TARIFF

ISSUED: Month Day Year
ISSUED BY: Robert Prince, President
Valley Utilities Water Co., Inc.
6808 N. Dysart Rd., Suite 112
Glendale, Arizona 85307

EFFECTIVE: Month Day Year
July 1, 2013

Decision No. 73913

APPROVED FOR FILING

DECISION #: 73913
# STATEMENT OF CHARGES

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<td>2.0</td>
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Decision No. 73913  
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STATEMENT OF CHARGES

I. RATES

On June 27, 2013, in Decision No. 73913, the Arizona Corporation Commission issued an Order approving the following rates and charges to have become effective on July 1, 2013:

A. GENERAL RESIDENTIAL COMMERCIAL AND INDUSTRIAL SERVICE

1. Monthly Usage Charge:

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Minimum Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inches</td>
<td>Per Month</td>
</tr>
<tr>
<td>5/8&quot; x 3/4&quot; Residential Meter</td>
<td>$ 18.40</td>
</tr>
<tr>
<td>3/4&quot; Residential Meter</td>
<td>27.60</td>
</tr>
<tr>
<td>5/8&quot; x 3/4&quot; Commercial Meter</td>
<td>18.40</td>
</tr>
<tr>
<td>3/4&quot; Commercial Meter</td>
<td>27.60</td>
</tr>
<tr>
<td>1&quot; All Meters</td>
<td>46.00</td>
</tr>
<tr>
<td>1 1/2&quot; All Meters</td>
<td>92.00</td>
</tr>
<tr>
<td>2&quot; All Meters</td>
<td>147.20</td>
</tr>
<tr>
<td>3&quot; All Meters</td>
<td>294.40</td>
</tr>
<tr>
<td>4&quot; All Meters</td>
<td>460.00</td>
</tr>
<tr>
<td>6&quot; All Meters</td>
<td>920.00</td>
</tr>
<tr>
<td>Construction Water</td>
<td>By Meter Size</td>
</tr>
<tr>
<td>Fire Sprinkler All Meters</td>
<td>***</td>
</tr>
</tbody>
</table>

*** Greater of $10.00 or 2% of the general service rate for a similar size meter.
## STATEMENT OF CHARGES

### SECTION I (Cont.)

2. **Commodity Rates (per 1,000 Gallons):**

<table>
<thead>
<tr>
<th>Meter Type</th>
<th>Gallons</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x ¾&quot; Meter (Residential)</td>
<td>First 3,000</td>
<td>$1.60</td>
</tr>
<tr>
<td></td>
<td>3,001 to 10,000</td>
<td>2.88</td>
</tr>
<tr>
<td></td>
<td>Over 10,000</td>
<td>3.80</td>
</tr>
<tr>
<td>5/8 x ¾&quot; Meter (Commercial)¹</td>
<td>First 10,000</td>
<td>$2.88</td>
</tr>
<tr>
<td></td>
<td>Over 10,000</td>
<td>3.80</td>
</tr>
<tr>
<td>¾&quot; Meter (Residential)</td>
<td>First 3,000</td>
<td>$1.60</td>
</tr>
<tr>
<td></td>
<td>3,001 to 10,000</td>
<td>2.88</td>
</tr>
<tr>
<td></td>
<td>Over 10,000</td>
<td>3.80</td>
</tr>
<tr>
<td>¾&quot; Meter (Commercial)</td>
<td>First 10,000</td>
<td>$2.88</td>
</tr>
<tr>
<td></td>
<td>Over 10,000</td>
<td>3.80</td>
</tr>
<tr>
<td>1&quot; All Meters</td>
<td>First 23,000</td>
<td>$2.88</td>
</tr>
<tr>
<td></td>
<td>Over 23,000</td>
<td>3.80</td>
</tr>
<tr>
<td>1 ½&quot; All Meters</td>
<td>First 58,000</td>
<td>$2.88</td>
</tr>
<tr>
<td></td>
<td>Over 58,000</td>
<td>3.80</td>
</tr>
<tr>
<td>2&quot; All Meters</td>
<td>First 95,000</td>
<td>$2.88</td>
</tr>
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<td></td>
<td>Over 95,000</td>
<td>3.80</td>
</tr>
<tr>
<td>3&quot; All Meters</td>
<td>First 207,000</td>
<td>$2.88</td>
</tr>
<tr>
<td></td>
<td>Over 207,000</td>
<td>3.80</td>
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¹ Irrigation customers are considered to be commercial customers.

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**Decision No. 73913**

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STATEMENT OF CHARGES

SECTION I (Cont.)

2. Commodity Rates (per 1,000 Gallons):

   4" All Meters
   First 335,000 Gallons       $ 2.88
   Over 335,000 Gallons        3.80

   6" All Meters
   First 690,000 Gallons       $ 2.88
   Over 690,000 Gallons        3.80

   Construction Water         $ 3.80

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STATEMENT OF CHARGES

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 and other taxes and assessments as may apply now or in the future, per Rule A.A.C. R14-2-409.D(5).
STATEMENT OF CHARGES

III. OTHER SERVICE CHARGES

In addition to all other rates and charges authorized herein, the Company shall collect the following:

- Establishment: $40.00
- Establishment (After Hours): n/t
- Reconnection (Delinquent): $40.00
- Reconnection (Delinquent and After Hours): n/t
- Meter Test (if correct): $30.00
- After Hours Charge: 40.00
- Deposit Requirement (Residential): 2 times the average bill
- Deposit Requirement (Non-residential meter): 2 1/2 times the average bill
- Deposit Interest: 6.0%
- Re-establishment (Within 12 Months): number of months of system times monthly minimum bill
- NSF Check: $30.00
- Deferred Payment, Per Month: 1.5%
- Meter Re-read (if correct): $30.00
- Moving Customer Meter at Customer Request: Cost
- Late Charge per Month: $10.00
- After Hours Service Charge, per R14-2-403(D): n/t

All items billed at cost shall include labor, materials and parts, overheads and all applicable taxes.

n/t - no tariff

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<tbody>
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<td>1</td>
<td>2013</td>
</tr>
</tbody>
</table>

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STATEMENT OF CHARGES

SECTION III (Cont.)

Q. Service Line and Meter Installation Charges

<table>
<thead>
<tr>
<th>Service Line Charge*</th>
<th>Meter Charge</th>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x ¾&quot; Meter</td>
<td>$445</td>
<td>$155</td>
</tr>
<tr>
<td>¾&quot; Meter</td>
<td>445</td>
<td>255</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>495</td>
<td>315</td>
</tr>
<tr>
<td>1 ½&quot; Meter</td>
<td>550</td>
<td>525</td>
</tr>
<tr>
<td>2&quot; Turbine Meter</td>
<td>830</td>
<td>1,045</td>
</tr>
<tr>
<td>2&quot; Compound Meter</td>
<td>830</td>
<td>1,890</td>
</tr>
<tr>
<td>3&quot; Turbine Meter</td>
<td>1,045</td>
<td>1,670</td>
</tr>
<tr>
<td>3&quot; Compound Meter</td>
<td>1,165</td>
<td>2,545</td>
</tr>
<tr>
<td>4&quot; Turbine Meter</td>
<td>1,490</td>
<td>2,670</td>
</tr>
<tr>
<td>4&quot; Compound Meter</td>
<td>1,670</td>
<td>3,645</td>
</tr>
<tr>
<td>6&quot; Turbine Meter</td>
<td>2,210</td>
<td>5,025</td>
</tr>
<tr>
<td>6&quot; Compound Meter</td>
<td>2,330</td>
<td>6,920</td>
</tr>
<tr>
<td>8&quot; or Larger Meter</td>
<td>Cost</td>
<td>Cost</td>
</tr>
</tbody>
</table>

* Note: To include the actual cost incurred when road crossing is required.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax, per Commission Rule A.A.C. R14-2-409.D(5).

All advances and/or contributions are to include labor, materials, overheads, and all applicable taxes, including all gross-up taxes for income taxes, if applicable.

All items billed at cost shall include labor, materials, overheads, and all applicable taxes.

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STATEMENT OF CHARGES

IV. PERMITTED COSTS

A. Costs shall be verified by invoice.

B. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. 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, time sheets 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 of after the Company’s receipt of invoices, time sheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.

E. At the customer’s request, the Company shall make available to the customer all invoices, time sheets 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.
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:

Issued: November 30, 2005

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93055.00000.187

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DECISION # 68309
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STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

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.

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);

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

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.

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.

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STATEMENT OF TERMS AND CONDITIONS
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II. FIRE HYDRANT, INTERIOR FIRE SPRINKLER SERVICE AND
INTERRUPTIBLE SERVICE

The Company will provide Fire Protection Service under the following conditions:

A. Facility Specifications

The size, location, number, and technical specifications of facilities used to provide Fire Protection Service shall be prescribed by the Fire Protection Service Customer, developer, or any authorized agency having jurisdiction over those facilities, so long as:

1. Those facilities do not adversely affect the Company's ability to provide General Service, and

2. The maximum diameter of the service connection is not larger than the diameter of the main to which the service is connected, and

3. In the case of a fire hydrant, that the facilities are located in the public right of way, and

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PART TWO

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4. In the case of a fire sprinkler system, that the sprinkler system is separate from the General Service facilities, unless the Company has specifically approved an integrated system and Company-approved check valves are installed.

B. Construction Specifications; Ownership of Facilities; Relocation

Fire hydrants, and all valves, pipe fittings and appurtenances related to the hydrant shall be installed to Company's specifications under non-refundable Advances in Aid of Construction by the Developer or Fire Protection Service Customer and shall become the property of the Company.

Fire sprinkler systems up to a mutually-agreed upon point of interconnection shall be installed to the Company's construction specifications under non-refundable Advances in Aid of Construction by the Developer for Fire Protection Service Customer, and shall become the property of the Company. The installation, maintenance and operation of fire sprinkler systems within the Customer's facility, and beyond the point of interconnection, shall be the responsibility of the Customer.

Relocation costs of any Company-owned fire protection facilities shall be paid by the Customer or the party requesting relocation. Relocation cost includes cost incurred due to moving facilities to accommodate reconstruction, widening, realignment, or grade changes to alleys, streets, roads, or highways.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

C. 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 or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company’s control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

III. TERMINATION OF WATER SERVICE FOR NON-PAYMENT OF WASTEWATER BILL

Company customers who also receive wastewater service from Litchfield Park Service Company ("LPSCO") are hereby notified that the Companies have been authorized by the Commission that in the event the wastewater bill of LPSCO is not paid in a timely fashion, and following notice by both Companies, the water service from Valley may be terminated. Water service will not be restored until the customer pays to LPSCO the delinquent balance, plus all-Reconnection of Service and Deposit Requirements pursuant to the LPSCO Tariff, and the payment to the Company of the applicable Reconnection of Service charges pursuant to the Company’s Tariff PART ONE-SECTION III. Please see the LPSCO tariff in this regard.

Approved in Decision 66036, dated July 3, 2003

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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

IV. CURTAILMENT PLAN FOR VALLEY UTILITIES WATER COMPANY.

ADEQ Public Water System Number: 07079

Valley Utilities 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.

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STATEMENT OF TERMS AND CONDITIONS
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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 drawdown 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.

c. 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.

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WATER SERVICE

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. 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 four 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.

Issued: November 30, 2005

ISSUED BY:
Robert L. Prince
Valley Utilities Water Company, Inc.
6806 N. Dysart Rd., Suite 112
Litchfield Park, Arizona 85340

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APPROVED FOR FILING
DECISION # 68309
Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS
WATER SERVICE

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

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:

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- 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 additional 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 four (4) 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 at least 12 hours prior to entering Stage 4.

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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 in an attempt to maintain the supply until a permanent solution has been implemented.

V. 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.

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