

ORIGINAL

First Revised Sheet No. W-1

AJO IMPROVEMENT COMPANY
ACC DOCKET NO. WS-01025A-03-0350
ACC DECISION NO. 67092

WATER DEPARTMENT RATES AND CHARGES

RATES:

In Opinion and Order No. 67092, dated June 29, 2004, the Arizona Corporation Commission approved the following water rates for Ajo Improvement Company ("Company") to become effective for all service provided on or after July 1, 2004:

Monthly Service Charges – Treated and Untreated Water Service

5/8" x 3/4" Meters	\$9.45
3/4" Meters	9.45
1" Meters	15.75
1 1/2" Meters	26.25
2" Meters	52.50
3" Meters	105.00
4" Meters	210.00
6" Meters	300.00

Treated Water Commodity Rates – Per Thousand Gallons for All Water Usage

5/8" x 3/4" Meters & 3/4" Meters:	
First 3,000 Gallons	\$2.50
3,001 – 10,000 Gallons	2.90
All usage over 10,000 Gallons	3.30
1" Meters:	
First 25,000 Gallons	\$2.90
All usage over 25,000 Gallons	3.30
1 1/2" Meters:	
First 42,000 Gallons	\$2.90
All usage over 42,000 Gallons	3.30

Issued June 30, 2004

ISSUED BY:

Effective July 1, 2004

Raymond T. Romero, General Manager
Ajo Improvement Company
Ajo, Arizona 85321

APPROVED FOR FILING
DECISION #: 67092

ORIGINAL

First Revised Sheet No. W-2

AJO IMPROVEMENT COMPANY
ACC DOCKET NO. WS-01025A-03-0350
ACC DECISION NO. 67092

WATER DEPARTMENT RATES AND CHARGES

Treated Water Commodity Rates – Per Thousand Gallons for All Water Usage (Cont'd)

2" Meters:	
First 63,000 Gallons	\$2.90
All usage over 63,000 Gallons	3.30
3" Meters:	
First 120,000 Gallons	\$2.90
All usage over 120,000 Gallons	3.30
4" Meters:	
First 180,000 Gallons	\$2.90
All usage over 180,000 Gallons	3.30
6" Meters:	
First 290,000 Gallons	\$2.90
All usage over 290,000 Gallons	3.30
Commodity Rates for Public Water Systems (During Off-Peak Hours) Applicable Only to Meters 4" or Larger	\$2.80

Untreated Water Commodity Rates – Per Thousand Gallons for All Water Usage

5/8" x 3/4" Meters & 3/4" Meters:	
First 10,000 Gallons	\$1.70
All usage over 10,000 Gallons	2.04
1" Meters:	
First 25,000 Gallons	\$1.70
All usage over 25,000 Gallons	2.04

Issued June 30, 2004

Effective July 1, 2004

ISSUED BY:

Raymond T. Romero, General Manager
Ajo Improvement Company
Ajo, Arizona 85321

APPROVED FOR FILING
DECISION #: 67092

ORIGINAL

First Revised Sheet No. W-3

AJO IMPROVEMENT COMPANY
ACC DOCKET NO. WS-01025A-03-0350
ACC DECISION NO. 67092

WATER DEPARTMENT RATES AND CHARGES

Untreated Water Commodity Rates – Per Thousand Gallons for All Usage (Cont'd)

1 ½" Meters:	
First 42,000 Gallons	\$1.70
All usage over 42,000 Gallons	2.04
2" Meters:	
First 63,000 Gallons	\$1.70
All usage over 63,000 Gallons	2.04
3" Meters:	
First 120,000 Gallons	\$1.70
All usage over 120,000 Gallons	2.04
4" Meters:	
First 180,000 Gallons	\$1.70
All usage over 180,000	2.04
6" Meters:	
First 290,000 Gallons	\$1.70
All usage over 290,000 Gallons	2.04

Issued June 30, 2004

ISSUED BY:

Effective July 1, 2004

Raymond T. Romero, General Manager
Ajo Improvement Company
Ajo, Arizona 85321

APPROVED FOR FILING

DECISION #: 67092

ORIGINAL

First Revised Sheet No. W-4

AJO IMPROVEMENT COMPANY
ACC DOCKET NO. WS-01025A-03-0350
ACC DECISION NO. 67092

WATER DEPARTMENT RATES AND CHARGES

SERVICE LINE AND METER INSTALLATION CHARGES:
(Refundable Pursuant to A.A.C. R14-2-405)

5/8" x 3/4" Meter	\$400.00
3/4" Meter	450.00
1" Meter	500.00
1 1/2" Meter	750.00
2" Meter	1,300.00
3" Meter	2,000.00
4" Meter	3,000.00
6" Meter	6,035.00

SERVICE CHARGES:

Establishment	\$25.00
Establishment – After Hours	40.00
Meter Test – If Correct	Cost**
Deposit	*
Deposit Interest	*
Reestablishment – Within 12 Months	***
Re-connection of Service – Regular Hours	25.00
Re-connection of Service – After Hours	\$40.00
Service Calls – After Hours Only	\$40.00/hour
NSF Check	20.00
Deferred Payment	1.5%
Meter Reread – If Correct	10.00
Late Charge	1.5%

Asterisk Explanations:

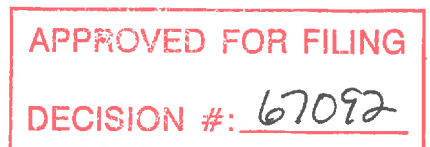
- * Per Commission Rule A.A.C. R14-2-403(B)
- ** Cost includes materials, labor and overheads
- *** Months off system times the monthly minimum per Commission Rule A.A.C. R14-2-403(D)

Issued June 30, 2004

Effective July 1, 2004

ISSUED BY:

Raymond T. Romero, General Manager
Ajo Improvement Company
Ajo, Arizona 85321



ORIGINAL

Original Sheet No. W-4.1

AJO IMPROVEMENT COMPANY
ACC DOCKET NO. WS-01025A-03-0350
ACC DECISION NO. 67092

WATER DEPARTMENT RATES AND CHARGES

TAXES AND ASSESSMENTS:

In addition to the rates and charges authorized herein, the Company shall collect from its customers all sales, transaction, privilege, regulatory or other taxes and assessments as may now or in the future be applicable to water service.

RULES AND REGULATIONS:

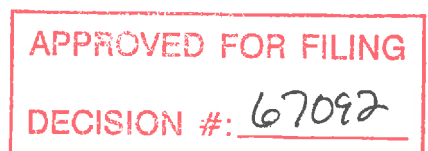
The Company has adopted the Rules and Regulations established by the Arizona Corporation Commission as the basis for its operating procedures. A.A.C. R14-2-401 through R14-2-411. R14-2-411 will be controlling of Company procedures unless a specific Commission Order provides otherwise.

Issued June 30, 2004

Effective July 1, 2004

ISSUED BY:

Raymond T. Romero, General Manager
Ajo Improvement Company
Ajo, Arizona 85321



ORIGINAL

Original Sheet No. W-4.2

AJO IMPROVEMENT COMPANY
ACC DOCKET NO. WS-01025A-03-0350
ACC DECISION NO. 67092

SERVICE LINE TARIFF AND METER ADVANCE POLICY

1. Maximum Footage Allowance:

The maximum footage allowance of service line which the Company shall provide at the initial installation of service, for which no charge will be made to the customer, is:

- a. Residential customer: 100 feet
- b. Non-residential customer: 0 feet

2. Contribution in Aid of Construction:

All costs to the Company to provide the service line from the Company's distribution main to the customer's premises in excess of the maximum footage allowance specified in paragraph 1 above, shall be paid by the customer as a contribution in aid of construction.

3. Refundable Meter Advance:

The Company may require a refundable advance in an amount set forth above under in the Rates and Charges.

4. Refund:

The meter advance is refundable at 10% of the annual net revenues from that meter and applied as a credit to the customer's November billing of each year until fully paid.

Issued June 30, 2004

ISSUED BY:

Effective July 1, 2004

Raymond T. Romero, General Manager
Ajo Improvement Company
Ajo, Arizona 85321

APPROVED FOR FILING
DECISION #: 67092

ORIGINAL

Company Name: Ajo Improvement Company Page 1 of 2

CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect Ajo Improvement Company (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. R18-4-115.

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. R18-4-115 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. R18-4-115.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. R18-4-115.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 device within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

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

ADMINISTRATIVELY
APPROVED FOR FILING

Effective Date: October 15, 2003

Company Name: Ajo Improvement Page 2 of 2

- 5. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.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 tests(s);
 - d. description of repairs and recommendations for repairs made by tester; and
 - e. the tester's name and certificate number.
- 7A. 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.
- 8A. 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.

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

Effective Date: _____

ADMINISTRATIVELY
APPROVED FOR FILING

TARIFF SCHEDULE

ORIGINAL

Utility: Ajo Improvement Company
Docket No.: W-01025A
Phone No.: 520/387-7451

Tariff Sheet No.: 1 of 3
Decision No.: _____
Effective: October 15, 2003

CURTAILMENT PLAN FOR: AJO IMPROVEMENT COMPANY
(Template 091802)

ADEQ Public Water System Number: 10-001

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

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

Stage 1 Exists When:

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

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

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

Stage 2 Exists When:

- a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as 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 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

TARIFF SCHEDULE

ORIGINAL

Utility: Ajo Improvement Company
Docket No.: W-01025A
Phone No.: 520/387-7451

Tariff Sheet No.: 2 of 3
Decision No.: _____
Effective: October 15, 2003

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.

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 10 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.

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

ADMINISTRATIVELY
APPROVED FOR FILING

TARIFF SCHEDULE

ORIGINAL

Utility: Ajo Improvement Company
Docket No.: W-01025A
Phone No.: 520/387-7451

Tariff Sheet No.: 3 of 3
Decision No.: _____
Effective: October 15, 2003

- 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
- ◆ Restaurant patrons shall be served water only upon request
- ◆ Any other water intensive activity 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 10 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.

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.

ADMINISTRATIVELY
APPROVED FOR FILING

REVISED: September 18, 2002