# WATER TARIFF SCHEDULE

**UTILITY:** DRAGOON WATER COMPANY, INC.  
**DOCKET NO:** W-01917A-14-0312 & 0313  
**DECISION NO:** 75037  
**EFFECTIVE:** May 1, 2015

## RATES AND CHARGES

### MONTHLY USAGE CHARGES:

<table>
<thead>
<tr>
<th>Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4 - Inch Meter</td>
<td>$38.00</td>
</tr>
<tr>
<td>3/4 - Inch Meter</td>
<td>$57.00</td>
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<tr>
<td>1 - Inch Meter</td>
<td>$95.00</td>
</tr>
<tr>
<td>1 1/2 - Inch Meter</td>
<td>$190.00</td>
</tr>
<tr>
<td>2 - Inch Meter</td>
<td>$304.00</td>
</tr>
<tr>
<td>3 - Inch Meter</td>
<td>$608.00</td>
</tr>
<tr>
<td>4 - Inch Meter</td>
<td>$950.00</td>
</tr>
<tr>
<td>6 - Inch Meter</td>
<td>$1,900.00</td>
</tr>
</tbody>
</table>

### COMMODITY RATES (Per 1,000 Gallons):

<table>
<thead>
<tr>
<th>Size</th>
<th>0 to 3,000 Gallons</th>
<th>3,001 to 10,000 Gallons</th>
<th>Over 10,000 Gallons</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4-Inch Meters</td>
<td>$4.25</td>
<td>$7.35</td>
<td>$8.95</td>
</tr>
<tr>
<td>3/4-Inch Meters</td>
<td>$4.25</td>
<td>$7.35</td>
<td>$8.95</td>
</tr>
<tr>
<td>1-Inch Meters</td>
<td>$7.35</td>
<td>$7.35</td>
<td>$8.95</td>
</tr>
<tr>
<td>1.1/2-Inch Meters</td>
<td>$7.35</td>
<td>$7.35</td>
<td>$8.95</td>
</tr>
<tr>
<td>2-Inch Meters</td>
<td>$7.35</td>
<td>$7.35</td>
<td>$8.95</td>
</tr>
<tr>
<td>3-Inch Meters</td>
<td>$7.35</td>
<td>$7.35</td>
<td>$8.95</td>
</tr>
<tr>
<td>4-Inch Meters</td>
<td>$7.35</td>
<td>$7.35</td>
<td>$8.95</td>
</tr>
<tr>
<td>6-Inch Meters</td>
<td>$7.35</td>
<td>$7.35</td>
<td>$8.95</td>
</tr>
</tbody>
</table>

**Bulk Water - all gallons**  
$8.95
WATER TARIFF SCHEDULE

UTILITY: DRAGOON WATER COMPANY, INC.  DECISION NO:  75037
DOCKET NO: W-01917A-14-0312 & 0313  EFFECTIVE: May 1, 2015

SERVICE CHARGES:

Establishment  $ 55.00
Reestablishment (Within 12 Months)  **
Reconnection (Delinquent)  $ 65.00
After Hours Service Charge (flat rate)  $ 36.00
Meter Test (If Correct)  $ 50.00
Deposit  *
Deposit Interest - Per year  *
NSF Check  $ 20.00
Deferred Payment (per month)  1.50%
Meter Reread (If Correct)  $ 20.00
Late Payment Penalty - per month  1.50%
Charge for moving meter  ***

4-inch or Smaller  ****
6-inch  ****
8-inch  ****
10-inch  ****
Larger than 10-inch  ****

* Residential: 2 times estimated average monthly bill; Commercial: 2 1/2 times estimated maximum monthly bill per Commission Rule A.A.C. R-14-2-403(B).
** Months off system times the monthly minimum per Commission rule A.A.C. R-14-2-403(D).
*** Cost, per Tariff definition.
**** 2% of Monthly Minimum for a Comparable Size Meter Connection, but no less than $10.00 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the primary water service line.

METER AND SERVICE LINE INSTALLATION CHARGES
Refundable pursuant to A.A.C. R14-2-405

<table>
<thead>
<tr>
<th>Service Line</th>
<th>Service Line Cost</th>
<th>Meter</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8-inch x 3/4-inch Meter</td>
<td>$445.00</td>
<td>$155.00</td>
<td>$600.00</td>
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<tr>
<td>3/4-inch Meter</td>
<td>445.00</td>
<td>255.00</td>
<td>700.00</td>
</tr>
<tr>
<td>1-inch Meter</td>
<td>495.00</td>
<td>315.00</td>
<td>810.00</td>
</tr>
<tr>
<td>1 1/2-inch Meter</td>
<td>550.00</td>
<td>525.00</td>
<td>1,075.00</td>
</tr>
<tr>
<td>2-inch Turbine Meter</td>
<td>830.00</td>
<td>1,045.00</td>
<td>1,875.00</td>
</tr>
<tr>
<td>2-inch Compound Meter</td>
<td>830.00</td>
<td>1,890.00</td>
<td>2,720.00</td>
</tr>
<tr>
<td>3-inch Turbine Meter</td>
<td>1,045.00</td>
<td>1,670.00</td>
<td>2,715.00</td>
</tr>
<tr>
<td>3-inch Compound Meter</td>
<td>1,165.00</td>
<td>2,545.00</td>
<td>3,710.00</td>
</tr>
<tr>
<td>4-inch Turbine Meter</td>
<td>1,490.00</td>
<td>2,670.00</td>
<td>4,160.00</td>
</tr>
<tr>
<td>4-inch Compound Meter</td>
<td>1,670.00</td>
<td>3,645.00</td>
<td>5,315.00</td>
</tr>
<tr>
<td>6-inch Turbine Meter</td>
<td>2,210.00</td>
<td>5,025.00</td>
<td>7,235.00</td>
</tr>
<tr>
<td>6-inch Compound Meter</td>
<td>2,330.00</td>
<td>6,920.00</td>
<td>9,250.00</td>
</tr>
<tr>
<td>Over 6&quot;</td>
<td>Cost</td>
<td>Cost</td>
<td>Cost</td>
</tr>
</tbody>
</table>

In addition to collecting its regular rates and charges, the Company shall collect from its customers a proportionate share of any privilege, sales, or use tax per A.A.C. R14-2-409D(5).
DRAGOON WATER COMPANY

DOCKET W-1917A-01-0850

TARIFF

Issued August 27, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

Effective September 1, 2002

88001-00003.107

APPROVED FOR FILING

DECISION #: 16132
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</thead>
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</tr>
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<td>7</td>
</tr>
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<td>F. Meter Test</td>
<td>7</td>
</tr>
<tr>
<td>G. Meter Reread</td>
<td>7</td>
</tr>
<tr>
<td>H. Charge for NSF Check</td>
<td>7</td>
</tr>
<tr>
<td>I. Deferred Payment Finance Charge</td>
<td>8</td>
</tr>
<tr>
<td>J. Late Payment Charge</td>
<td>8</td>
</tr>
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<td>K. Service Line Tariff and Meter Advance Policy</td>
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</tr>
<tr>
<td>L. Main Extension Tariff</td>
<td>9</td>
</tr>
</tbody>
</table>

| IV. PERMITTED COSTS               | 10 |

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Issued August 27, 2002

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ISSUED BY:

James P.L. Sullivan, President  
Dragoon Water Company  
7459 E. Almeria  
Scottsdale, Arizona 85257

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APPROVED FOR FILING

DECISION #: L5130
PART TWO, STATEMENT OF TERMS AND CONDITIONS WATER SERVICE

I. CROSS-CONNECTION CONTROL
   A. Purpose
   B. Inspections
   C. Requirements
   D. Discontinuance of Service

II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS

III. RULES AND REGULATIONS

Issued August 27, 2002

Effective September 1, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

88001-00003.107

APPROVED FOR FILING
DECISION #: 143132
Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

I. RATES

In Opinion and Order No. 65132, dated August 22, 2002, the Commission approved the following rates and charges to become effective with September 1, 2002 usage.

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Usage Included in</th>
<th>Minimum Charge</th>
<th>Minimum Charge Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inches</td>
<td>Gallons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. General Residential Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/8” x 3/4” Meter</td>
<td>-0-</td>
<td>$32.00</td>
<td></td>
</tr>
<tr>
<td>3/4” Meter</td>
<td>-0-</td>
<td>48.00</td>
<td></td>
</tr>
<tr>
<td>1” Meter</td>
<td>-0-</td>
<td>80.00</td>
<td></td>
</tr>
<tr>
<td>1 1/2” Meter</td>
<td>-0-</td>
<td>160.00</td>
<td></td>
</tr>
<tr>
<td>2” Meter</td>
<td>-0-</td>
<td>256.00</td>
<td></td>
</tr>
<tr>
<td>3” Meter</td>
<td>-0-</td>
<td>512.00</td>
<td></td>
</tr>
<tr>
<td>4” Meter</td>
<td>-0-</td>
<td>800.00</td>
<td></td>
</tr>
<tr>
<td>6” Meter</td>
<td>-0-</td>
<td>1,600.00</td>
<td></td>
</tr>
</tbody>
</table>

THE RATE FOR USE IN ADDITION TO THE MINIMUM STATED ABOVE SHALL BE THE SAME FOR ALL SIZES OF METERS. ADDITIONAL USAGE SHALL BE AT THE RATE PER 1,000 GALLONS AS FOLLOWS:

<table>
<thead>
<tr>
<th>Block</th>
<th>Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 3,000</td>
<td>$3.25</td>
</tr>
<tr>
<td>3,001 – 10,000</td>
<td>$5.40</td>
</tr>
<tr>
<td>10,001 &amp; over</td>
<td>$6.80</td>
</tr>
</tbody>
</table>

Issued August 27, 2002
Effective September 1, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

APPROVED FOR FILING
DECISION #: 405139
Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

B. Commercial and Industrial Service

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; Meter</td>
<td>-0-</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>-0-</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>-0-</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>-0-</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>-0-</td>
</tr>
<tr>
<td>3&quot; Meter</td>
<td>-0-</td>
</tr>
<tr>
<td>4&quot; Meter</td>
<td>-0-</td>
</tr>
<tr>
<td>6&quot; Meter</td>
<td>-0-</td>
</tr>
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<td>$3.25</td>
</tr>
<tr>
<td>3,001 - 10,000</td>
<td>$5.40</td>
</tr>
<tr>
<td>10,001 &amp; over</td>
<td>$6.80</td>
</tr>
</tbody>
</table>

Issued August 27, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

88001-00003.107

APPROVED FOR FILING
DECISION #: 105132
Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

C. Agricultural and Irrigation Service

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot;</td>
<td>$32.00</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>48.00</td>
</tr>
<tr>
<td>1&quot;</td>
<td>80.00</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>160.00</td>
</tr>
<tr>
<td>2&quot;</td>
<td>256.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>512.00</td>
</tr>
<tr>
<td>4&quot;</td>
<td>800.00</td>
</tr>
<tr>
<td>6&quot;</td>
<td>1,600.00</td>
</tr>
</tbody>
</table>

THE RATE FOR USE IN ADDITION TO THE MINIMUM STATED ABOVE SHALL BE THE SAME FOR ALL SIZES OF METERS. ADDITIONAL USAGE SHALL BE AT THE RATE PER 1,000 GALLONS AS FOLLOWS:

<table>
<thead>
<tr>
<th>Block</th>
<th>Rate/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - 3,000</td>
<td>$3.25</td>
</tr>
<tr>
<td>3,001 - 10,000</td>
<td>$5.40</td>
</tr>
<tr>
<td>10,001 &amp; over</td>
<td>$6.80</td>
</tr>
</tbody>
</table>

D. Standpipe Service

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot;</td>
<td>$0</td>
</tr>
</tbody>
</table>

ALL STANDPIPE SERVICE SHALL BE METERED. IF AN ACCOUNT HAS NOT BEEN ESTABLISHED WITH THE COMPANY BY THE CUSTOMER, PAYMENT FOR STANDPIPE WATER SHALL BE PAID UPON DELIVERY. ALL USAGE SHALL BE AT THE RATE OF $7.50 PER 1,000 GALLONS

1 Standpipe water service shall be available only to the extent water is not required by permanent customers within the certificated area. Company will attempt to provide 60 days notice of cessation of standpipe service.

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ISSUED BY:
James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

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APPROVED FOR FILING
DECISION #: 051332
Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

THIS SHEET IS RESERVED

Issued August 27, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

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88001-00003.107

APPROVED FOR FILING
DECISION #: 85139
Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

Issued August 27, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

Effective September 1, 2002
Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

III. ADDITIONAL CHARGES

A. Establishment of Service per Rule R14-2-403D
(new customer charge, in addition to E, K and L below)

1. If after hours $ 65.00

B. Re-establishment of Service per Rule R14-2-403D
(same customer, same location within 12 months)
Re-establishment (After Hours) Additional $ 50.00

C. Reconnection of Service per Rule R14-2-403D

1. If after hours $ 75.00

2 Number of months off system times the monthly minimum.

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Effective September 1, 2002

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

APPROVED FOR FILING
DECISION #: 105130
Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

D. Charge for moving meter at customer request per Rule R14-2-405B

E. Minimum Deposit Requirement per Rule R14-2-403B
   1. Residential customer
   2. Non residential customer
   3. Deposit Interest

F. Meter test per Rule R14-2-408F (If correct)
   G. Meter Reread per Rule R14-2-408C (If correct)
   H. Charge for NSF Check per Rule R14-2-409F

---

3 See Sheet No. 10.

Issued August 27, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

Effective September 1, 2002

APPROVED FOR FILING

DECISION #: 15132
Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

I. Deferred Payment Finance Charge, per month  1.5%

J. Late Payment Charge, Per Month  1.5%4  5

4 This charge shall not apply if the customer has arranged for a Deferred Payment Plan per Rule R-14-2-409G.
5 Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company’s rate tariff. All late payment penalties shall be billed on the customer’s next regularly scheduled billing. If the customer fails to pay the late payment penalty by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the late payment penalty by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation. All customers whose service is terminated for failure to pay the late payment penalty are subject to the Company’s reconnection charges set forth in the Company’s tariff.

Issued August 27, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

Effective September 1, 2002

APPROVED FOR FILING
DECISION #: 185132
Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

K. Service Line Tariff and Meter Advance Policy, Refundable per Rule R14-2-405B:

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot;</td>
<td>$400.00</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>475.00</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>550.00</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>775.00</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>1,375.00</td>
</tr>
<tr>
<td>3&quot; Meter</td>
<td>1,975.00</td>
</tr>
<tr>
<td>4&quot; Meter</td>
<td>3,040.00</td>
</tr>
<tr>
<td>6&quot; Meter</td>
<td>5,635.00</td>
</tr>
</tbody>
</table>

L. Main Extension Tariff, per Rule R14-2-406B

Cost

6 See Sheet No. 10.

Issued August 27, 2002

ISSUED BY: Effective September 1, 2002

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

APPROVED FOR FILING
DECISION #: 165139
Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

IV. PERMITTED COSTS
A. Costs shall be verified by invoice.

B. For services that are provided by the Company at costs, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.

C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company’s receipt of invoices, timesheets or other related documents, whichever is later.

D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company’s receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.

E. At the customer’s request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

Issued August 27, 2002

Effective September 1, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257
Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

F. 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.
Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

I. CROSS-CONNECTION CONTROL

A. Purpose.

To protect the public water supply in the Company’s water supply in the Company’s water system from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code, Title 14, Chapter 2, Section 405.B.6 as adopted by the Arizona Corporation Commission, and Title 18, Chapter 4, Section 115, as adopted by the Arizona Department of Environmental Quality, as those regulations may be revised from time to time.

B. Inspections.

The customers shall cooperate fully with the Company in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer’s premises.

C. Requirements.

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

1. The Company may require a customer to pay for and have installed, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.

Issued August 27, 2002

ISSUED BY:

James P.L. Sullivan, President
Dragoon Water Company
7459 E. Almeria
Scottsdale, Arizona 85257

Effective September 1, 2002

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APPROVED FOR FILING

DECISION #:05133
Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

2. A backflow-prevention assembly required to be installed by the customer under this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.

3. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may grant additional time for this requirement.

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

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

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James P.L. Sullivan, President
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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

1. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is applicable, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.

2. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and tested within fourteen (14) days of written notice by the Company. Failure to install or to remedy the deficiency or 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.

II. INTERRUPTIBLE SERVICE; COMPANY’S LIABILITY LIMITATIONS

A. The Company will exercise reasonable diligence to provide continuous water service to customers that may be used for fire protection purposes. Fire protection use is conditioned upon the express understanding that THE COMPANY DOES NOT GUARANTEE OR INSURE UNINTERRUPTED OR REGULAR WATER SERVICE, NOR DOES THE COMPANY REPRESENT THE PRESENCE OF ADEQUATE PRESSURE, VOLUME, OR FIRE FLOW AVAILABLE ANYWHERE ON ITS WATER SYSTEM BY OFFERING FIRE PROTECTION SERVICE AS SPECIFIED HEREIN.

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ISSUED BY:

James P.L. Sullivan, President
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Scottsdale, Arizona 85257

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Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

B. Fire protection usage is further conditioned on the Customer agreeing TO
HOLD HARMLESS AND INDEMNIFY THE COMPANY from and against any
and all liability, loss, damage or expense the Company may incur as a result of
claims, demands, costs or judgment against the Company including, but not
limited to, loss of or damage to property or injury or to death of persons, arising,
directly or indirectly, out of the Company’s providing of water service, or any
activities or operations related thereto, or any breach by the Customer of the
terms, covenants or conditions of this Tariff Schedule. The Company shall be
entitled to recover its reasonable attorneys’ fees should the Customer fail to
comply with this provision. This provision applies to, and regardless of, any
negligence or alleged negligence on the part of the Company, its employees,
 servants or agents.

III. RULES AND REGULATIONS

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

Issued August 27, 2002

ISSUED BY:

James P.L. Sullivan, President
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7459 E. Almeria
Scottsdale, Arizona 85257

Effective September 1, 2002

88001-00003.107
CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

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

REQUIREMENTS:

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

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.

2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.

3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.

4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is not applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.
5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.

6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
   a. assembly identification number and description;
   b. location
   c. date(s) of test(s);
   d. description of repairs and recommendations for repairs made by tester;
      i. and
   e. the tester's name and certificate number.

7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.

8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is not applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.