On May 25, 2012, Kohl's Ranch Water Company filed a rate application with the Arizona Corporation Commission ("Commission"). At its Open Meeting on February 20, 2013 the Commission approved the following rates to become effective on or after March 1, 2013. After considering all of the evidence presented, the Commission issued Decision No. 73731 ("Order") on February 20, 2013.

If you have any questions regarding this notice please contact Douglas Thorne at 928-978-0070.

The approved rates are as follows:

**MONTHLY MINIMUM CHARGES:**

<table>
<thead>
<tr>
<th>Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x ¾&quot;</td>
<td>$ 24.00</td>
</tr>
<tr>
<td>¾&quot; Meter</td>
<td>21.50</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>60.00</td>
</tr>
<tr>
<td>1 ¼&quot; Meter</td>
<td>120.00</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>192.00</td>
</tr>
<tr>
<td>3&quot; Meter</td>
<td>384.00</td>
</tr>
<tr>
<td>4&quot; Meter</td>
<td>600.00</td>
</tr>
<tr>
<td>6&quot; Meter</td>
<td>2,425.00</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x ¾&quot;</td>
<td>$ 2.17</td>
</tr>
<tr>
<td>1 to 2,000 Gals</td>
<td>3.97</td>
</tr>
<tr>
<td>2,001 to 10,000 Gals</td>
<td>7.40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>¾&quot; Meters</td>
<td></td>
</tr>
<tr>
<td>1 to 10,000 Gals</td>
<td>3.97</td>
</tr>
<tr>
<td>Over 10,000 Gals</td>
<td>7.40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot; Meters</td>
<td></td>
</tr>
<tr>
<td>1 to 20,000 Gals</td>
<td>3.97</td>
</tr>
<tr>
<td>Over 20,000 Gals</td>
<td>7.40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ½&quot; Meters</td>
<td></td>
</tr>
<tr>
<td>1 to 25,000 Gals</td>
<td>3.97</td>
</tr>
<tr>
<td>Over 25,000 Gals</td>
<td>7.40</td>
</tr>
</tbody>
</table>
### 2" Meters
- 1 to 30,000 Gallons: $3.97
- Over 30,000 Gallons: $7.40

### 3" Meters
- 1 to 40,000 Gallons: $3.97
- Over 40,000 Gallons: $7.40

### 4" Meters
- 1 to 50,000 Gallons: $3.97
- Over 50,000 Gallons: $7.40

### 6" Meters
- 1 to 60,000 Gallons: $3.97
- Over 60,000 Gallons: $7.40

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

<table>
<thead>
<tr>
<th>Service</th>
<th>Meter*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; Meter</td>
<td>$415</td>
<td>$105</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>415</td>
<td>205</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>465</td>
<td>265</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>520</td>
<td>475</td>
</tr>
<tr>
<td>2&quot; Meter Turbine</td>
<td>800</td>
<td>995</td>
</tr>
<tr>
<td>2&quot; Meter Compound</td>
<td>800</td>
<td>1,840</td>
</tr>
<tr>
<td>3&quot; Meter Turbine</td>
<td>1,015</td>
<td>1,620</td>
</tr>
<tr>
<td>3&quot; Meter Compound</td>
<td>1,135</td>
<td>2,495</td>
</tr>
<tr>
<td>4&quot; Meter Turbine</td>
<td>1,430</td>
<td>2,570</td>
</tr>
<tr>
<td>4&quot; Meter Compound</td>
<td>1,610</td>
<td>3,545</td>
</tr>
<tr>
<td>6&quot; Meter Turbine</td>
<td>2,150</td>
<td>4,925</td>
</tr>
<tr>
<td>6&quot; Meter Compound</td>
<td>2,270</td>
<td>6,820</td>
</tr>
</tbody>
</table>

* Note: Meter Charge includes meter box or vault.

### SERVICE CHARGES:
- Establishment: $25.00
- Reconnection (Delinquent): $35.00
- After Hours Service Charge: $40.00
- Meter Test (If Correct): $35.00
- Deposit: *
- Deposit Interest (Per Year): *
- Re-Establishment (Within 12 Months): **
- NSF Check: $25.00
- Deferred Payment (Per Month): 1.50%
- Meter Re-Read (If Correct): $15.00
- Late Fee (Per Month): 1.50%

* Per Commission Rule R14-2-403(B)
** Number of months off the system times the monthly minimum, per Commission Rule R14-2-403(D)

In addition to the collection of regular rates, the utility shall collect from its customers a proportionate share of any privilege, sales, use, and franchise tax, per Commission Rule R14-2-409(D)(5).
Company: KOHL'S RANCH WATER COMPANY
Phone: (928) 978-0070

Special Events/Programs and Community Presentations Tariff – BMP 1.2

PURPOSE
A program for the Company to give presentations and/or display and make available water conservation information and related material at community and special events (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.2: Special Events/Programs and Community Presentations).

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 attend and staff at least three events per year in which the Company shall remind customers of the importance of water conservation measures. Events may include home and garden shows, art shows, community celebrations, environmental shows etc.
2. Information shall include water saving tips, home preparation recommendations for water systems/pipes, landscape maintenance issues for summer and winter, Xeriscape information, youth education materials and any additional pertinent topics.
3. The Company shall keep a record of the following information and make it available to the Commission upon request.
   a. A description of each special event and the date.
   b. The number of customers reached (or an estimate).
   c. A description of the written water conservation material provided free to customers.
   d. Costs of the Special Events/Programs and Community Presentations implementation.

Revised: 6-24-10

Decision No. 74001
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.
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

Revised 4-15-10
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.
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.

Revised: 5-26-11

Decision No. 74001
TARIFF SCHEDULE

Utility: Kohl's Ranch Water Company
Docket No.: U-02586A-04-0520
Phone No.: 

Tariff Sheet No.: 1 of 4
Decision No.: N/A
Effective: 8/23/04

CURTAILMENT PLAN FOR KOHL’S RANCH WATER COMPANY
(Template 063004)

ADEQ Public Water System No: 2986

Kohl’s Ranch Water 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.

REVISED: June 30, 2004
TARIFF SCHEDULE

Utility: Kohl's Ranch Water Company
Docket No.: W-07886A04-0520
Phone No.: ________________________________

Tariff Sheet No.: 2 of 4
Decision No.: N/A
Effective: 8-23-04

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

Stage 3 Exists When:

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

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

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

Notice Requirements:

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

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

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

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

ADMINISTRATIVELY APPROVED FOR FILING

REVISED: June 30, 2004
Stage 4 Exists When:

a. Company’s total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and

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

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

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

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

Notice Requirements:

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

2. Company shall post at least ___2___ signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.

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