

HIGHLAND WATER COMPANY, INC. MOUNTAIN GREEN, UT 84050

SCHEDULE OF RATES, RULES AND REGULATIONS

TARIFF No. 4 SUPERSEDING TARIFF No. 3

Rodger Smith, President, Highland Water Company, Inc.

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Issued on less than one (1) days' notice to the Commission and to the public by authority of the Public Service Commission of Utah's Order in Docket No 08-010-T01 and 09-010-T01
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WATER SERVICE RATE SCHEDULE

Applicability

Applicable in the entire service area, to water for culinary or drinking purposes at one point of delivery.

Rates as herein set forth shall apply to each consumer unit. A customer unit is defined as a single-family dwelling, condominium, apartment, storage unit, business (single or office with multi-unit's each paying a monthly minimum), store, service station, food service business, factory, shop, processing plant or other establishment or concern that might apply for culinary water service for domestic or any other purposes.

The following rates are for a two-month billing cycle and effective May 1, 2009:

The monthly residential minimum rate is \$22.00 per service connection.

USAGE	CHARGES
First 12,000 gallons	\$ 44.00 minimum charge for each service connection
Tier 1 - Next 38,000 gallons	\$ 1.00 per 1,000 gallons
Tier 2 - Next 50,000 gallons	\$ 1.50 per 1,000 gallons
Tier 3 – Over 100,000 gallons	\$ 2.75 per 1,000 gallons

The following rates are for a two-month billing cycle and effective November 1, 2009:

The monthly residential minimum rate is \$32.00 per service connection.

USAGE	CHARGES
First 12,000 gallons	\$ 64.00 minimum charge for each service connection
Tier 1 - Next 38,000 gallons	\$ 1.00 per 1,000 gallons
Tier 2 - Next 50,000 gallons	\$ 1.50 per 1,000 gallons
Tier 3 – Over 100,000 gallons	\$ 2.75 per 1,000 gallons

Premises temporarily without a meter will be charged the minimum rate.

The billing periods are for two (2) month increments, where winter billings may be estimated at a 6,000 gallon monthly minimum and in the first reading of the calendar year only, where overages occur, customers will be charged at the first tier rate for all overages.

Service Connection Charges

¾" Service to Property Line One-time charge for each service Requiring new meter installation	\$2,500.00
1" Service to Property Line (one-time charge for each service requiring new meter installation)	\$2,500.00 plus the difference in cost

Other Charges

Turn-on service fee is a one-time charge when a connection is added to the system OR when a property owner sells, transfers or changes the name on the file of the water company.	\$100.00
Non-payment Disconnect Charge	\$50.00
Non-payment Reconnect Charge	\$50.00
Stand-by Fee per vacant lot per month	\$15.00
Late Payment Fee	\$10.00 or interest of 1.5% per month whichever is greater
Non-sufficient Funds or Returned Check	\$20.00 per incident

Supplementary Water Charges

Supplementary Water is defined as metered water from a fire hydrant or other temporary meter.

Supplementary Water Set-up Fee	\$100.00
Supplementary Water Take Down Fee	\$100.00
Supplementary Water Refundable Deposit	\$1,000.00
Supplementary Water Rate	\$5.00 per 1,000 gallons

RULES AND REGULATIONS

1. Connection: No unauthorized person will tap any water main or distribution pipe of the Company or insert therein any corporation cock, stop cock or any other fixture or appliance; or alter or disturb any service pipe, corporation stop, curb stop, gate valve, hydrant, water meter or any other part of the waterworks system or attachment thereto. No person/persons **shall**, without first obtaining a permit from the Company, connect or disconnect any service pipe to or from the mains or distribution pipes of said waterworks system nor to or from any other service pipe now or hereafter connected with said system; nor make any repairs to, additions to, or alterations of any such service pipe.
2. Application for permit: A permit shall be obtained from the Company before any service connection can be made to any part of the waterworks system or before any work can be performed upon old or new connections. Such permit shall be issued upon written application on forms obtained from the Company. Applicants for water service shall furnish, lay, and install, at their own expense, all that portion of the service not provided by the Company, subject however, to the supervision and inspection of the Company.
3. Metering of Service: All water delivered by the Company to its customers shall be metered through approved water meters. Water may be tested, inspected or adjusted at the discretion of the Company and shall not be opened or adjusted except by authorized representatives of the Company. If requested by the customer, the Company shall test the meter and if such test shows the meter to be accurate or inaccurate to the favor of the customer, the customer shall pay the cost of the test. When such test shows the meter to be reading inaccurately to the disfavor of the customer, the Company shall pay the cost of the test. Only authorized representatives of the Company shall open meter boxes to turn on or off water except in case of emergency or when the Company gives special permission.
4. Meter Adjustment: If a meter fails to register at any time, the water delivered during such period shall be billed at the minimum rate. In the event a meter is found to be recording at less than 97% or more than 103% of previous readings, the **Company** may make adjustments in the customer's previous bill as are just and fair under the circumstances.
5. Service Connections: Any party desiring a service connection from the Company shall make application in writing. After approval and fees paid as shown in the rates and tariffs the meter will be located in a non-traffic area that is accessible during all months of the year and free from any obstructions such landscaping, cars, trash, rocks, dirt or buildings. This will include the meter setter, the meter, the box and the cover and lid. Any material furnished shall remain the property of the water company thereof from the mainline to property line.

6. Service Line: the applicant shall provide all service line materials and installation. Installation shall be inspected and approved by the Company before the service line trench is backfilled. The applicant shall provide a shut-off valve on each service line in accessible locations separate from the water meter box.
7. Water Use Restriction: The owner or occupant of any building or premises entitled to the use of water from the Company shall not supply water to any other building or premises without written permission from the Company.
8. Service Turn-on / Turn-off: Only authorized personnel of the Company shall turn on or off water at the meter box, except in case of an emergency or when the Company grants special permission. The Company will turn off service, when requested by the applicant or if the applicant fails to complete with the rules and regulations. If the water is turned off it will only be turned on when the bill and charges are current and paid in full.
9. Disruption Liability: The Company shall use reasonable diligence to provide continuous water service to its customers that meets the State and Federal guidelines. However, the Company shall not be held liable for damages to any water user by reason of any stoppage or interruption of his water supply caused from scarcity, accidents from works, construction, water main alterations, acts of God or any other unavoidable causes.
10. Damage to Facilities: Costs of any damage resulting from the failure of the owner, agent, or tenant to properly protect the water meter or service line to their own house or building or other facilities of the Company installed upon the premises supplied with water, including but not limited to vandals, fire, freezing or construction work shall be assessed against such owner, agent or tenant. Water consumers shall not tamper with or remove the meter, or interfere with the reading thereof.
11. Reading of Meters: The Company shall read all meters in the spring, as early as possible, and in the fall as late as practicable, and monthly or bi-monthly in between. The monthly or bi-monthly charges between fall to spring will be charged at the monthly minimum of \$32 and overage charges will be billed at the first tier rate of \$1.00 per 1,000 gallons on the first read bill in the spring.
12. Billing and Payments: Bills covering charges shall be rendered bi-monthly/monthly and shall be due fifteen (15) days after being rendered. If any customer neglects or refuses to pay the water service bill, or any other said bill, or any other obligation due the company within thirty (30) days from the date of said bill the Company's employees shall have the right to access the premises and do such work to disconnect the water service. Before the service is reconnected, all delinquent bill or bills shall be paid in full, or any arrangements made with the Company to satisfy any unpaid bills. A disconnect and reconnect fee will be charged.

13. Discontinuance of Service: Any customer wishing to have the service discontinued shall notify the Company so that the meter can be read for a final billing. Such final bill shall be due and payable upon receipt.
14. Regulated Usage: Whenever the Company shall determine that the amount of water available to its distribution system has diminished to such a volume that, the public health is at risk or in such times as an emergency occurs it may be necessary to impose a restriction program. Such rules and regulations may include, but shall not be limited to, the restriction to certain hours or total prohibition of outdoor watering.
16. Changes and Amendments: The right is reserved to amend or add to these Rules and Regulations as experience or regulations may show it to be necessary and as such, amendments or additions are approved by the board of directors of the Company and Public Service Commission of Utah.
17. Credit Deposit: The Company shall at its option, and in lieu of established credit, require a deposit from the customer to assure payment of bills, such deposits shall be \$64.00 or equal to one billing period. The deposit after six (6) months may be refunded or credited to said bill.

Facility and Line Extension Policy

Definition: An extension or upgrade is any continuation of, or branch from, the nearest or most applicable utility line or facility owned or maintained by the Company, including any increase of capacity of an existing line, tank, spring, well, pump or buster pump to meet the customer's or developer's requirements.

1. Costs: The total cost of the extensions includes but is not limited to engineering, labor, and materials, shall be paid by the applicants. Where more than one applicant is involved in an extension, the costs may or may not be pro-rated based on the property frontage distances involved or upon such other basis as may be mutually agreed on by applicants or the Company.
2. Construction Standards: The extension shall meet all the Company requirements as well as the State Division of Drinking Water and county health codes. Capacity sizes shall be in accordance with state codes and minimum of 8" in diameter as per company standards. The Company may require certain types of materials, which will be installed in dedicated streets, roads or recorded easements. These costs shall include the installation of tanks, wells, and pumps to maintain pressures and water supply that will regulate the system to a minimum flow pressure of 40 psi throughout the system.
3. Water Storage and Supply: All cost for providing increased water supply and storage shall be paid by the Company. This cost shall include the installation and operation of pumps as required for proper pressure regulation of the system.

4. Ownership: Completed facilities shall be owned, operated, and maintained by the Company, including and through the meters, as detailed in the Tariff Rules and Regulations.

5. Temporary Services: The customer will pay total cost of the installation and removal of any extension to any temporary connection or speculative in nature. Such costs will be estimated and paid before any work begins on the extension or removal of said service.