WATER TARIFF SCHEDULE

UTILITY: PICACHO WATER COMPANY
DOCKET NO: W-03528A-98-0117

DECISION NO: 61266
EFFECTIVE: 12/1/98
ORIGINAL

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”</td>
<td>$15.00</td>
<td>0</td>
</tr>
<tr>
<td>3/4”</td>
<td>$15.00</td>
<td>0</td>
</tr>
<tr>
<td>1”</td>
<td>$22.00</td>
<td>0</td>
</tr>
<tr>
<td>1 1/2”</td>
<td>$33.00</td>
<td>0</td>
</tr>
<tr>
<td>2”</td>
<td>$44.00</td>
<td>0</td>
</tr>
<tr>
<td>4”</td>
<td>$88.00</td>
<td>0</td>
</tr>
<tr>
<td>6”</td>
<td>$176.00</td>
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<tr>
<td>8”</td>
<td>$200.00</td>
<td>0</td>
</tr>
<tr>
<td>10”</td>
<td>$200.00</td>
<td>0</td>
</tr>
</tbody>
</table>

MONTHLY USAGE CHARGE - IRRIGATION
$200.00 PER METER

COMMODITY CHARGE:

PER 1,000 GALLONS
IRRIGATION, PER 1,000 GALLONS
$3.00
$0.87

SERVICE CHARGES

1. ESTABLISHMENT (R14-2-603.D.1)
2. ESTABLISHMENT/AFTER HOURS (R14-2-403.D.2)
3. RECONNECTION/Delinquent (R14-2-403.D.1)
4. NSF CHECK (R14-2-409)
5. METER REREAD/IF CORRECT (R14-2-403.C.2)
6. METER TEST/IF CORRECT (R14-2-408.F.1)
7. DEFERRED PAYMENT (PER MONTH)
8. DEPOSIT INTEREST
9. DEPOSIT (R14-2-403.B.7)
10. RE-ESTABLISHMENT W/N 12 MONTHS

$25.00
$37.50
$25.00
$10.00
1.50% PER MONTH OF UNPAID BALANCE
$30.00
$15.00
PER RULE
PER RULE
MONTHS OFF THE SYSTEM TIMES THE MINIMUM
MONTHLY SERVICE CHARGE FOR FIRE SPRINKLER:

4" OR SMALLER  }  1% OF MONTHLY MINIMUM FOR A COMPARABLE SIZED METER CONNECTION, BUT
6"           }  NO LESS THAN $5.00 PER MONTH. THE SERVICE CHARGE FOR FIRE SPRINKLERS
8"           }  IS ONLY APPLICABLE FOR SERVICE LINES SEPARATE AND DISTINCT FROM THE
10"          }  PRIMARY WATER SERVICE LINE.
LARGER THAN 10"  }

OTHER RATES AND CHARGES APPROVED BY ORDER

IN ADDITION TO THE COLLECTION OF ITS REGULAR RATES AND CHARGES, THE COMPANY SHALL COLLECT FROM
CUSTOMERS THEIR PROPORTIONATE SHARE OF ANY PRIVILEGE, SALES OR USE TAX IN ACCORDANCE WITH R14-2-
409.D.5.
CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect Picacho Water 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 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.

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 by the customer and restested before service is restored.

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.

Effective Date: dec. 24, 1998