TARIFF SCHEDULE

UTILITY: STARLIGHT WATER COMPANY, INC.

DOCKET NO: W-02848A-02-0449

MONTHLY SERVICE CHARGE

<table>
<thead>
<tr>
<th>Meter Type</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; X 3/4&quot; METER</td>
<td>$33.70</td>
</tr>
<tr>
<td>3/4&quot; METER</td>
<td>$33.70</td>
</tr>
<tr>
<td>1&quot; METER</td>
<td>$52.00</td>
</tr>
<tr>
<td>1 1/2&quot; METER</td>
<td>$101.00</td>
</tr>
<tr>
<td>2&quot; TURBO OR COMPOUND</td>
<td>$165.00</td>
</tr>
<tr>
<td>3&quot; TURBO OR COMPOUND</td>
<td>$330.00</td>
</tr>
<tr>
<td>4&quot; TURBO OR COMPOUND</td>
<td>$515.00</td>
</tr>
<tr>
<td>6&quot; TURBO OR COMPOUND</td>
<td>$1,035.00</td>
</tr>
</tbody>
</table>

COMMODITY CHARGE - PER 1,000 GALLONS

<table>
<thead>
<tr>
<th>Gallons Range</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>FROM 1 TO 4,000 GALLONS</td>
<td>$3.50</td>
</tr>
<tr>
<td>FROM 4,001 TO 10,000 GALLONS</td>
<td>$5.00</td>
</tr>
<tr>
<td>FROM 10,001 TO 50,000 GALLONS</td>
<td>$8.00</td>
</tr>
<tr>
<td>FROM 50,001 AND ABOVE GALLONS</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

STANDPIPE 2" METERED HYDRANT CHARGE

<table>
<thead>
<tr>
<th>Usage</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>MONTHLY USAGE CHARGE</td>
<td>$165.00</td>
</tr>
<tr>
<td>COMMODITY RATE PER 1,000 GALLONS</td>
<td>$10.00</td>
</tr>
<tr>
<td>COMMODITY RATE WHOLESALE WATER TO OTHER WATER COMPANIES PER 1,000 GALLONS</td>
<td>$5.95</td>
</tr>
</tbody>
</table>

SERVICE CHARGES:

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Charge</th>
</tr>
</thead>
</table>
| SPRINKLERS
| ESTABLISHMENT                | $55.00 |
| ESTABLISHMENT/AFTER HOURS    | $65.00 |
| RECONNECTION/DELINQUENT       | $55.00 |
| NSF CHECK                     | $15.00 |
| METER RE-READ/IF CORRECT      | $50.00 |
| METER TEST/IF CORRECT         | $15.00 |
| DEPOSIT                       | *      |
| DEPOSIT INTEREST (PER ANNUM)  | 6.00%  |
| RE-ESTABLISHMENT (WITHIN 12 MONTHS) | ** |
| LATE PAYMENT PENALTY - PER MONTH | 1.50% |
| DEFERRED PAYMENT (PER MONTH)  | 1.50% |

* PER COMMISSION RULE A.A.C. R14-2-403(B)
** MONTHS OFF THE SYSTEM TIMES THE MONTHLY MINIMUM PER R14-2-403(D)
*** 1% OF MONTHLY MINIMUM FOR A COMPARABLE SIZE METER CONNECTION, BUT NO LESS THAN $5.00 PER MONTH. THE SERVICE CHARGE FOR FIRE SPRINKLERS IS ONLY APPLICABLE FOR SERVICE LINES SEPARATE AND DISTINCT FOR THE PRIMARY WATER SERVICE LINE.
**** REFUNDABLE PURSUANT TO A.A.C. R14-2-405

SERVICE LINE & METER INSTALLATION CHARGES

<table>
<thead>
<tr>
<th>Meter Type</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 X 3/4 INCH METER</td>
<td>$500.00</td>
</tr>
<tr>
<td>3/4 INCH METER</td>
<td>$575.00</td>
</tr>
<tr>
<td>1 INCH METER</td>
<td>$660.00</td>
</tr>
<tr>
<td>1 1/2 INCH METER</td>
<td>$900.00</td>
</tr>
<tr>
<td>2 INCH METER-TURBO</td>
<td>$1,525.00</td>
</tr>
<tr>
<td>2 INCH COMPOUND</td>
<td>$2,220.00</td>
</tr>
<tr>
<td>3 INCH METER-TURBO</td>
<td>$2,165.00</td>
</tr>
<tr>
<td>3 INCH COMPOUND</td>
<td>$2,960.00</td>
</tr>
<tr>
<td>4 INCH METER-TURBO</td>
<td>$3,360.00</td>
</tr>
<tr>
<td>4 INCH COMPOUND</td>
<td>$4,265.00</td>
</tr>
<tr>
<td>6 INCH METER-TURBO</td>
<td>$6,035.00</td>
</tr>
<tr>
<td>6 INCH COMPOUND</td>
<td>$7,750.00</td>
</tr>
</tbody>
</table>

EFFECTIVE: APRIL 1, 2003

DECISION NO. 65754

APPROVED FOR FILING DECISION # C65754
Lupe,

Per your request, please find the attached Tariff that Starlight Water has been operating off of.

Please let me know if you have any additional questions.

Have a great weekend!

Paul Juhl
Office Manager
p: 520.624.1460 ext. 107
f: 520.792.0377
pjuhl@southwesternutility.com
www.southwesternutility.com

Southwestern Utility Management, Inc.
TARIFF

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003
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Issued March 25, 2003

Effective April 1, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

87003.00000.217

APPROVED FOR FILING
DECISION #65754
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Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003

87003.00000.217

APPROVED FOR FILING
DECISION #:105754
Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

I. RATES

In Opinion and Order No. 65754, dated March 20, 2003, the Commission approved the following rates and charges to become effective with April, 2003 usage.

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Usage Included in</th>
<th>Minimum Charge</th>
<th>Per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inches</td>
<td>Gallons</td>
<td>Minimum Charge</td>
<td></td>
</tr>
<tr>
<td>A. Residential and Commercial Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/8 x 3/4&quot; Meter</td>
<td>-0-</td>
<td>33.70</td>
<td></td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>-0-</td>
<td>33.70</td>
<td></td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>-0-</td>
<td>52.00</td>
<td></td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>-0-</td>
<td>103.00</td>
<td>101.00</td>
</tr>
<tr>
<td>2&quot; Turbo Meter</td>
<td>-0-</td>
<td>165.00</td>
<td></td>
</tr>
<tr>
<td>2&quot; Compound Meter</td>
<td>-0-</td>
<td>165.00</td>
<td></td>
</tr>
<tr>
<td>3&quot; Turbo Meter</td>
<td>-0-</td>
<td>330.00</td>
<td></td>
</tr>
<tr>
<td>3&quot; Compound Meter</td>
<td>-0-</td>
<td>360.00</td>
<td>330.00</td>
</tr>
<tr>
<td>4&quot; Turbo Meter</td>
<td>-0-</td>
<td>515.00</td>
<td></td>
</tr>
<tr>
<td>4&quot; Compound Meter</td>
<td>-0-</td>
<td>515.00</td>
<td></td>
</tr>
<tr>
<td>6&quot; Turbo Meter</td>
<td>-0-</td>
<td>1,035.00</td>
<td></td>
</tr>
<tr>
<td>6&quot; Compound Meter</td>
<td>-0-</td>
<td>1,035.00</td>
<td></td>
</tr>
</tbody>
</table>

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003

87003.00000.217
Applies to all WATER service areas

PART ONE
STATEMENT OF CHARGES
WATER SERVICE

THE RATE FOR USE IN ADDITION TO THE MINIMUM STATED ABOVE
SHALL BE THE SAME FOR ALL SIZES OF METERS. ADDITIONAL
USAGE SHALL BE AS FOLLOWS:

From 1 to 4,000 Gallons $3.50
From 4,001 to 10,000 Gallons $5.00
From 10,001 to 50,000 Gallons $8.00
From 50,001 and above Gallons $10.00

B. Standpipe and Wholesale Sales

Standpipe 2” Metered Hydrant Charge
   Monthly Usage Charge $165.00
   Commodity Rate per 1,000 Gallons $ 10.00
Commodity Rate Wholesale Water Sales to Other Water Companies $ 5.95

C. Monthly Service Charges for Fire Sprinklers
   4” or Smaller ***
   6” ***
   8” ***
   10” ***
   Larger than 10” ***

***\% 1% of Monthly Minimum for a Comparable Size Meter
Connection, but no less than $5.00 per month. The Service Charge
for Fire Sprinklers is only applicable for service lines separate and
distinct for the primary water service line.

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003

87003.00000.217

APPROVED FOR FILING
DECISION #: 05754
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 March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003
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) $ Note

C. Reconnection of Service per Rule R14-2-403D $ 55.00

1 Number of months off system times the monthly minimum.

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003

87003.00000.217
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 times estimated average monthly bill)
   2. Non residential customer (2-1/2 times estimated maximum monthly bill)
   3. Deposit Interest 6.0%

F. Meter test per Rule R14-2-408F (If correct) $ 15.00

G. Meter Reread per Rule R14-2-408C $ 50.00

H. Charge for NSF Check per Rule R14-2-409F $ 15.00

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003

$7003.00000.217

APPROVED FOR FILING
DECISION #: 05754
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 Note³

³ 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 March 25, 2003

ISSUED BY:
Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003

87003.00000.217

APPROVED FOR FILING
DECISION #: 65754
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>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4&quot; Meter</td>
<td>500.00</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>575.00</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>660.00</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>900.00</td>
</tr>
<tr>
<td>2&quot; Turbo Meter</td>
<td>1,525.00</td>
</tr>
<tr>
<td>2&quot; Compound Meter</td>
<td>2,220.00</td>
</tr>
<tr>
<td>3&quot; Turbo Meter</td>
<td>2,165.00</td>
</tr>
<tr>
<td>3&quot; Compound Meter</td>
<td>2,960.00</td>
</tr>
<tr>
<td>4&quot; Turbo Meter</td>
<td>3,360.00</td>
</tr>
<tr>
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<td>4,265.00</td>
</tr>
<tr>
<td>6&quot; Turbo Meter</td>
<td>6,035.00</td>
</tr>
<tr>
<td>6&quot; Compound Meter</td>
<td>7,750.00</td>
</tr>
</tbody>
</table>

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

---

4 See Sheet No. 8.

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003

87003.00000.217

APPROVED FOR FILING

DECISION # 5754
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.

Issued March 25, 2003

Effective April 1, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

87003.00000.217
Applies to all WATER service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

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.

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.

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003
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 March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003
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.

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003
Applies to all WATER service areas

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 dysfunction 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

The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrants nor fire sprinkler service. In the event service is interrupted or irregular or defective or fails from causes beyond the Company’s control or through ordinary negligence of its employees or agents, the Company will note be liable for any injuries or damages arising therefrom.

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003
Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

III. CURTAILMENT PLAN FOR STARLIGHT WATER COMPANY

ADEQ Public Water System Number: PWS-0306

Starlight Water Company ("Company") is authorized to curtail water service to all customers within its certificated area under the following terms and conditions:

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 steadily declining water table, an increased draw-down threatening pump operations, or poor water production creating a reasonable belief the Company will be unable to meet anticipated water demands on a sustained basis.

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003
Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

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 customer 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.

Issued March 25, 2003

ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

Effective April 1, 2003

87003.00000.217

APPROVED FOR FILING
DECISION #: 605754
Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

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 two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision 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 three 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

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ISSUED BY:

Barbara J. Studnek, Treasurer
Starlight Water Company
P.O. Box 85106
Tucson, Arizona 85754

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APPROVED FOR FILING
DECISION #: L05754
Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS

WATER SERVICE

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.

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ISSUED BY:

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

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

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in 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 permanent solution has been implemented.

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IV. 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 March 25, 2003

ISSUED BY:

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Effective April 1, 2003
CROSS-CONNECTION OR BACKFLOW TARIFF

APPLICABILITY:

All customers served by Mogollon Water Co., Inc.

PURPOSE:

To protect the public water supply from the possibility of contamination caused by backflow through unprotected cross-connections by requiring installation and periodic testing of backflow-prevention assemblies pursuant to provisions of Arizona Administrative Code (A.A.C.) R14-2-405.B.6 and A.A.C. R18-4-232.

REQUIREMENTS:

In compliance with the rules and regulations of the Arizona Corporation commission and the Arizona Department of Environmental Quality (ADEQ), specifically A.A.C. R14-2-4015.B.6 and A.A.C. R18-4-232 relating to backflow prevention:

1. Mogollon Water Co., Inc. may require a customer to pay for and install a backflow-prevention assembly if A.A.C. R18-4-232.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. R18-4-232. 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, Mogollon Water Co., Inc. may terminate service or deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.

4. Mogollon Water Co., Inc. 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.B1.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, Mogollon Water Co., Inc. or Commission Staff may suspend this requirement for a reasonable period of time.

5. Testing shall be in conformance with the requirements A.A.C. R18-4-232F. Mogollon Water Co., Inc. 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. Mogollon Water Co., Inc. may also require the customer to pay for repairs to a backflow-prevention assembly.

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6. The customer shall provide Mogollon Water Co., Inc. 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 recommendation for repairs made by tester
   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, Mogollon Water Co., Inc. 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.