requirements and necessary easements. This service was approved by the Commission in Decision No. 69733 dated July 30, 2007.

Issued June 18, 2007

Effective July 18, 2007

ISSUED BY:

Lonnie McCleve, General Manager  
 Utility Source, L.L.C.  
 521 E. San Pedro  
 Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all **WASTEWATER** service areas

**PART THREE**

**STATEMENT OF TERMS AND CONDITIONS**  
**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, per Rule R14-2-608(D)(5).

---

Issued January 31, 2008

Effective February 1, 2008

**ISSUED BY:**

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF TERMS AND CONDITIONS  
WASTEWATER SERVICE**

**III. ADDITIONAL CHARGES<sup>13</sup>**

A.	Establishment of Service per Rule R14-2-603D (new customer charge, in addition to D, I and J below)	\$20.00 <sup>14</sup>
1.	If after hours	40.00
B.	Re-establishment of Service per Rule R14-2-603D (same customer, same location within 12 months)	Note <sup>15</sup>
C.	Reconnection of Service Per Rule R14-2-603D	50.00
1.	If after hours	40.00

<sup>13</sup> Additional charges authorized in Part I, Paragraph H, I and J shall not be duplicated for dual service customers.

<sup>14</sup> Initial monthly billing under PART THREE I to new wastewater service for homes under construction shall commence no sooner than 30, and no more than 60 days after the water meter is installed. Wastewater billing to new service at existing locations shall be pro-rated from the start of service.

<sup>15</sup> Number of months off system times the sum of the monthly minimum.

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF TERMS AND CONDITIONS  
WASTEWATER SERVICE**

- |    |  |  |
|----|--|--|
| D. | Deposit Requirement <sup>16</sup> per Rule R14-2-603B  |  |
|    | 1. Residential customer                                | (2 times estimated average monthly bill)     |
|    | 2. Non-residential customer                            | (2-1/2 times estimated maximum monthly bill) |
|    | 3. Deposit Interest                                    | 6.0%   |
| E. | Charge for NSF Check per Rule R14-2-608E <sup>17</sup> | \$20.00                                      |
| F. | Deferred Payment Finance Charge, per month             | Note <sup>18 19</sup>                        |

<sup>16</sup> The Company does not normally require a deposit prior to the provision of service. However, if the service is not in the property owner's name, this deposit is required. Also in the event service is disconnected due to nonpayment, this deposit may be required.

<sup>17</sup> This charge shall not apply if wastewater service is paid with the same NSF check used to pay for water service for which a NSF fee is charged.

<sup>18</sup> Per Rule A.A.C. R 14-2-608(F)

<sup>19</sup> Deferred payments for wastewater service are only available if established in connection with deferred payments for water service under PART ONE, III(I) of this tariff.

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF TERMS AND CONDITIONS  
WASTEWATER SERVICE**

G.	Late Payment, Per Month,	Per Rule R14-2-608F <sup>20 21</sup>
H.	Service Calls, per hour After hours only	\$40.00 <sup>22</sup>
I.	Service Lateral Connection Charge <sup>23</sup>	
	Residential	\$500.00
	Commercial	Cost <sup>24</sup>
J.	Main Extension Tariff, per Rule R14-2-606B	Cost <sup>25</sup>

<sup>20</sup> This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

<sup>21</sup> Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

<sup>22</sup> For service problem found to be on Customer's side of lot line. Company will not repair problem.

<sup>23</sup> The Company shall own the Service Lateral up to the Customer's property line. The Customer shall own the Service Lateral beyond that point. The Company shall maintain and operate the Service Lateral only from the connection to the main line in the street or right-of-way up to its interconnection with the Customer's Service Lateral at the edge of the right-of-way, beyond which maintenance is the Customer's responsibility

<sup>24</sup> Per Sheet No. 29.

<sup>25</sup> All Main Extensions shall be completed at cost per Sheet No. 27 and shall be non-refundable Contributions-in-Aid-of-Construction.

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

---

Applies to all WASTEWATER service areas

**PART THREE**

**STATEMENT OF TERMS AND CONDITIONS**  
**WASTEWATER SERVICE**

**IV. PERMITTED COSTS**

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10 percent. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual amount is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased cost was beyond its control and could not be foreseen at the time the estimate for the total amount was made.
- 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.

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

DOCKET WS- 04235A

Canceling Sheet No.

---

Applies to all **WASTEWATER** service areas

**PART THREE**

**STATEMENT OF TERMS AND CONDITIONS**  
**WASTEWATER SERVICE**

- F. Permitted costs shall include any Federal, State or local 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.

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

Applies to all WASTEWATER service areas

**PART FOUR**

**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**

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. No person 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.

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

Applies to all WASTEWATER service areas

**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS  
WASTEWATER SERVICE**

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 sewerage 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

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

Applies to all **WASTEWATER** service areas

**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS**  
**WASTEWATER SERVICE**

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

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART FOUR or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

---

Issued January 31, 2008

Effective February 1, 2008

ISSUED BY:

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233

Applies to all **WASTEWATER** service areas

**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS**  
**WASTEWATER SERVICE**

**II. RULES AND REGULATIONS**

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-610 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

---

Issued January 31, 2008

Effective February 1, 2008

**ISSUED BY:**

Lonnie McCleve, General Manager  
Utility Source, L.L.C.  
521 E. San Pedro  
Gilbert, AZ 85233