

ORIGINAL



0000138106

7/20/2012

Kohl's Ranch Water Company Rate Application  
Test Year Ended: December 31, 2011  
W-02886A-12-~~1098~~ 0190

Please Docket these Revised pages and narratives for Kohl's Ranch Water Company Rate Case Application.

Thank You.

Mr. Thorne

Arizona Corporation Commission  
**DOCKETED**

JUL 20 2012

DOCKETED BY 

RECEIVED  
AZ CORP COMMISSION  
DOCKET CONTROL  
2012 JUL 20 PM 12 04

### Response # 3

The meters that worn and unreadables are charge to the customers minimum rate. The meter reading are not verified and therefore the customers are charge a minimum rate.

### Response # 1

There is ~~no~~ record of the original cost of the plant accounts. The original cost amount shown are the estimated price of 1984

KR SYSTEM NO. 04-013 (ADEQ #)

Company Name: Kohl's Ranch Water Company | Year Ended: 2012

WATER COMPANY PLANT DESCRIPTION CONTINUED

SPRING

MAINS		
Size (in inches)	Material	Length (in feet)
2	Galvanized	3,280 FT
3	Cement	5,320 FT
4	Cement	2,240 FT
5		
6	Cast Iron	100 FT
8		
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 x 3/4	121
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, please list the utility owned assets in each category.

TREATMENT EQUIPMENT:

- (1 ea) chlorinating pump
- (1 ea) chlorine tank
- (4 ea) filter tanks and backwash valves

STRUCTURES:

- Chlorination Building: frame
- Filter Building - frame

OTHER:

- 
- 
- 
-

**KR SYSTEM No. 04-089 (ADEQ#)**

Company Name: Kohl's Ranch Water Company	Year Ended: 2012
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**WATER COMPANY PLANT DESCRIPTION CONTINUED**

<b>MAINS</b>		
Size (in inches)	Material	Length (in feet)
2	PVC	1,385
3	PVC	400
4		
5		
6		
8	PVC	1,050
10		
12		
3	Galvanized Iron	275
1	Galvanized Iron	550

<b>CUSTOMER METERS</b>	
Size (in inches)	Quantity
5/8 x 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	1
Turbo 6	
8 inch*	1

\* at 12/31/2009

**For the following three items, please list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

4 ea) Chlorinating Pump

1 ea) Chlorine Tank

**STRUCTURES:**

Pump Building - Block 1,280 SF (64' X 20')

Water Storage Tank - 38' Diameter X 24' High

**OTHER:**

Company Name: Kohl's Ranch Water Company	Year Ended: 2012
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**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (inches)	Meter Size (inches)	Year Drilled
55-508295	3	37	185	8" to 21"	1 1/2"	1984
				5" to 185'		

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

**BOOSTER PUMPS**

Horsepower	Quantity
15 HP	1
40 HP	1

**FIRE HYDRANTS**

Quantity Standard	Quantity Other
2	

**STORAGE TANKS**

Capacity	Quantity
200,000 GAL	1

**PRESSURE TANKS**

Capacity	Quantity
1 000 GAL	1

Company Name:	Test Year Ended:
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**BALANCE SHEET (CONTINUED)**

	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF TEST YEAR</b>	<b>BALANCE AT END OF TEST YEAR</b>
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$</b>	<b>\$</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		\$ *
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		\$ **
272	Less: Amortization of Contributions		(\$ )
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$</b>	<b>\$</b>
	<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>\$</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		\$ 5000 <sup>10</sup>
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$</b>	<b>\$</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$</b>	<b>\$</b>

**Note: Account 272 should be subtracted from Total Deferred Credits.**

**\* Must equal page 24, Total Advances in Aid of Constructions**

**\*\* Must equal page 25, Total Advances**

Company Name:

Kohl's Ranch Water

Test Year Ended:

01/31/2012

Rate

BALANCE SHEET

22

Acct. No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ zero	\$ zero
134	Working Funds	zero	zero
135	Temporary Cash Investments	zero	zero
141	Customer Accounts Receivable	zero	173 <sup>87</sup> / <sub>100</sub>
146	Notes/Receivables from Associated Companies	zero	zero
151	Plant Material and Supplies <i>NOT USE</i>	none	500 <sup>00</sup>
162	Prepayments	zero	zero <i>None</i>
174	Miscellaneous Current and Accrued Assets	zero	zero
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ zero	\$ 673 <sup>00</sup>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service <i>Total plant before depreciation</i>	none	\$ 163,149.94 <sup>00</sup>
103	Property Held for Future Use	none	none
105	Construction Work in Progress	none	none
108	Accumulated Depreciation - Utility Plant ("AD-UP")	00	5000 <sup>00</sup>
121	Non-Utility Property	none	none zero
122	Accumulated Depreciation - Non Utility ("AD-NU")	zero	163,156 <sup>00</sup>
	<b>TOTAL FIXED ASSETS</b>	\$ zero	163,200 <sup>00</sup>
	<b>TOTAL ASSETS</b>	\$ <i>no records</i>	\$ 5000 <sup>00</sup>

Note: Total Assets on this page should equal the sum of Total Liabilities and Total Capital on page 22. Also, numbers in parentheses should be subtracted. For example, Accounts 108 and 122 should be subtracted from Total Fixed Assets.

\* Must equal page 15, original cost

\*\* Must equal page 15, accumulated depreciation

Company Name: Kohl's Ranch Water Co. Test Year Ended: 01/31/2012

**CALCULATION OF DEPRECIATION EXPENSE**

Acct. No..	Description	Original Cost	Depreciation Percentage	Depreciation Expense
		Column A	Column B	Column C*
301	Organization	NONE		
302	Franchises	NONE		
303	Land & Land Rights		N/A	zero
304	Structures & Improvements	2835.50	3.33	217.39
307	Wells & Springs	3000.00	3.33	49.90
311	Pumping Equipment	500.00	12.5	zero 13/yr old
320	Water Treatment Equipment	600.00	zero	zero
320.1	Water Treatment Plants	2000	zero	zero
320.2	Solution Chemical Feeders	100.00	20.0	zero or 5 year
330	Distribution Reservoirs & Standpipes	NONE		NONE
330.1	Storage Tanks	142280.00	2.22	4446.25 13/yr old
330.2	Pressure Tanks	1750.00	5.0	250.00 13/yr old
331	Transmission & Distrib. Mains	5500	2.0	zero 45/old
333	Services			zero
334	Meters & Meter Installations	1210.00	12	zero like other
335	Hydrants	NONE		
336	Backflow Prevention Devices	NONE		
339	Other Plant & Misc. Equipment	NONE		
340	Office Furniture & Equipment	NONE		
340.1	Computers & Software	2517.54	zero	zero
341	Transportation Equipment	NONE		
343	Tools, Shop & Garage Equip.	NONE		
344	Laboratory Equipment	NONE		
345	Power Operated Equipment	500.00	zero	zero
346	Communication Equipment	856.90	zero	zero
347	Miscellaneous Equipment	NONE		
348	Other Tangible Plant	NONE		
	<b>TOTAL WATER PLANT</b>	<b>163149.94</b>	<b>63.71</b>	<b>501,354.00</b>

Note: Use Test Year ending balances for column 1, and approved depreciation rates from the prior rate case in column 2.

\* Column C = Column A x Column B

Acct. No.	OPERATING REVENUES	PRIOR YEAR	TEST YEAR
461	Metered Water Revenue <i>Includes Emergency Surcharges</i>	\$ no records	\$109,311.28
460	Unmetered Water Revenue		
474	Other Water Revenues		
	<b>TOTAL OPERATING REVENUES</b>	\$ no records	\$109,311.28
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages (See page 1, item 4)	\$ no records	\$24,000
610	Purchased Water (See page 1, item 5)		none
615	Purchased Power (See page 1, item 6)	no records	6,778.53
618	Chemicals	no records	965.59
620	Repairs and Maintenance (See page 1, item 7)	no records	3,549.91
621	Office Supplies and Expense	no records	9,837.50
630	Outside Services (See page 1, item 8)	no records	46,585.36
635	Water Testing (See page 1, item 9)	no records	3,905.32
641	Rents		none
650	Transportation Expenses	no records	6,668.96
657	Insurance - General Liability	zero	2,641
659	Insurance - Health and Life	no record	none
666	Regulatory Commission Expense - Rate Case	no record	none
675	Miscellaneous Expense	no records	92.38
403	Depreciation Expense (From page 20)	no records	5,748.54
408	Taxes Other Than Income	no records	666.72
408.11	Property Taxes (See page 1, item 10)	no records	21,598.82
409	Income Tax	no records	14,527.73
	<b>TOTAL OPERATING EXPENSES</b>	\$ no records	\$1,209,921.41
	<b>OPERATING INCOME (LOSS)</b>	\$ no records	\$1,168.11
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ none	\$ none
421	Non-Utility Income		none
426	Miscellaneous Non-Utility Expenses		zero
427	Interest Expense		zero
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 0	\$ zero
	<b>NET INCOME (LOSS)</b>	\$ no records	\$1,168.11

52 A mile?  
 ?  
 Bank Fees  
 AZ-Rev & State

Note: Do not include sales tax in revenue or expense. Please refer to the checklist on page 1 for the required attachments related to this schedule.

\* This number must be identical to the number entered on page 6 "total operating revenues."

**WATER USE DATA SHEET**

Rate

<b>NAME OF COMPANY</b>	Kohl's Ranch Water Co. SPRING
<b>ADEQ Public Water System Number:</b>	04-04013

<b>MONTH/YEAR (12 Months of Test Year)</b>	<b>NUMBER OF CUSTOMERS</b>	<b>GALLONS SOLD (Thousands)</b>	<b>GALLONS (Thousands)</b> <i>FLAN 5</i>
1. 01 - 1 - 2012	121	78541	300900
2. 02 - 1 - 2011	121	126009	451000
3. 03 - 1 - 2011	121	99561	422700
4. 04 - 1 - 2011	121	460030	506800
5. 05 - 1 - 2011	121	402590	748200
6. 06 - 1 - 2011	121	509272	751000
7. 07 - 1 - 2011	121	405790	850000.
8. 08 - 1 - 2011	121	346159	643200.
9. 09 - 1 - 2011	121	328240	569800.
10. 10 - 1 - 2011	121	201930	399600
11. 11 - 1 - 2011	121	99920	232100
12. 12 - 1 - 2011	121	82180	158400
<b>TOTAL</b>	<b>N/A</b>	<b>3140222 *</b>	<b>6033700 **</b>

**Is the water utility located in an ADWR Active Management Area ("AMA")?**

YES  NO ?

**Does the Company have an ADWR gallons per capita day ("GPCD") requirement?**

YES  NO ?

**If Yes, please provide the GPCD amount:** \_\_\_\_\_ ?

*Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of any of the above, please contact the Engineering Supervisor at 602-542-7277.*

\* This number must be equal to the number entered on Page 6, "sold gallons."

\*\* Gallons pumped cannot equal or be less than the gallons sold.

NAME OF COMPANY | Kohls Ranch Water  
 ADEQ Public Water System Number: | Well 04-04-089

MONTH/YEAR (12 Months of Test Year)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
1. 02/1/2011	1	252,900	252,900
2. 03/1/2011	1	309,860	309,860
3. 04/1/2011	1	270,530	270,530
4. 05/1/2011	1	491,830	491,830
5. 06/1/2011	1	795,570	795,570
6. 07/1/2011	1	848,460	848,460
7. 08/1/2011	1	562,950	562,950
8. 09/1/2011	1	595,820	595,820
9. 10/1/2011	1	378,390	378,390
10. 11/1/2011	1	324,500	324,500
11. 12/1/2011	1	326,350	326,350
12. 1/1/2012	1	298,930	298,930
TOTAL	N/A	5,456,090 *	5,456,090 **

3a Is the water utility located in an ADWR Active Management Area ("AMA")?  
 YES  NO

Does the Company have an ADWR gallons per capita day ("GPCD") requirement?  
 YES  NO

If Yes, please provide the GPCD amount: \_\_\_\_\_

Note: If you are filing for more than one system, please provide separate data sheets for each system. For explanation of the above, please contact the Engineering Supervisor at 602-542-7277.

\* This number must be equal to the number entered on Page 6, "sold gallons."  
 \*\* Gallons pumped cannot equal or be less than the gallons sold.

**ATTACHMENT "B"**

**EXAMPLE ONLY**

**PUBLIC NOTICE OF AN APPLICATION FOR SALE OF ASSETS  
AND/OR TRANSFER OF THE CERTIFICATE  
OF CONVENIENCE AND NECESSITY**

**BY [name of Company]**

[Name of Company] has filed with the Arizona Corporation Commission ("Commission") an application for authority to sell its assets and/or transfer its Certificate of Convenience and Necessity to provide [specific type of service] service to [name of acquiring Company]. If the application is granted, [name of acquiring Company] would be the exclusive provider of [type of service] service to your area. [Name of acquiring Company] is under the jurisdiction of the Commission.

If you have any claims against [name of Company], including claims for refunds of security deposits, service line and meter installations (WATER ONLY) or main extension agreements and you have not already been contacted by the Company, you must present your claim to [name of Company] on or before [insert date no sooner than 20 days from date of publication or mailing, whichever is later]. Direct your claim(s) to [name, address and telephone number of Company].

The Commission will hold a hearing on this matter. As a property owner or customer you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at [1200 West Washington Street, Phoenix, Arizona 85007 or call 1 800-222-7000/400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1 800-535-0148].

ATTACHMENT "A"

KOHL'S RANCH WATER COMPANY

Kohl's Ranch Water Company  
P.O. Box 206  
Payson, AZ 85547

Docket Control  
Arizona Corporation Commission  
1200 W Washington St.  
Phoenix, Arizona 85007

7-19-2012

Attached is an application by Kohl's Ranch Water for a rate increase. The purpose of this application is to (Explain the purpose for and reasons behind the application).

sincerely,

DOUGLAS THORNE

-----  
KRWC President

A handwritten signature in cursive script, appearing to read "Douglas R Thorne", written in black ink.

Kohl's Ranch Water Company  
P.O. Box 206  
Payson, AZ 85547

July 17, 2012

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

Attached is an application for Kohl's Ranch Water Company for approval of a Cross-Connection Tariff. The purpose of this tariff is to protect Kohl's Ranch water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises.

Sincerely,

DOUGLAS THORNE

-----  
KRWC President

A handwritten signature in black ink, appearing to read "Douglas Thorne", written in a cursive style.

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S. (Transferee) Attach the following exhibit(s):

- X1. Copy of bill of sale, purchase contract or other instrument, which conveys the assets to the transferee.
2. Articles of Incorporation (if corporation)
3. By-Laws (if corporation)
4. Certificate of Good Standing (if corporation)
5. Articles of Partnership (if partnership)
6. Articles of Organization (if limited liability company)
7. Corporate Resolution if required by Articles of Incorporation
8. Attach a copy of the transfer of City or County Franchise from the Transferor to Transferee.

T. List names and addresses of any other public utility interest Transferee has:

1. NONE
2. \_\_\_\_\_

U. Indicate the date that notice of the application was sent, or will be sent to the customers.

7-20, 2012

**CROSS-CONNECTION OR BACKFLOW TARIFF**

PURPOSE:

The purpose of this tariff is to protect Kohl's Ranch  
Water ("Company") water from the possibility of  
contamination caused by the backflow of contaminants that may be present on the  
customer's premises by requiring the installation and periodic testing of backflow-  
prevention assemblies pursuant to the provisions of the Arizona Administrative Code  
("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-215.

REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission  
("Commission") and the Arizona Department of Environmental Quality ("ADEQ"),  
specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow  
prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff
4. The Company shall give any existing customer who is required to install 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 from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

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**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. 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 and recommendations for repairs made by tester; and
  - e. the tester's name and certificate number.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

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**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_



## TARIFF SCHEDULE

ORIGINAL

Utility: Kohl's Ranch Water Company Tariff Sheet No.: 2 of 4  
Docket No. \_\_\_\_\_ Decision No.: N/A  
Phone No.: \_\_\_\_\_ Effective: \_\_\_\_\_

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.

Restrictions: Under Stage 3, Company shall request the customers 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.

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 2 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions 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.

## TARIFF SCHEDULE

ORIGINAL

Utility: Kohl's Ranch Water Company Tariff Sheet No.: 3 of 4  
 Docket No. \_\_\_\_\_ Decision No.: N/A  
 Phone No.: \_\_\_\_\_ Effective: \_\_\_\_\_

**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 is prohibited
- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity is prohibited

The Company's operation of its standpipe service is 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 2 signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions 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.

TARIFF SCHEDULE

Utility: Kohl's Ranch Water Company Tariff Sheet No.: 4 of 4  
Docket No.: \_\_\_\_\_ Decision No.: N/A  
Phone No.: \_\_\_\_\_ Effective: \_\_\_\_\_

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply within 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 Services Section at 1-800-222-7000 to initiate an investigation.

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 or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.