

JOHNSON UTILITIES, L.L.C.
dba Johnson Utilities Company

ORIGINAL

Sheet No. ii.4

DOCKET WS-02987A

Cancelling Sheet No. ii.3

WATER AND WASTEWATER TARIFF

Issued: April 1, 2019

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Gary Drummond, Manager
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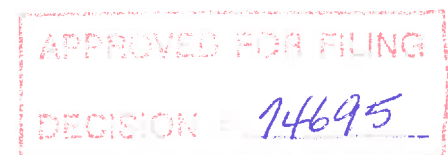
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ORIGINAL**JOHNSON UTILITIES, L.L.C.**
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Sheet No. 1.1

DOCKET WS-02987A

Cancelling Sheet No. 1

PART ONE**STATEMENT OF RATES AND CHARGES—WATER DIVISION****I. RATES AND CHARGES.**

In Decision No. 71854 dated August 24, 2010, the Arizona Corporation Commission approved new rates and charges as set forth in this tariff to be effective for all water service rendered by the Company in all water service areas for all classes of service on and after June 1, 2010.

A. Monthly Water Usage Charge.

Each customer shall pay a Monthly Water Usage Charge for each water meter of that customer based upon the meter size, as follows:

**Gallons Included in Monthly
Water Usage Charge:**

0

Meter Size**Monthly Water Usage Charge**

5/8" x 3/4" Meter	\$11.27
3/4" Meter	\$16.90
1" Meter	\$28.17
1-1/2" Meter	\$56.33
2" Meter	\$90.13
3" Meter	\$180.26
4" Meter	\$281.66
6" Meter	\$563.31
8" Meter	\$901.30
10" Meter	\$1,295.61

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Cancelling Sheet No. 2

PART ONE**STATEMENT OF RATES AND CHARGES—WATER DIVISION****B. Commodity Rates.**

In addition to the payment of the Monthly Water Usage Charge, each customer shall pay a commodity rate for all gallons of water delivered by the Company during the billing cycle as measured at the customer's meter. There are no minimum gallons included in the Monthly Water Usage Charge. The Commodity Rate applies to all meter sizes and all classes of service, as follows:

Gallons Included in Monthly Water Usage Charge:

0

Meter Size**Rate Per Thousand Gallons****5/8" x 3/4" Meter—Residential**

0 to 4,000 Gallons	\$1.7710
4,001 to 10,000 Gallons	\$2.1500
Over 10,000 Gallons	\$2.5060

3/4" Meter—Residential

0 to 4,000 Gallons	\$1.7710
4,001 to 10,000 Gallons	\$2.1500
Over 10,000 Gallons	\$2.5060

3/4" Meter—Commercial, Industrial, Irrigation and Public Authority

0 gallons to 10,000 gallons	\$2.1500
Over 10,000 gallons	\$2.5060

1" Meter

From 1 to 32,000 gallons	\$2.1500
Over 32,000 gallons	\$2.5060

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

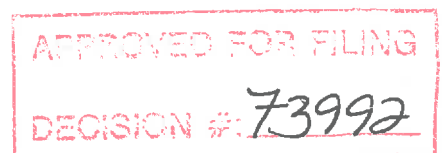
<u>Meter Size</u>	<u>Rate Per Thousand Gallons</u>
1-1/2" Meter	
From 1 to 88,000 gallons	\$2.1500
Over 88,000 gallons	\$2.5060
2" Meter	
From 1 to 156,000 gallons	\$2.1500
Over 156,000 gallons	\$2.5060
3" Meter	
From 1 to 339,000 gallons	\$2.1500
Over 339,000 gallons	\$2.5060
4" Meter	
From 1 to 545,000 gallons	\$2.1500
Over 545,000 gallons	\$2.5060
6" Meter	
From 1 to 1,120,000 gallons	\$2.1500
Over 1,120,000 gallons	\$2.5060
8" Meter	
From 1 to 1,800,000 gallons	\$2.1500
Over 1,800,000 gallons	\$2.5060
10" Meter	
From 1 to 2,600,000 gallons	\$2.1500
Over 2,600,000 gallons	\$2.5060
Construction Water	\$2.5060 (a)
Central Arizona Project Water	See Tariff Section I(E) below

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PART ONE**STATEMENT OF RATES AND CHARGES—WATER DIVISION****Note to Commodity Rates:**

- (a) Construction water service shall be through a Company-approved meter, provided by the customer, and attached to a Company fire hydrant. If the customer does not provide a meter, the Company will provide a meter and will require a refundable deposit from the customer equal to the cost of the meter.

C. Service Line and Meter Installation Charges.

In addition to all other applicable rates and charges in this tariff, each customer requesting new water service shall pay a Service Line and Meter Installation Charge for each meter requested, as follows:

Meter Size (All Classes)	Service Line	Meter Installation	Total
5/8" x 3/4" Meter	\$385.00	\$135.00	\$520.00
3/4" Meter	\$385.00	\$215.00	\$600.00
1" Meter	\$435.00	\$255.00	\$690.00
1-1/2" Meter	\$470.00	\$465.00	\$935.00
2" Turbine Meter	\$630.00	\$965.00	\$1,595.00
2" Compound Meter	\$630.00	\$1,690.00	\$2,320.00
3" Turbine Meter	\$805.00	\$1,470.00	\$2,275.00
3" Compound Meter	\$845.00	\$2,265.00	\$3,110.00
4" Turbine Meter	\$1,170.00	\$2,350.00	\$3,520.00
4" Compound Meter	\$1,230.00	\$3,245.00	\$4,475.00
6" Turbine Meter	\$1,730.00	\$4,545.00	\$6,275.00
6" Compound Meter	\$1,770.00	\$6,280.00	\$8,050.00
8" and Larger	COST	COST	COST

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

The Service Line and Meter Installation Charge shall be refundable to the customer pursuant to A.A.C. R14-2-405(B)(2). The customer shall be the owner of and shall be solely responsible for the design, installation, maintenance, repair, operation and cost of the service line on the customer's side of the water meter.

D. Additional Service Charges.

In addition to all other applicable rates and charges in this tariff, each customer shall be subject to the following charges, as applicable:

Establishment	\$25.00
Establishment (After Hours)	\$40.00
Reconnection (Delinquent)	\$50.00
Reconnection (Delinquent, After Hours)	N/A
Meter Test (If Meter is Correct)	\$25.00
Deposit (Residential)	(a)
Deposit (Non-Residential)	(a)
Deposit Interest, Per Annum	(b)
Re-establishment (Within 12 Months)	(c)
Re-establishment (After Hours)	(c)
NSF Check	\$15.00
Deferred Payment Interest, Per Month	1.50%
Meter Re-Read (If Meter Read is Correct)	\$5.00
Customer Requested Relocation of Meter and/or Service Line Per A.A.C. R14-2-405(B)(5)	Cost
After-Hours Service, Per A.A.C. R14-2-403(D)	Refer to Above Charges
Late Charge, Per Month	1.50% (d)

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STATEMENT OF RATES AND CHARGES—WATER DIVISION

Notes to Additional Service Charges:

- (a) Residential: two times the average monthly bill.
Non-Residential: two and one-half times the maximum monthly bill.
- (b) Interest per A.A.C. R14-2-403(B).
- (c) Monthly Water Usage Charge times number of months off the system, per A.A.C. R14-2-403(D).
- (d) Bills for water utility service are due and payable when rendered. Any payment not received by the Company within fifteen (15) days from the date a bill is rendered shall be considered delinquent and service shall be subject to a late charge and/or termination as set forth herein. A customer's failure to receive bills or notices which have been properly placed in the United States mail shall not prevent a bill from becoming delinquent nor relieve the customer of his or her obligations to pay a bill which is due. All late payment penalties shall be billed on the customer's next regularly scheduled billing. If a customer fails to pay the outstanding balance by the due date on the bill, the customer will receive a written notice that service will be terminated in ten (10) days from the date of the notice. If the customer does not pay the outstanding balance and the late payment penalty by the date in the termination notice, service will be terminated on the date in the notice. Service shall be terminated only for that service for which the customer is delinquent or in violation. All customers whose service is terminated for failure to pay a bill or a late payment penalty are subject to the Company's reconnection charge as set forth in this tariff.

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

E. Central Arizona Groundwater Replenishment District Adjustor Charge.

1. CAGRD Adjustor Mechanism. In Decision No. 71854 dated August 24, 2010, the Arizona Corporation Commission authorized the Company to implement a Central Arizona Groundwater Replenishment District ("CAGRD") adjustor mechanism to recover the annual tax assessments imposed upon the Company by the CAGRD as a result of the Company's membership in the CAGRD. Accordingly, in addition to all other applicable rates and charges in this tariff, each customer shall pay a monthly CAGRD adjustor charge per thousand gallons of water delivered, as set forth below, effective for all water service rendered in all water service areas for all classes of service on and after June 1, 2010, in accordance with all conditions set forth in Decision No. 71854. The CAGRD adjustor fee shall be calculated as follows: The total CAGRD fees for the most current year in the Phoenix Active Management Area ("Phoenix AMA") shall be divided by the gallons sold in that year to determine a CAGRD fee per 1,000 gallons delivered to customers in the Phoenix AMA. Similarly, the total CAGRD fees for the most current year in the Pinal Active Management Area ("Pinal AMA") shall be divided by the gallons sold in that year to determine a CAGRD fee per 1,000 gallons delivered to customers in the Pinal AMA. By August 25th of each year, the Company shall submit for Commission consideration its proposed CAGRD adjustor fees for the Phoenix AMA and the Pinal AMA, along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. The Commission-approved CAGRD fees shall become effective on October 1 and shall remain in effect until the next CAGRD fee is calculated and approved. To prevent over or under recovery of CAGRD assessments, an annual true-up shall be performed at the time the Company submits its proposed CAGRD adjustor to the Commission. Any over or under recovery of CAGRD fees shall be included in the next year's computation.

2. CAGRD Adjustor Fees. A CAGRD adjustor fee shall be applicable to each thousand gallons of water sold, as follows:

<u>AMA Where Customer Resides:</u>	<u>Rate Per Thousand Gallons of Water Delivered:</u>
Phoenix AMA	\$1.85 (effective 4/1/2019)
Pinal AMA	\$2.50 (effective 4/1/2019)

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

F. Non-Potable Central Arizona Project Water Service.

1. Availability. Within the Company's certificated area, Central Arizona Project ("CAP") water may be purchased when available and subject to the terms and conditions set forth herein. Portions of the delivery service will be provided through certain facilities owned by New Magma Irrigation and Drainage District ("NMIDD") under a wheeling agreement with the Company. Service availability to the customer is contingent upon the availability of those NMIDD facilities pursuant to the wheeling agreement.

2. Suitability. It is the customer's responsibility to determine the initial and continuing suitability of the non-potable CAP water furnished under this tariff for any intended uses. The Company does not treat, test or monitor non-potable CAP water and furnishes it to customers strictly on an "as-received" basis from the Central Arizona Water Conservation District ("CAWCD") and as wheeled by NMIDD. The customer agrees to accept non-potable CAP water "as received." Compliance with any requirement of the Arizona Department of Environmental Quality, or any other agency having jurisdiction, concerning the use or quality of non-potable CAP water shall be the sole responsibility of the customer. The Company will not be liable for, and the customer will hold harmless, indemnify and defend the Company against, any injuries or damages arising from its service of non-potable CAP water.

3. Facilities and Demand. When applying for non-potable CAP water service, the customer shall specify the maximum annual quantity of CAP water in acre feet ("AF") that it intends to use under this tariff schedule and pursuant to a Non-Potable Water Facilities Contribution Agreement. This quantity of water will be used to determine the facilities required to serve the customer and will be the customer's maximum demand for non-potable CAP water ("CAP Demand") during any calendar year. The customer will be responsible for the annual CAWCD M&I Water Service Capital Charge on the CAP Demand. The customer will contribute the funds required to install all facilities needed to provide CAP water. Such facilities will be owned by the Company.

4. Monthly Bill. The monthly billing will consist of the following components:

a. A monthly CAP Demand charge equal to $1/12^{\text{th}}$ of the customer's CAP Demand in AF times the applicable CAWCD M&I Water Service Capital Charge per AF plus four percent (4%) of such costs to cover the Company's administrative and handling costs.

b. A meter charge based on the applicable monthly minimum charge

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

by meter size as set forth in each system's General Service tariff schedule. This meter charge shall not include any water.

c. A commodity charge designed to pass on all costs of non-potable CAP water, except the monthly CAP Demand charge, as billed to the Company during the previous month by the CAWCD or any other authorized governmental agency, plus one percent (1%) of such costs to cover the Company's administrative and handling costs.

d. A power, maintenance, wheeling and depreciation charge based on the specific requirements of each customer.

i. The power component will be the direct and separately metered cost of the power billed to the Company during the previous month for CAP water delivered to the customer, plus one percent (1%) of the power cost to cover the Company's administrative and handling costs. If multiple customers are being served by common facilities, the power component will be prorated based on CAP water actually used during the month by each customer.

ii. The maintenance component will be the actual costs of maintaining the facilities required to serve the customer, plus a ten percent (10%) charge to provide for overhead and margin. If multiple customers are being served by common facilities, the maintenance component will be prorated based on each customer's CAP Demand.

iii. The wheeling component will be the actual costs to the Company of any and all costs to the Company associated with the NMIDD Wheeling Agreement, plus one percent (1%) of the contract cost to cover the Company's administrative and handling costs. If multiple customers are being served by common facilities, the power component will be prorated based upon CAP water actually used during the month by each customer.

iv. The depreciation component will be $1/12^{\text{th}}$ of the product of the Company's book depreciation rate, as authorized by the Arizona Corporation Commission, times the original cost of the plant facilities serving the customer. If multiple customers are being served by common facilities, the depreciation component will be prorated based on each customer's CAP Demand.

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

G. Water Main Extensions.

Water main extensions shall be pursuant to A.A.C. R14-2-406, except that refunds of advances in aid of construction shall be made at a rate of five percent (5%) of the gross revenues received by the Company from *bona fide* customers connected to the facilities funded with the advance, until all advances are fully refunded to the person paying the advance.

H. Taxes and Assessments.

In addition to the collection of all other rates and charges authorized herein, the Company shall collect from its customers a proportionate share of any privilege, sales, use and franchise tax, per A.A.C. R14-2-409(D)(5).

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

I. Permitted Costs.

1. Costs shall be verified by invoice.
2. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. 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.
3. 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.
4. 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.
5. 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.
6. 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.

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

J. Off-site Facilities Hook-up Fee.

1. Purpose and Applicability. The purpose of the Off-site Facilities Hook-up Fee (also referred to as "Hook-up Fees") payable to the Company pursuant to this tariff is to equitably apportion the costs of constructing additional Off-site Facilities necessary to provide water production, delivery, storage and pressure among all new service connections. The Hook-up Fees are applicable to all new service connections established after the effective date of this tariff undertaken via a Main Extension Agreement or requests for service not requiring a Main Extension Agreement. The Hook-up Fees are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below. The Hook-up Fees are in addition to Service Line and Meter Installation Charges, the requirement for on-site facilities to be installed pursuant to approved Main Extension Agreements, and the payment of Monthly Water Usage Charges, Commodity Charges and other charges authorized under this tariff.

2. Definitions. Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

a. "Applicant" means any party entering into an agreement with the Company for the installation of water facilities to serve new service connections, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

b. "Company" means Johnson Utilities, L.L.C.

c. "Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities necessary for the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as "Water Facilities Agreement" or "Line Extension Agreement."

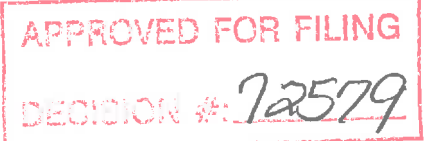
d. "Off-site Facilities" means wells, storage tanks and related appurtenance necessary for proper operation, including engineering and design costs. Off-site Facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

Applicant and will benefit the entire water system.

e. "Service Connection" means and includes all service connections for single-family residential or commercial, industrial or other uses, regardless of meter size.

3. Off-site Facilities Hook-up Fee. For each new service connection, the Company shall collect an Off-site Facilities Hook-up Fee as listed in the following table:

OFF-SITE WATER FACILITY HOOK-UP FEE TARIFF TABLE	
Meter Size	Total Fee
5/8 x 3/4"	\$750.00
3/4"	\$900.00
1"	\$1,500.00
1-1/2"	\$3,000.00
2"	\$4,800.00
3"	\$9,000.00
4"	\$15,000.00
6" or greater	\$30,000.00

4. Terms and Conditions.

a. Assessment of One-Time Off-site Facilities Hook-up Fee. The Off-site Facilities Hook-up Fee may be assessed only once per parcel, service connection or lot within a subdivision (similar to meter and service line installation charges).

b. Use of Off-site Facilities Hook-up Fees. Off-site Facilities Hook-up Fees may only be used to pay for capital items of Off-site Facilities, or for repayment of loans obtained to fund the cost of installation of Off-site Facilities. Off-site Facilities Hook-up Fees

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

shall not be used to cover repairs, maintenance or operational costs.

c. Time of Payment.

i. For those requiring a Main Extension Agreement: In the event that the Applicant is required to enter into a Main Extension Agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements or to construct such improvements in order to extend service in accordance with R-14-2-406(B), payment of the Hook-up Fees required hereunder shall be made by the Applicant no later than 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).

ii. For those connecting to an existing main: In the event that the Applicant is not required to enter into a Main Extension Agreement, the Hook-up Fees required hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

d. Off-site Facilities Construction by Developer. The Company and the Applicant may agree to construction of Off-site Facilities necessary to serve a particular development by the Applicant, which facilities are then conveyed to the Company. In that event, the Company shall credit the total cost of such Off-site Facilities as an offset to Off-site Facilities Hook-up Fees due under this tariff. If the total cost of the Off-site Facilities constructed by the Applicant and conveyed to the Company is less than the applicable Off-site Facilities Hook-up Fees under this tariff, then the Applicant shall pay the remaining amount of Off-site Facilities Hook-up Fees owed hereunder upon acceptance of the Off-site Facilities by the Company. If the total cost of the Off-site Facilities contributed by the Applicant and conveyed to the Company is more than the applicable Off-site Facilities Hook-up Fees under this tariff, then the Applicant shall be refunded the difference upon acceptance of the Off-site Facilities by the Company.

e. Failure to Pay Fees; Delinquent Payments. The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Applicant if the Applicant has not paid in full all Hook-up Fees required hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

f. Large Subdivision and/or Development Projects. In the event that the Applicant is engaged in the development of a residential subdivision and/or development

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

containing more than 150 lots, the Company may, in its discretion, agree to payment of Off-site Facilities Hook-up Fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and Hook-up Fees schedule for the subdivision and/or development.

g. Off-site Facilities Hook-up Fees Non-refundable. The amounts collected by the Company as Off-site Facilities Hook-up Fees pursuant to the Off-site Facilities Hook-up Fee tariff shall be non-refundable contributions in aid of construction.

h. Use of Off-site Facilities Hook-up Fees Received. All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest-bearing bank account and used solely for the purposes of paying for the costs of installation of the Off-site Facilities, including repayment of loans obtained for the installation of Off-site Facilities that will benefit the entire water system.

i. Off-site Facilities Hook-up Fees in Addition to On-site Facilities. The Off-site Facilities Hook-up Fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.

j. Disposition of Excess Funds. After all necessary and desirable Off-site Facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee, or if the Off-site Facilities Hook-up Fee has been terminated by order of the Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

j. Fire Flow Requirements. In the event the Applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the Off-site Facilities Hook-up Fee, and which are contemplated to be constructed using the proceeds of the Off-site Facilities Hook-up Fee, the Company may require the Applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the Off-site Facilities Hook-up Fee.

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George H. Johnson, Managing Member
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5320 E. Shea Blvd.
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APPROVED FOR FILING
DECISION #: 72579

PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

k. Status Reporting Requirements to the Commission. The Company shall submit a calendar year Off-site Facilities Hook-up Fee status report each January 31st to Docket Control for the prior twelve (12) month period, beginning January 31, 2012, until the Off-site Facilities Hook-up Fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the Off-site Facilities Hook-up Fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the bank account, and a list of all facilities that have been installed with the tariff funds during the 12- month period.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION

I. CROSS-CONNECTION CONTROL.

A. Purpose.

To protect the public 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 A.A.C. R14-2-405(B)(6) and A.A.C. R18-4-232, as adopted by the Arizona Department of Environmental Quality, 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. R18-4-232 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 this notice. If the customer can show good cause as to why he or she 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. R18-4-232(F). The Company shall not require an unreasonable number of tests.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION

5. 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 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 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 disfunction 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.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION

II. CURTAILMENT.

ADEQ Public Water System Numbers: 11-128, 11-116 & 11-245.

The Company is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff. This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company. The Company shall provide a copy of the curtailment tariff to any customer upon request.

A. STAGE 1. Stage 1 exists when the Company is able to maintain water storage in the system at 100% of capacity and there are no known problems with its well production or water storage in the system.

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

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

B. STAGE 2. Stage 2 exists when:

- The Company's water storage or well production has been less than 80% of capacity for at least 48 consecutive hours; and

- The 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.

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

2. Notice Requirements. Under Stage 2, the Company is required to notify customers by (i) delivering written notice door to door at each service address, (ii) by United States first class mail to the billing address, or (iii) 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.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION

C. STAGE 3. Stage 3 exists when:

- The Company's total water storage or well production has been less than 50% of capacity for at least 24 consecutive hours; and

- The 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.

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

2. Notice Requirements.

a. 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.

b. Beginning with Stage 3, the Company shall post 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.

c. The Company shall notify the Consumer Services Section of the Utilities Division of the Arizona 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.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION

D. STAGE 4. Stage 4 exists when:

- The Company's total water storage or well production has been less than 25% of capacity for at least 12 consecutive hours; and

- The Company has identified issues such as 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.

1. Restrictions. Under Stage 4, the 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 standpipe service is prohibited during Stage 4. In addition, the addition of new service lines and meter installations is prohibited.

2. Notice Requirements.

a. The 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.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION

b. The Company shall post 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.

c. The Company shall notify the Consumer Services Section of the Utilities Division of the Arizona Corporation Commission at least 12 hours prior to entering Stage 4.

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 the unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he or she has been disconnected in error, the customer may contact the Arizona Corporation 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.

III. RULES AND REGULATIONS.

The Company complies with and follows the Rules and Regulations established by the Arizona Corporation Commission for water service providers as set forth in A.A.C. R14-2-401 *et seq.* Accordingly, the rules set forth in A.A.C. R14-2-401 *et seq.* will be controlling of Company operating procedures unless a specific Commission order provides otherwise.

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PART THREE

STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION

I. RATES AND CHARGES.

In Decision No. 71854 (August 25, 2010), as amended by Decision 72579 (September 15, 2011), the Commission approved new rates and charges as set forth in this tariff to be effective for all wastewater service rendered by the Company in all wastewater service areas for all classes of service on and after October 1, 2011.

A. Monthly Wastewater Usage Charge.

Each customer shall pay a Monthly Wastewater Usage Charge based upon the size of the customer's water meter, as follows:

<u>Meter Size</u>	<u>Monthly Wastewater Usage Charge</u>
5/8" Meter	\$37.27
3/4" Meter	\$40.98
1" Meter	\$52.17
1-1/2" Meter	\$67.07
2" Meter	\$108.06
3" Meter	\$409.88
4" Meter	\$782.48
6" Meter	\$1,080.57
8" Meter	\$1,490.80
10" Meter	\$2,143.03

Pursuant to Decision No. 64062 (October 4, 2001), the monthly billing for wastewater service at a new wastewater service location shall commence when wastewater first flows into the wastewater collection system.

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Effective: August 1, 2014

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APPROVED FOR FILING

DECISION #: 74695

PART THREE**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION****B. Service Line Connection Charge.**

In addition to all other applicable rates and charges in this tariff, each customer requesting new wastewater service shall pay a Service Line Connection Charge in the amount of \$350.00.

The Company shall install and own the service line up to the customer's property line. The customer shall install and own the service line on the customer's side of the customer's property line. The customer shall maintain and operate the service line from the connection to the main line in the street or right-of-way to its interconnection with the customer's building or facility.

C. Sale of Effluent.

1. Rate Per 1,000 gallons: \$0.68.
2. Rate Per Acre-Foot: \$221.58.

D. Additional Service Charges.

In addition to all other applicable rates and charges in this tariff, each customer shall be subject to the following charges, as applicable:

Establishment	\$25.00
Establishment (After Hours)	\$40.00
Deposit (Residential)	(a)
Deposit (Non-Residential)	(a)
Deposit Interest, Per Annum	(b)
Re-establishment (Within 12 Months)	(c)
Re-establishment (After Hours)	(c)
NSF Check	\$15.00
Deferred Payment Interest, Per Month	1.50%
After-Hours Service, Per A.A.C. R14-2-603(D)	Refer to Above Charges
Late Charge, Per Month	1.50% (d)

Notes to Additional Service Charges:

- (a) Residential: two times the estimated average monthly bill.
Non-Residential: two and one-half times the estimated maximum monthly bill.

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DECISION #: 73992

PART THREE

STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION

- (b) Interest per A.A.C. R14-2-603(B).
- (c) Monthly Wastewater Usage Charge times number of months off the system (A.A.C. R14-2-603(D)).
- (d) Bills for wastewater utility service are due and payable when rendered. Any payment not received by the Company within fifteen (15) days from the date a bill is rendered shall be considered delinquent and service shall be subject to a late charge and/or termination as set forth herein. A customer's failure to receive bills or notices which have been properly placed in the United States mail shall not prevent a bill from becoming delinquent nor relieve the customer of his or her obligations to pay a bill which is due. All late payment penalties shall be billed on the customer's next regularly scheduled billing. If a customer fails to pay the outstanding balance by the due date on the bill, the customer will receive a written notice that service will be terminated in ten (10) days from the date of the notice. If the customer does not pay the outstanding balance and the late payment penalty by the date in the termination notice, service will be terminated on the date in the notice. Service shall be terminated only for that service for which the customer is delinquent or in violation. All customers whose service is terminated for failure to pay a bill or a late payment penalty are subject to the Company's reconnection charge as set forth in this tariff.

E. Sewer Collection Main Extensions.

Sewer collection main extensions shall be pursuant to A.A.C. R14-2-606, except that refunds of advances in aid of construction shall be based upon five percent (5%) of the gross revenues received by the Company from *bona fide* customers connected to the facilities funded with the advance, until all advances are fully refunded to the person paying the advance.

F. Taxes and Assessments.

In addition to the collection of all other rates and charges authorized herein, the Company will collect from its customers a proportionate share of any privilege, sales, use and franchise tax, per A.A.C. R14-2-608(D)(5).

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PART THREE

STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION

G. Permitted Costs.

1. Costs shall be verified by invoice.
2. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. 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.
3. 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.
4. 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.
5. 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.
6. 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.

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PART THREE

STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION

H. Off-site Facilities Hook-up Fee.

1. Purpose and Applicability. The purpose of the Off-site Facilities Hook-up Fee (also referred to as "Hook-up Fees") payable to the Company pursuant to this tariff is to equitably apportion the costs of constructing additional Off-site Facilities necessary to provide wastewater treatment plant facilities among all new service laterals. These fees are applicable to all new service laterals established after the effective date of this tariff undertaken via a Collection Main Extension Agreement or request for service not requiring a Collection Main Extension Agreement. The Hook-up Fees are one-time charges and are payable as a condition to Company's establishment of service, as more particularly provided below. The Hook-up Fees are in addition to Service Line Connection Charges, the requirement for on-site facilities to be installed pursuant to Collection Main Extension Agreements, and the payment of Monthly Wastewater Usage Charges and other charges authorized under this tariff.

2. Definitions. Unless the context otherwise requires, the definitions set forth in R-14-2-601 of the Arizona Corporation Commission's rules and regulations governing sewer utilities shall apply in interpreting this tariff schedule.

a. "Applicant" means any party entering into an agreement with the Company for the installation of wastewater facilities to serve new service laterals, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

b. "Company" means Johnson Utilities, L.L.C.

c. "Collection Main Extension Agreement" means any agreement whereby an Applicant agrees to advance the costs of the installation of wastewater facilities necessary for the Company to serve new service laterals within a development, or to install such wastewater facilities necessary to serve new service laterals and transfer ownership of such wastewater facilities to the Company, which agreement does not require the approval of the Commission pursuant to A.A.C. R-14-2-606, and shall have the same meaning as "Wastewater Facilities Agreement."

d. "Off-site Facilities" means the wastewater treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenances necessary for proper operation, including engineering and design costs. Off-site Facilities may also include lift stations, transportation mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the Applicant and benefit the entire wastewater system.

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PART THREE

STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION

e. "Service Lateral" means and includes all service connections for single-family residential, commercial, industrial or other uses.

3. Off-site Facilities Hook-up Fee. For each new service lateral, the Company shall collect an Off-site Facilities Hook-up Fee as listed in the following table:

OFF-SITE WASTEWATER HOOK-UP FEE TARIFF TABLE	
Service Lateral Size	Total Fee
4"	\$1,000
6"	\$2,000
8" or greater	\$4,000

4. Terms and Conditions.

a. Assessment of One-Time Off-site Facilities Hook-up Fee. The Off-site Facilities Hook-up Fee may be assessed only once per parcel, service lateral or lot within a subdivision (similar to service lateral installation charges).

b. Use of Off-site Facilities Hook-up Fees. Off-site Facilities Hook-up Fees may only be used to pay for capital items of Off-site Facilities, or for repayment of loans obtained to fund the cost of installation of Off-site Facilities. Off-site Facilities Hook-up Fees shall not be used to cover repairs, maintenance or operational costs.

c. Time of Payment.

i. For those requiring a Collection Main Extension Agreement: In the event that the Applicant is required to enter into a Collection Main Extension Agreement, whereby the Applicant agrees to advance the costs of on-site improvements or to construct such improvements, payment of the Hook-up Fees required hereunder shall be made by the Applicant when payment is made for the on-site wastewater facilities or 30 days after the Collection Main Extension Agreement is executed, whichever is later.

ii. For those connecting to an existing collection main: In the event that the Applicant is not required to enter into a Collection Main Extension Agreement, the

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PART THREE

STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION

Hook-up Fees required hereunder shall be due and payable at the time wastewater service is requested for the property.

d. Off-site Facilities Construction by Applicant. The Company and the Applicant may agree to construction of Off-site Facilities necessary to serve a particular development by the Applicant, which facilities are then conveyed to the Company. In that event, the Company shall credit the total cost of such Off-site Facilities as an offset to Off-site Facilities Hook-up Fees due under this tariff. If the total cost of the Off-site Facilities constructed by the Applicant and conveyed to the Company is less than the applicable Off-site Facilities Hook-up Fees under this tariff, then the Applicant shall pay the remaining amount of Off-site Facilities Hook-up Fees owed hereunder upon acceptance of the Off-site Facilities by the Company. If the total cost of the Off-site Facilities contributed by the Applicant and conveyed to the Company is more than the applicable Off-site Facilities Hook-up Fees under this tariff, then the Applicant shall be refunded the difference upon acceptance of the Off-site Facilities by the Company.

e. Failure to Pay Hook-up Fees; Delinquent Payments. The Company will not be obligated to make an advance commitment to provide or to provide wastewater service to any Applicant if the Applicant has not paid in full all Hook-up Fees hereunder. Under no circumstances will the Company connect service or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

f. Large Subdivision and/or Development Projects. In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 150 lots, the Company may, in its discretion, agree to payment of Off-site Facilities Hook-up Fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and Hook-up Fees schedule for the subdivision and/or development.

g. Off-site Facilities Hook-up Fees Non-refundable. The amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fee tariff shall be non-refundable contributions in aid of construction.

h. Use of Off-site Facilities Hook-up Fees Received. All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest-bearing bank account and used solely for the purposes of paying for the costs of

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PART THREE

STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION

installation of Off-site Facilities, including repayment of loans obtained for the installation of Off-site Facilities.

i. Off-site Facilities Hook-up Fees in Addition to On-site Facilities.
The Off-site Facilities Hook-up Fee shall be in addition to any costs associated with the construction of on-site facilities under a Collection Main Extension Agreement.

j. Disposition of Excess Funds. After all necessary and desirable Off-site Facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fees, or if the Off-site Facilities Hook-up Fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

k. Status Reporting Requirements to the Commission. The Company shall submit a calendar year Off-site Facilities Hook-up Fee status report each January 31st to Docket Control for the prior twelve (12) month period, beginning January 31, 2012, until the Off-site Facilities Hook-up Fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the Off-site Facilities Hook-up Fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the bank account, and a list of all facilities that have been installed with the tariff funds during the 12- month period.

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PART FOUR

STATEMENT OF TERMS AND CONDITIONS—WASTEWATER DIVISION

I. CUSTOMER DISCHARGE TO SEWER 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.

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

Issued: September 23, 2010

Effective: June 1, 2010

ISSUED BY:

George H. Johnson, Managing Member
Johnson Utilities Company
5320 E. Shea Blvd.
Scottsdale, AZ 85254

APPROVED FOR FILING DECISION # <u>71854</u>
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PART FOUR

STATEMENT OF TERMS AND CONDITIONS—WASTEWATER DIVISION

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 any 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.

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, Section I. This termination authority does not apply to non-payment for water or wastewater services.

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. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

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Johnson Utilities Company
5320 E. Shea Blvd.
Scottsdale, AZ 85254

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PART ONE

STATEMENT OF RATES AND CHARGES—WATER DIVISION

E. Central Arizona Groundwater Replenishment District Adjustor Charge.

1. CAGRD Adjustor Mechanism. In Decision No. 71854 dated August 24, 2010, the Arizona Corporation Commission authorized the Company to implement a Central Arizona Groundwater Replenishment District ("CAGRD") adjustor mechanism to recover the annual tax assessments imposed upon the Company by the CAGRD as a result of the Company's membership in the CAGRD. Accordingly, in addition to all other applicable rates and charges in this tariff, each customer shall pay a monthly CAGRD adjustor charge per thousand gallons of water delivered, as set forth below, effective for all water service rendered in all water service areas for all classes of service on and after June 1, 2010, in accordance with all conditions set forth in Decision No. 71854. The CAGRD adjustor fee shall be calculated as follows: The total CAGRD fees for the most current year in the Phoenix Active Management Area ("Phoenix AMA") shall be divided by the gallons sold in that year to determine a CAGRD fee per 1,000 gallons delivered to customers in the Phoenix AMA. Similarly, the total CAGRD fees for the most current year in the Pinal Active Management Area ("Pinal AMA") shall be divided by the gallons sold in that year to determine a CAGRD fee per 1,000 gallons delivered to customers in the Pinal AMA. By August 25th of each year, the Company shall submit for Commission consideration its proposed CAGRD adjustor fees for the Phoenix AMA and the Pinal AMA, along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. The Commission-approved CAGRD fees shall become effective on October 1 and shall remain in effect until the next CAGRD fee is calculated and approved. To prevent over or under recovery of CAGRD assessments, an annual true-up shall be performed at the time the Company submits its proposed CAGRD adjustor to the Commission. Any over or under recovery of CAGRD fees shall be included in the next year's computation.

2. CAGRD Adjustor Fees. A CAGRD adjustor fee shall be applicable to each thousand gallons of water sold, as follows:

<u>AMA Where Customer Resides:</u>	<u>Rate Per Thousand Gallons of Water Delivered:</u>
Phoenix AMA	\$2.35 (effective 1/1/2018)
Pinal AMA	\$1.91 (effective 1/1/2018)

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Effective: January 1, 2018

ISSUED BY:

Gary Drummond, Manager
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APPROVED FOR FILING

DECISION #: 71854

Company: Johnson Utilities, LLC

Decision No.: 72533

Phone: 480-987-9870

Effective Date: 8/17/2011

Public Education Program Tariff

PURPOSE

A program for the Company to provide free written information on water conservation measures to its customers and to remind them of the importance of conserving water (Required Public Education Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall provide two newsletters to each customer; one to be provided in the spring, the other in the fall. The goal of the letters is to provide timely information to customers in preparation of the hot summer months, and the cold winter months, in regards to their water uses. The Company shall remind customers of the importance of water conservation measures and inform them of the information available from the Company.
2. Information in the newsletters shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, water cistern maintenance reminders and additional pertinent topics. Where practical, the Company shall make this information available in digital format which can be e-mailed to customers upon request or posted on the Company's website.
3. Communication channels shall include one or more of the following: water bill inserts, messages on water bills, Company web page, post cards, e-mails and special mailings of print pieces, whichever is the most cost-effective and appropriate for the subject at hand.
4. Free written water conservation materials shall be available in the Company's business office and the Company shall send information to customers on request.
5. The Company may distribute water conservation information at other locations such as libraries, chambers of commerce, community events, etc., as well.
6. The Company shall keep a record of the following information and make it available to the Commission upon request.
 - a. A description of each communication channel (i.e., the way messages will be provided) and the number of times it has been used.
 - b. The number of customers reached (or an estimate).
 - c. A description of the written water conservation material provided free to customers.

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ORIGINAL

Company: Johnson Utilities, LLC

Decision No.: 72533

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New Homeowner Landscape Information Tariff – BMP 2.3

PURPOSE

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information).

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Upon establishment of water service the Company shall provide a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation expectations for all customers in the Company's service area, all applicable tariffs, a basic interior-exterior water saving pamphlet, xeriscape landscape information, and information on where to find low water use plant lists, watering guidelines, and a rain water harvesting pamphlet.
2. Upon customer request, the Company shall provide:
 - a. On-site consultations on low water use landscaping and efficient watering practices.
 - b. A summary of water saving options.
3. The number of packets provided to new customers will be recorded and made available to the Commission upon request.

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Residential Audit Program Tariff – BMP 3.1

PURPOSE

A program for the Company to promote water conservation by providing customers with information on performing water audits to determine conservation opportunities at their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.1: Residential Audit Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall offer self-audit information.
2. The Company or designated representative shall provide all customers that request them with a self-audit kit.
3. The kit shall include detailed instructions and tools for completing the water audit including information on how to check their water meter. The audit kit shall include but not be limited to information on checking the following components: irrigation system, pool, water features, toilets, faucets and shower.
4. If requested, the Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit, and if requested to do so by the customer, the Company shall confirm the accuracy of the customer meter (applicable meter testing fees shall apply).
5. The Company shall keep a record of the following information and make it available upon request.
 - a. A description of the water conservation material provided in the kit.
 - b. The number of kits provided to customers.
 - c. Implementation costs of the Residential Audit Program.

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Customer High Water Use Inquiry Resolution Tariff – BMP 3.6

PURPOSE

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

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Customer High Water Use Notification Tariff – BMP 3.7

PURPOSE

A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services Program 3.7: Customer High Water Use Notification).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall track water usage for each customer and notify the customer if water use seems excessive for that particular billing for that time of the year.
2. The Company shall identify customers with high consumption and investigate each instance to determine the possible cause.
3. The Company shall contact the high water use customers via telephone, email, by mail or in person. The Company shall contact the customer as soon as practical in order to minimize the possible loss of water. The customer will not be required to do anything to receive this notification.
4. In the notification the Company shall explain some of the most common water usage problems and common solutions and points of contact for dealing with the issues.
5. In the notification, the customer will be reminded of at least the following water-saving precautions:
 - a. Check for leaks, running toilets, or valves or flappers that need to be replaced.
 - b. Check landscape watering system valves periodically for leaks and keep sprinkler heads in good shape.
 - c. Adjust sprinklers so only the vegetation is watered and not the house, sidewalk, or street, etc.
 - d. Continue water conservation efforts with any pools such as installing covers on pools and spas and checking for leaks around pumps.
6. In the notification, the customer will also be reminded of at least the following ordinary life events that can cause a spike in water usage:
 - a. More people in the home than usual taking baths and showers.
 - b. Doing more loads of laundry than usual.
 - c. Doing a landscape project or starting a new lawn.
 - d. Washing vehicles more often than usual.
7. The Company shall provide water conservation information that could benefit the customer, such as, but not limited to, audit programs, publications, and rebate programs.

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8. The Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing the high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit the Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).
9. The type of notification, the timing of the notification (i.e., how long after high water use was discovered by the Company), and the criteria used for determining which customers are notified shall be recorded and made available to the Commission upon request.

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Water Waste Investigations and Information Tariff – BMP 3.8

PURPOSE

A program for the Company to assist customers with water waste complaints and provide customers with information designed to improve water use efficiency (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.8: Water Waste Investigations and Information).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission specifically R14-2-403 and R14-2-410 and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle water waste complaints as calls are received.
2. Calls shall be taken by a customer service representative who has been trained to determine the type of water waste and to determine if it may be attributed to a leak or broken water line.
3. The Company shall follow up on every water waste complaint.
4. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to investigate further and notify the responsible party of the waste and offer assistance and information to prevent waste in the future.
5. A letter of enforcement will be issued to customers with water running beyond the curb and/or off the customers property due to such things as, but not limited to, backwashing of pools, broken sprinkler heads, and over watering of lawns beyond the saturation point.
6. The same procedures outlined above in item #4 will be followed in the event of a second violation. Termination of service may result in the event of the third violation within a 12 month period. In the event of a third violation the customer's service may be terminated per Arizona Administrative Code R14-2-410C, R14-2-410D and R14-2-410E (applicable service reconnection fees shall apply).
7. The Company shall record each account and each instance noted for water waste, the action taken and any follow-up activities.
8. Subject to the provisions of this tariff, compliance with the water waste restriction will be a condition of service.
9. The Company shall provide to its customers a complete copy of this tariff and all attachments upon request and to each new customer. The customer shall abide by the water waste restriction.
10. 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.

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Leak Detection Program Tariff – BMP 4.1

PURPOSE

A program for the Company to systematically evaluate its water distribution system to identify and repair leaks (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.1 Leak Detection Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall implement a comprehensive leak detection and repair program to attain and maintain a less than 10 percent unaccounted for water loss in its system(s). The program must include auditing procedures, in-field leak detection and repair efforts. The Company shall take whatever steps are necessary to ensure that its water system is operating at optimal efficiency.
2. On a systematic basis, at least every two years (annually for smaller systems), the Company shall inspect its water distribution system (to include hydrants, valves, tanks, pumps, etc. in the distribution system) to identify and repair leaks. Detection shall be followed by repair or in some cases replacement. Repair vs. replacement will depend upon site-specific leakage rates and costs.
3. Leak Detection efforts should focus on the portion of the distribution system with the greatest expected problems, including:
 - a. areas with a history of excessive leak and break rates;
 - b. areas where leaks and breaks can result in the heaviest property damage;
 - c. areas where system pressure is high;
 - d. areas exposed to stray current and traffic vibration;
 - e. areas near stream crossings; and,
 - f. areas where loads on pipe may exceed design loads.
4. The Company shall keep accurate and detailed records concerning its leak detection and repair/rehabilitation program and the associated costs. Records of repairs shall include: possible causes of the leak; estimated amount of water lost; and date of repair. These records shall be made available to the Commission upon request.
5. The Company shall maintain a complete set of updated distribution system maps.

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6. The Company shall ensure that properly functioning (accurate) and appropriately sized meters are installed on all service and source connections. All meters 1-inch and smaller shall be inspected at least once every ten years or upon registering 1,000,000 gallons of usage, whichever comes first. Meters larger than 1-inch shall be inspected at least once every five years or upon registering 1,000,000 gallons of usage, whichever comes first.
7. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
8. The Company shall conduct a water audit annually which includes the following steps to determine how efficient each water system is operating and where the losses might be.
 - a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12 month review period.
 - b. Track and estimate any unmetered authorized uses.
 - c. Calculate the total amount of leakage using the following formula:

$$\text{Unaccounted for water (\%)} = \frac{[(\text{Production and/or purchased water minus metered use \& estimated authorized un-metered use}) / (\text{Production and/or purchased water})] \times 100}{}$$
 - d. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
 - e. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
 - f. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes.
9. The Company shall keep accurate and detailed records concerning its annual water audit results. These records shall be made available to the Commission upon request.

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Company: Johnson Utilities, LLC

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Meter Repair and/or Replacement Tariff – BMP 4.2

PURPOSE

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters and to repair or replace them (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Company will inspect 100 percent of its 1-inch and smaller in-service water meters at least once every ten years for one of the following reasons (whichever occurs first):
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has registered 1,000,000 gallons of usage,
 - c. A meter has been in service for ten years.
2. Meters larger than 1-inch shall be inspected for one of the following reasons:
 - a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
 - b. A meter has been in service for five years.
3. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.
4. The Company shall also replace or reprogram any water meters that do not register in gallons. Within 5 years of the initial effective date of this tariff, the Company shall replace or reprogram all:
 - a. 1-inch and smaller meters such that they register usage in 1 gallon increments,
 - b. 1-1/2-inch through 4-inch meters such that they register in 10 gallon increments, and
 - c. 6-inch and larger meters such that they register in 100 gallon increments.

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Company: Johnson Utilities, LLC

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WATER SYSTEM TAMPERING TARIFF – BMP 5.2

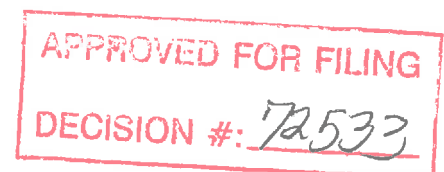
PURPOSE

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.
5. 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.



ORIGINAL

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**Low Water Use Landscaping Requirements Tariff for Model Homes
in New Residential Developments – BMP 5.5**

PURPOSE

A program for the Company to reduce water use within its service area and/or increase water use efficiency by limiting or reducing water used for specific purposes (Modified Non-Per Capita Conservation Program BMP Category 5: Ordinances/Conditions of Service/Tariffs 5.5: Low Water Use Landscaping Requirements Tariff for Model Homes in New Residential Developments).

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically A.A.C. R14-2-403 and R14-2-410 and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall provide to the customer/developer/builder distinct guidelines for landscape planning and design for model homes.
2. The following landscape restrictions will be required in order for a customer/developer/builder to receive water service to its model homes from the Company on or after the effective date of this tariff:

Restrictions Applicable to All New Model Home Landscaping -

- a. Model home landscaping will involve strategic planning and design. Landscaped areas will be divided into zones based on water requirements. Each model will have efficient irrigation systems, properly designed and maintained.
- b. All models will be placed on a drip irrigation system with a timer for shrubs and trees to apply water directly to the roots where it is needed. Watering schedules will be adjusted each month to match seasonal weather conditions and landscape requirements.
- c. All front yards shall be landscaped with xeriscape (low water use) materials. A list of low water use landscaping materials is available from the Company upon request. No turf of any kind that requires watering shall be allowed in front yards.
- d. Turf in back yards shall be limited to no more than fifty percent (50%) of the total backyard area.
- e. No model home shall be equipped with a swimming pool, jacuzzi, or other water-use intensive feature (e.g., fountain, fish pond, etc.).

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- f. Model home landscapes will require minimal but appropriate maintenance. Landscape maintenance may include pruning, removing trash that has blown into the landscape, occasional weeding and pest management, checking that the irrigation system is functioning properly, and adjusting automatic irrigation systems as the seasons change.
3. Subject to the provisions of this tariff, the installation of the landscape restrictions will be a condition of service.
4. The Company shall provide to customer/developer/builder a complete copy of this tariff and all attachments upon request for service. The customer/developer/builder shall follow and abide by these landscape restrictions.
5. If after a customer has been connected to the Company water system, the Company discovers that the customer has installed turf or water-use intensive features contrary to the above requirements, the Company shall notify (in writing) the customer of such violation and provide the customer with the appropriate educational materials informing the customer of some possibilities of how to correct the problem. The customer shall be allowed thirty (30) days to come into compliance with the above requirements. If after thirty (30) days the customer is not in compliance with the above requirements, the customer's service may be terminated per Arizona Administrative Code R14-2-410C, R14-2-410D and R14-2-410E.
6. 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.

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