WATER TARIFF SCHEDULE

UTILITY: Diversified Water Utilities, Inc.
DOCKET NO. U-2828-97-039

RATES AND CHARGES

CUSTOMER/MINIMUM CHARGES
PER MONTH

<table>
<thead>
<tr>
<th>METER</th>
<th>CHARGES</th>
<th>GALLONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4&quot;</td>
<td>$27.50</td>
<td>FOR 0,000</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$27.50</td>
<td>FOR 0,000</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$32.00</td>
<td>FOR 0,000</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>$36.40</td>
<td>FOR 0,000</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$54.40</td>
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</tr>
<tr>
<td>3&quot;</td>
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<tr>
<td>4&quot;</td>
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</tr>
<tr>
<td>5&quot;</td>
<td>$262.50</td>
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</table>

SERVICE LINE & METER INSTALLATION CHARGES

<table>
<thead>
<tr>
<th>METERS</th>
<th>CHARGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4&quot;</td>
<td>$850.00</td>
</tr>
<tr>
<td>3/4&quot;</td>
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<td>$950.00</td>
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<td>$1,665.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$2,135.00</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$3,050.00</td>
</tr>
<tr>
<td>5&quot;</td>
<td>$5,385.00</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$5,385.00</td>
</tr>
</tbody>
</table>

COMMODITY CHARGE (EXCESS OF MINIMUM):

IN EXCESS OF LIMIT: $3.65 PER 1,000 GALLONS
$0.00 PER 0 GALLON
UP TO 0 GALLONS
$0.00 0 - 1,000 GALLONS

SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-403.D.1) $25.00
2. ESTABLISHMENT/AFTER HOURS (R14-2-403.D.2) $40.00
3. RECONNECTION/DELINQUENT (R14-2-403.D.1) $25.00*
4. NSF CHECK (R14-2-409) $15.00
5. METER REREAD/IF CORRECT (R14-2-403.C.2) $15.00
6. METER TEST/IF CORRECT (R14-2-408.F.1) $25.00
7. DEFERRED PAYMENT (R14-2-408.F.1) 1.50 %
8. DEPOSIT INTEREST (R14-2-403.B.3) PER RULE
9. DEPOSIT (R14-2-403.B.7) PER RULE
10. RE-ESTABLISHMENT W/N 12 MONTHS (R14-2-403.D.1) MONTHS OFF THE SYSTEM TIMES THE MINIMUM

OTHER RATES AND CHARGES APPROVED BY ORDER:


LATE FEE (PER MONTH): 1.50

* IN ADDITION, CHARGE FOR DISCONNECTING CUSTOMER BYPASS OF SERVICE TERMINATION: ACTUAL COST TO RE-DISCONNECT SERVICE & COST TO REPAIR ANY DAMAGED CUSTOMER SERVICE CONNECTIONS OR METERS, PLUS $30 FOR 1ST DISCONNECTION OF BYPASS BEFORE REINSTATEMENT, AND $35 FOR ANY FURTHER DISCONNECTIONS OF BYPASS BEFORE REINSTATEMENT.

APPROVED FOR FILING
DECISION #: 60219
CURTAILMENT PLAN FOR DIVERSIFIED WATER UTILITIES, INC.

ADEQ Public Water System No: 11-043

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

Stage 3 Exists When:

a. Company’s total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

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

Notice Requirements:

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

2. Beginning with Stage 3, Company shall post at least 2 signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply or other reasonable means 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 30 percent of capacity for at least 12 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

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

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

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

Notice Requirements:

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

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

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.
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) 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.
CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect Diversified Water Utilities Inc. (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 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**

Effective Date: March 29, 1997

APPROVED FOR FILING

DECISION #: N/A
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. The Company may also require the customer to pay for repairs to a backflow-prevention assembly.

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

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

7A. In the event the backflow-prevention assembly does not function properly or fails any test, and a 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 before service is restored.

7B. 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 disfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

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Effective Date: March 29, 1997