

GRAND STAIRCASE WATER COMPANY, LLC

**RATES AND FEES SCHEDULE
AND
RULES AND REGULATIONS**

TARIFF NO. 1

INDEX

TITLE	1
INDEX	2
WATER SERVICE RATES AND FEES SCHEDULE	3
RULES AND REGULATIONS:	
1. Service Connections	5
2. Connections	5
3. Service Line	5
4. Application for Permit	5
5. Metering of Service	5
6. Meter Adjustments	6
7. Backflow Prevention	6
8. Water Use per Customer	6
9. Water Use Restriction	6
10. Service Turn-on and Turn-off	6
11. Disruption Liability	6
12. Damage to Facilities	7
13. Reading of Meters	7
14. Billing & Payments	7
15. Capital Reserve Accounting Requirements	7
16. Special Assessments	8
17. Regulated Usage	8
18. Changes and Amendments	9
REGULATION A: FACILITY EXTENSION POLICY	10
REGULATION B: DEPOSITS AND GUARANTEES	11
REGULATION C: ELIGIBILITY FOR SERVICE	12
REGULATION D: BILLING	13
REGULATION E: DEFERRED PAYMENT	15
REGULATION F: TERMINATION OF RESIDENTIAL SERVICE	16
REGULATION G: INFORMAL REVIEW, MEDIATION AND FORMAL REVIEW	20
REGULATION H: STATEMENT OF CUSTOMER RIGHTS AND RESPONSIBILITIES	21
SERVICE AREA MAPS	22

WATER SERVICE RATES AND FEES SCHEDULE

Applicability

This Tariff is applicable in the entire service area of the Grand Staircase Water Company, LLC (the "Company") to provide culinary water service for each residential, commercial, and hotel connection. The service area of the Company is the Amangiri Resort Amended subdivision, as shown on the plat recorded and on file with the Kane County Recorder's Office, Book 0350, Pages 247-250, Entry No. 139643. Maps showing the service area are appended hereto. Rates as herein set forth shall apply to each customer unit. A customer unit is defined as a residential dwelling or any commercial establishment, hotel, or other establishment connected to the Company water system by a metered connection. The following rates are for a period of one month for each connection:

Usage Rates

Residential Connections

The first 10,000 gallons	\$ 85.00	minimum charge for each connection
10,001 to 20,000 gallons	\$ 6.00	per 1,000 gallons
20,001 to 30,000 gallons	\$ 6.50	per 1,000 gallons
30,001 to 40,000 gallons	\$ 7.50	per 1,000 gallons
Over 40,000 gallons	\$ 9.00	per 1,000 gallons

Premises temporarily without a meter will be charged for the average water usage of the preceding three months.

Commercial Connections

The first 12,000 gallons	\$ 100.00	minimum charge for each connection
12,001 to 30,000 gallons	\$ 6.00	per 1,000 gallons
30,001 to 40,000 gallons	\$ 7.50	per 1,000 gallons
40,001 to 50,000 gallons	\$ 9.00	per 1,000 gallons
Over 50,000 gallons	\$ 10.00	per 1,000 gallons

Premises temporarily without a meter will be charged for the average water usage of the preceding three months.

Hotel Connections

The first 100,000 gallons	\$ 800.00	minimum charge for each connection
100,001 to 250,000 gallons	\$ 6.50	per 1,000 gallons
250,001 to 500,000 gallons	\$ 8.00	per 1,000 gallons
500,001 to 750,000 gallons	\$ 9.50	per 1,000 gallons
Over 750,000 gallons	\$ 11.00	per 1,000 gallons

Premises temporarily without a meter will be charged for the average water usage of the preceding three months.

Effective: October 1, 2011

Service Fees

Capital Reserves Fees

Residential Connections	\$ 155.00	Monthly fee for each connection
Commercial & Hotel Connections	\$ 200.00	Monthly fee for each connection

Residential Service Connection Fees

Hookup Fee*

3" service line from main to property line	\$ 325.00
Meter installation	<u>\$ 1,175.00</u>
Total Hookup Fee	\$ 1,500.00
Project Cost Recovery Fee*	\$ 40,000.00
Revenue Fee*	<u>\$ 25,000.00</u>
Total Residential Connection Fee	\$ 66,500.00

*One-time charge for each service requiring new meter connection.

Turn-on Fee	\$ 500.00	Per occurrence
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Commercial Service Connection Fees

Hookup Fee*

3" service line from main to property line	\$ 425.00
Meter installation	<u>\$ 1,275.00</u>
Total Hookup Fee	\$ 1,700.00
Project Cost Recovery Fee*	\$ 40,000.00
Revenue Fee*	<u>\$ 25,000.00</u>
Total Commercial Connection Fee	\$ 66,700.00

*One-time charge for each service requiring new meter connection.

Turn-on Fee	\$ 750.00	Per occurrence
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Hotel Service Connection Fees

Hookup Fee*

6" or larger service line from main to property line	\$ 1,000.00
Meter installation	<u>\$ 2,000.00</u>
Total Hookup Fee	\$ 3,000.00
Project Cost Recovery Fee*	\$ 40,000.00
Revenue Fee*	<u>\$ 25,000.00</u>
Total Hotel Connection Fee	\$ 68,000.00

*One-time charge for each service requiring new meter connection.

Turn-on fee	\$ 1,000.00	Per occurrence
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Other Charges

Disconnection Fee	Same as turn-on fee, per occurrence	
Reconnection Fee	Same as turn-on fee, per occurrence	
Late Payment Fee	\$ 100.00	Per occurrence, or 18% interest per annum penalty, whichever is greater

Effective: October 1, 2011

RULES AND REGULATIONS

1. **Service Connections.** Any person desiring to obtain water service from the Company shall make application to the Company in writing. As a condition of application approval, an applicant shall pay the Hookup Fee. As a condition of receiving water service, a Customer shall pay the Project Cost Recovery Fee. The Hookup Fee includes a meter, meter box, a cover, and a valved service line to the property line, all of which shall remain the sole and exclusive property of the Company. The meter and meter box will be located as directed by the Company. Any excavation and installation shall be made by the Company from the main line in the street to the property line. The Hookup Fee shall apply to all new connections installed on or after the effective date of this Tariff.
2. **Connections.** No unauthorized person shall 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 attachment, being part of the waterworks system and attached thereto. No person shall install any water service pipe or connect or disconnect any such service pipe with or from the mains or distribution pipes of said waterworks system, nor with or from any other service pipe now or hereafter connected with said system, nor make any repairs, additions to, or alterations of any such service pipe, tap, stop cock, or any other fixture or attachments connected with any such service pipe, without first obtaining a permit from the Company. All materials used and the installation thereof in the conveyance of Company water shall comply with the Utah Department of Environmental Quality standards and specifications.
3. **Service Line.** A service line is defined as all water system facilities installed between the customer unit and the meter, unless the meter is more than five (5) feet beyond the property line, in which event the service line shall include all water system facilities between the customer unit and the property line, except for the meter. All service line materials and installation shall be provided and paid for by the applicant, except that the meter, meter box, and meter cover shall in all instances be installed and owned by the Company. Installation of a service line shall be inspected and approved by the Company before the service line trench is backfilled. A shut-off valve shall be provided by the customer on each service line, in an accessible location separate from the water meter box.
4. **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 performed can be performed upon old or new connections. Such permit shall be issued upon written application on forms obtainable 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.
5. **Metering of Service.** All water delivered by the Company to its customers shall be metered through water meters. Meters may be checked, inspected, or adjusted at the

discretion of the Company, and shall not be opened or adjusted except by authorized representatives of the Company. Only authorized representatives of the Company shall open meter boxes to turn water service on or off except in case of emergency or when special permission is given by the Company.

6. **Meter Adjustment.** If a meter fails to register at any time, the water delivered during such a period shall be billed at the rate for the average water usage of the preceding three months. In the event a meter is found to be recording at less than 97 percent or more than 103 percent of actual, the Company may make such adjustments to the customer's previous bill as are just and fair under the circumstances.
7. **Backflow Prevention.** All applicants requesting connection to or Customers connected to the water system shall provide, at their sole expense, any and all back-flow prevention/protection device(s) deemed necessary by the Company and to comply with the regulations and rules of the Utah Department of Environmental Quality to protect the water quality of the water system from potential back-flow incidence. All Customers, at their sole expense, shall submit annually to the Company (in the springtime and before the Customer's use of outside irrigation water) the required proof of certification of inspection of the Customer's back-flow prevention device(s).
8. **Water Use per Customer.** Unless otherwise approved by the Company, each residential connection will be entitled to use not more than 55,500 gallons of water per month, each commercial connection will be entitled to use not more than 150,000 gallons of water per month, and each hotel connection will be entitled to use not more than 1,000,000 gallons of water per month.
9. **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 of the Company. The applicant or occupant may not use any water from the Company that is not metered.
10. **Service Turn-on and Turn-off.** Only authorized representatives of the Company shall turn water service on or off at the meter box, except in case of an emergency or when special permission is granted by the Company. Service may be turned off by the Company when so requested by the customer, when the customer fails to abide by these regulations, or as permitted by Utah Administrative Code R746-200-7, Termination of Service. Whenever the water is turned off at any premises, it shall not be turned on again until the customer pays all delinquent balances owing, late charges, and reconnection fees as shown in the rate schedule.
11. **Disruption Liability.** The Company shall use reasonable diligence to provide continuous water service to its customers, and shall make a reasonable effort to furnish all customers with a clean, pure supply of water, but the Company shall not be held liable for damages to any customer or water user by reason of any stoppage or interruption of water service caused by scarcity of water, accidents to works, water main alterations, additions or repairs, acts of God, acts of third persons, government interference, or other

unavoidable causes beyond the Company's control.

12. **Damage to Facilities.** Costs of any damage resulting from the negligence and/or failure of the customer to properly protect the water meter or service line, or other facilities of the Company installed upon premises supplied with water, including but not limited to vandalism, fire, freezing, or construction work, shall be assessed against such customer. No customer or person shall tamper with or remove the meter, or interfere with the reading thereof.
13. **Reading of Meters.** All meters shall be read by the Company at least once every two months, weather permitting, and charges shall be based upon meter readings except as provided for in paragraph 6 above. If the meters are inaccessible to read, for example during winter months, customers shall be billed at the minimum usage amount. The actual winter usage, should it exceed the minimum usage amount during the winter months, shall be billed in total on the first billing which shows the first meter reading taken in the calendar year.
14. **Billing and Payments.** Bills covering the charges will be issued and shall be due within thirty (30) days after being issued. If any customer neglects or refuses to pay a water service bill or any other obligation due to the Company within thirty (30) days from the date of issuance, the Company's employees shall have the right to go upon the premises and do such work as may be necessary to disconnect the water service. Before the service is renewed and reconnected the delinquent bill or bills shall be paid in full, or payment arrangements satisfactory to the Company shall be made, and the established tariff charge for reconnection shall be paid. The Company may contract with a third party to handle all bills, billings, and customer payments. The Company will notify the customers of such arrangement.
15. **Capital Reserve Accounting Requirements.** A Capital Reserve Account, targeted to equal the annual depreciation expense and annual amortization of the contribution in aid of construction of the Company's water system assets and equipment, shall be established, subject to the following:
 - a. Capital reserve fees generated from rates shall be deposited into the Capital Reserve Account, which shall be a restricted account such as a separate escrow account, within 30 days from receipt of payments.
 - b. Withdrawals from the Capital Reserve Account shall be made for capital replacements and improvements only.
 - c. In accordance with Utah Administrative Rule R746-401-3A, expenditures in excess of five (5) percent of total Utility Plant in Service shall require the Company to file a report with the Commission, at least 30 days before the purchase or acquisition of the asset or project, and to obtain written Commission approval before transacting such acquisitions.
 - d. Upon submission of the Annual Report to the Public Service Commission, the Company shall also provide a separate accounting of the Capital Reserve Account

consisting of monthly bank statements encompassing the entire calendar year showing a series of deposits made within 30 days from the receipt of rate payments for each billing cycle and withdrawals that meet requirements 15.a, b and c above. Such detailed accounting, including copies of bank statements and possible other sensitive information, shall be marked as “confidential.”

- e. The balance in the Capital Reserve Account shall be clearly identifiable in the financial statements as a restricted account.
 - f. In identifying a qualifying expenditure for replacement or improvements that may be made from the Capital Reserve Account, the Company shall consider the following guidelines:
 - i. Capital improvements are typically high cost items with long service lives, including, but not limited to, the distribution pipe main lines, storage reservoirs, wells, and surface water intakes. Expenditures that qualify as capital expenditures are those that extend the life of an asset, enhance its original value with better quality materials or system upgrades, or replace such assets.
 - ii. Capital improvements do not include minor expenses such as repair clamps, inventory parts and fittings, spare pieces of pipe kept to facilitate repairs, small tools, maintenance supplies such as paint or grease, service contracts, and other day-to-day supplies. Expenses for these items are properly classified as “operating and maintenance” expenses.
 - iii. Additionally, it is not appropriate to use Capital Reserve Account funds received from existing customers for system expansion, that is, to extend main lines to serve new areas or new customers or to install new services. Funds for the expansion of the system should come from new development, impact fees, connection fees, assessments or other sources so that those benefiting from the improvement contribute the funds for its construction.
 - g. In the event any payment from a Customer is a partial payment of any given billed invoice by the Company, that payment shall be used first to cover the fixed and variable expenses, and then to cover the Capital Reserve Fee. A reconciliation, clearly indicating the circumstances surrounding those instances when the Capital Reserve Account was not fully funded, shall be provided by the Company with the detailed ‘annual accounting’ of the Capital Reserve Account.
 - h. The Company shall list the Customer’s charge for payment to the Capital Reserve Account as a separate line item (“Capital Reserve Fee”) in each billing statement.
 - i. Interest accruing on funds held in the Capital Reserve Account shall become a part of the Capital Reserve Account and can only be used in accordance with this paragraph 15.
16. **Special Assessments.** The Company reserves the right to levy special assessments as necessary to pay for or reimburse the Company for expenses attributed to emergency or necessary waterworks system improvements, maintenance, or repairs, subject to all necessary approvals of such special assessments by the Public Service Commission.

17. **Regulated Usage.** Whenever the Company shall determine that the amount of water available to its distribution system has diminished to such a volume that, unless restricted, the public health, safety and general welfare is likely to be endangered, the Company may prescribe rules and regulations to conserve the water supply during such emergency. Such rules and regulations may include, but shall not be limited to, the restriction to certain hours (or total prohibition) of the use of water for outdoor watering.
18. **Changes and Amendments.** The Company reserves the right to change, amend or add to these Rules and Regulations as experience may show it to be necessary and as such amendments or changes are approved by the Utah Public Service Commission.

REGULATION A
FACILITY EXTENSION POLICY

- A1. **Definition.** An extension is any continuation of, or branch from, the nearest available existing line of the Company, including any increase of capacity of an existing line to meet the Customers' requirements.
- A2. **Costs.** The total cost of extensions including engineering, labor, and materials shall be paid by the applicants for such extensions. If, because of the extension and the addition of applicants as customers, additional water rights, pumps, storage, or other water plant must be acquired, the Company may require the applicants to pay these costs. Where more than one customer is involved in an extension the costs shall be pro-rated on the basis of the street frontage distances involved or upon such other basis as may be mutually agreed by the applicants. Sufficient valves and fire hydrants must be included with every installation.
- A3. **Construction Standards.** Minimum standards of the Company shall be met, which standards shall also comply with the standards of the Utah State Division of Drinking Water. Pipe sizes shall never be smaller than 4" (four inches) in diameter. The pipeline shall be installed only along streets and highways, unless otherwise approved in writing by the Company.
- A4. **Water Storage and Supply:** Except as provided for in paragraph 2 herein above, all costs 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.
- A5. **Ownership:** Completed facilities and water rights shall be owned, operated, and maintained by the Company, including and through meters as detailed in the Tariff Rules and Regulations.
- A6. **Temporary Service:** The Customer will pay the total cost for the installation and removal of any extension for service to a venture of a temporary or speculative nature. Such costs will be estimated and paid before work is begun on the extension.

REGULATION B
DEPOSITS AND GUARANTEES

- B1. **Security Deposits.** A security deposit is required of all Customers, without discrimination, to assure payment of bills. Such deposits shall cover the base water rate for a minimum of 60 days or \$200.00, whichever is greater. The security deposit may be waived if the Customer can provide one (1) of the following:
- a. A letter of credit from another utility company (minimum of 12 months previous service), with no delinquent charges in 12 months, no return payment charges, no disconnections for non-payment, and no bankruptcies or liens filed.
 - b. Third-party guarantees in lieu of security deposits shall be permitted from qualified guarantors. The Company shall consider a guarantor of residential service qualified if the guarantor is a current Customer of the Company and has not received a 10-day written notice of disconnection within the last 12 months.
- B2. **Installments.** When a security deposit is required, the Customer shall have the right to pay the deposit in three (3) equal monthly installments if the first installment is paid when the deposit is required.
- B3. **Return of Deposits.** The deposit paid, plus accrued interest, is eligible for return to the Customer after the Customer has paid the bill on time for twelve (12) consecutive months. Deposits shall earn interest at the then established bank saving rate of the Company's banking institution. The company shall provide to the Customer a bank statement summarizing the interest earned on the customer's deposit account.

**REGULATION C
ELIGIBILITY FOR SERVICE**

- C1. **Eligibility for Service:** Residential water service is conditioned upon payment of deposits, and upon payment of any outstanding debts for past utility service which are owed by the applicant to the Company. Service may also be denied when unsafe conditions exist, when the applicant has furnished false information to get water service, or when the applicant/customer has tampered with Company-owned equipment, such as meters and lines. An applicant is ineligible for service if at the time of application, the applicant is cohabiting with a delinquent account holder, whose utility service was previously disconnected for non- payment, and the applicant and delinquent account holder also cohabited while the delinquent account holder received the Company's service, whether the service was received at the applicant's present address or another address.
- C2. **Customer's Statement of Rights and Responsibilities.** The Company will provide a copy of the "Customer's Statement of Rights and Responsibilities" when water service is extended to an account holder, annually, and upon first notice of an impending service disconnection.
- C3. **Shared Meter or Appliance.** In rental property where one meter provides service to more than one unit or where appliances provide service to more than one unit or to other occupants at the premises, and this situation is known to the Company, the Company will recommend that service be in the property owner's name and the property owner be responsible for the service. However, a qualifying applicant will be allowed to put service in their own name provided the applicant acknowledges that the request for services is entered into willingly, and such applicant has knowledge of the account responsibility.

REGULATION D
BILLING

- D1. **Billing Cycle.** The Company shall use a billing cycle that has an interval between regular periodic billing statements of not greater than two (2) months.
- D2. **Meter Reading.** If a meter reader cannot gain access to a meter to make an actual reading, the Company shall take appropriate additional measures in an effort to get an actual meter reading. These measures shall include, but are not limited to, scheduling of a meter reading at other than normal business hours, making an appointment for meter reading, or providing a prepaid postal card with a notice of instruction upon which an account holder may record a meter reading. If after two (2) regular route visits, access has not been achieved; the Company will notify the Customer that arrangements need to be made to have the meter read as a condition of continuing service.
- D3. **Periodic Billing Statement.** Except when a residential utility service account is considered uncollectible or when collection or termination procedures have been started, the Company shall mail or deliver an accurate bill to the account holder for each billing cycle at the end of which there is an outstanding debit balance for current service, a statement which the account holder may keep, setting forth each of the following disclosures to the extent applicable:
- a. the outstanding previous balance in the account at the beginning of the current billing cycle;
 - b. the amount of current service charges debited to the account during the current billing cycle;
 - c. the amount of payments made to the account during the current billing cycle;
 - d. the amount of credits other than payments to the account during the current billing cycle;
 - e. the amount of late payment charges debited to the account during the current billing cycle;
 - f. the closing date of the current billing cycle and the outstanding balance due in the account on that date;
 - g. a listing of the statement due date by which payment of the new balance must be made to avoid assessment of a late charge;
 - h. a statement that a late charge, expressed as an annual percentage rate and a periodic rate, may be assessed against the account for late payment; and
 - i. the following notice: "If you have any questions about this bill, please call the Company."
- D4. **Late Charge.** The Company shall charge a late fee at the amount consistent with this Tariff for each billing period where there exists a prior balance owing on a Customer's account by following the procedures set forth in Regulation F: Termination of Service.
- D5. **Statement Due Date.** Bills covering charges shall be due on the first of the month after the date the current bill was prepared. An account holder shall have thirty (30) days from the date the current bill was prepared to pay the new balance, which date shall be the

statement due date.

- D6. **Disputed Bill.** In disputing a periodic billing statement, a customer shall first try to resolve the issue by discussion with the Company's personnel. The Company's personnel shall investigate the disputed issue and shall try to resolve that issue by negotiation. If the negotiation does not resolve the dispute, the account holder may obtain informal review by contacting the Division of Public Utilities and formal review with the Public Service Commission. While an account holder is proceeding with either informal or formal review of a dispute, no termination of service shall be permitted if amounts not disputed are paid when due.
- D7. **Unpaid Bills.** When transferring unpaid bills from inactive or past accounts to active or current accounts the following limitations shall apply:
- a. The Company may only transfer bills between similar classes of service, such as residential to residential, not commercial to residential.
 - b. Unpaid amounts for billing cycles older than four (4) years before the time of transfer cannot be transferred to an active or current account.
 - c. The Customer shall be provided with an explanation of the transferred amounts from earlier billing cycles and informed of the Customer's ability to dispute the transferred amount.

REGULATION E DEFERRED PAYMENT

- E1. **Right to Deferred Payment Agreement.** A customer who cannot pay a delinquent account balance on demand shall have the right to receive residential utility service under a Deferred Payment Agreement, unless the delinquent account balance is the result of unauthorized usage of, or diversion of, residential water service, in which case the use of a Deferred Payment Agreement is at the Company's discretion. The terms of a Deferred Payment Agreement shall be set forth in a written agreement entered into by both the Company and the customer. A copy of the Deferred Payment Agreement shall be provided to the Customer.
- E2. **Deferred Payment Agreement.** An applicant or account holder shall have the right to a Deferred Payment Agreement, consisting of 12 months of equal monthly payments, if the full amount of the delinquent balance plus interest shall be paid within the 12 months and if the customer agrees to pay the initial monthly installment. The customer shall have the right to pre-pay a monthly installment, pre-pay a portion of, or the total amount of the outstanding balance due under a Deferred Payment Agreement at any time during the term of the agreement. The customer also has the option, when negotiating a Deferred Payment Agreement, to include the amount of the current month's bill plus the reconnection charges in the total amount to be paid over the term of the Deferred Payment Agreement. If a finance charge is assessed, the Deferred Payment Agreement shall contain notice of the charge.
- E3. **Payment Options.**
- a. If the Company has a budget billing or equal payment plan available, it shall offer the customer the option of:
 - i. agreeing to pay monthly bills for future residential water service as they become due, plus the monthly deferred payment installment, or
 - ii. agreeing to pay a budget billing or equal payment plan amount set by the Company for future residential water service plus the monthly deferred payment installment.
 - b. If the Company does not have budget billing or equal payment plans available:
 - i. When negotiating a deferred payment agreement, the customer shall agree to pay the monthly bills for future residential water service plus the monthly deferred payment installment necessary to liquidate the delinquent bill.
- E4. **Breach.** If a customer breaches a condition or term of a Deferred Payment Agreement, the Company may treat that breach as a delinquent account and shall have the right to disconnect service pursuant to the termination rules, subject to the right of the customer to seek review of the alleged breach by the Commission, and the customer shall not have the right to a renewal of the Deferred Payment Agreement. Renewal of Deferred Payment Agreement after the breach shall be at the Company's discretion.

REGULATION F
TERMINATION OF RESIDENTIAL SERVICE

- F1. **Delinquent Account.** A delinquent account is a water service bill which has remained unpaid beyond the statement due date.
- F2. **Notice.** When an account is a delinquent account, the Company, before termination of service, shall issue a written late notice to inform the account holder of the delinquent status. A late notice or reminder notice will include the following information:
- a. A statement that the account is a delinquent account and should be paid promptly;
 - b. A statement that the account holder should call the Company if he/she has a question concerning the account;
 - c. A statement of the delinquent account balance.
- A copy of the "Statement of Customer Rights and Responsibilities" will be issued to the account holder with the first notice of impending service disconnection.
- F3. **Investigation and Negotiation.** When the account holder responds to a late notice or reminder notice the Company will investigate disputed issues and try to resolve the issues by negotiation. During this investigation and negotiation, no other action shall be taken to disconnect the residential utility service if the account holder pays the undisputed portion of the account.
- F4. **Reasons for Termination of Service.**
- a. Residential utility service may be terminated for the following reasons:
 - i. Nonpayment of a delinquent account;
 - ii. Nonpayment of a deposit when required;
 - iii. Failure to comply with the terms of a deferred payment agreement or Commission order;
 - iv. Unauthorized use of, or diversion of, residential utility service or tampering with wires, pipes, meters, or other equipment;
 - v. Subterfuge or deliberately furnishing false information; or
 - vi. Failure to provide access to the meter during the regular route visit to the premises following proper notification and an opportunity to make arrangements.
 - b. The following shall be insufficient grounds for termination of service:
 - i. A delinquent account, accrued before a divorce or separate maintenance action in the courts, in the name of a former spouse, cannot be the basis for termination of the current account holder's service;
 - ii. Cohabitation of a current account holder with a delinquent account holder whose utility service was previously terminated for non-payment, unless the current and delinquent account holders also cohabited while the delinquent account holder received the Company's service, whether the service was received at the current account holder's present address or another address;
 - iii. When the delinquent account balance is less than \$25.00, unless no payment has been made for two (2) months;
 - iv. Failure to pay an amount in bona fide dispute before the Commission;

- v. Payment delinquency for third party services billed by the Company, unless prior approval is obtained from the Commission; and
 - vi. Complaints filed with either or both the Company or regulatory agencies.
- F5. **Restrictions upon Termination of Service During Serious Illness.** Residential utility service may not be terminated and will be restored if terminated when the termination of service will cause or aggravate a serious illness or infirmity of a person living in the residence. Upon receipt of a statement, signed by an osteopathic physician, a physician, a surgeon, a naturopathic physician, a physician assistant, a nurse, or a certified nurse midwife, as the providers are defined and licensed under Title 58 of the Utah Code, either on a form obtained from the Company or on the health care provider's letterhead stationery, which statement legibly identifies the health infirmity or potential health hazard, and how termination of service will injure the person's health or aggravate their illness, the Company will continue or restore residential utility service for the period set forth in the statement or one month, whichever is less; however, the person whose health is threatened or illness aggravated may petition the Commission for an extension of time. During the period of continued service, the account holder is liable for the cost of residential utility service. No action to terminate the service may be undertaken, however, until the end of the period of continued service.
- F6. **Restrictions upon Termination of Service to Residences with Life-Supporting Equipment.** The Company will not terminate service to a residence in which the account holder or a resident is known by the Company to be using an iron lung, respirator, dialysis machine, or other life-supporting equipment whose normal operation requires continuation of the Company's service, without specific prior approval by the Commission. Account holders eligible for this protection may obtain it by filing a written notice with the Company, which notice form is to be obtained from the Company, signed and supported by a statement and specifically identifying the life-support equipment that requires the Company's service. Thereupon, the Company shall mark and identify the applicable meter.
- F7. **Termination of Service Without Notice.** The Company may terminate residential utility service without notice when, in its judgment, a clear emergency or serious health or safety hazard exists for so long as the conditions exist, or when there is unauthorized use or diversion of residential utility service or tampering with wires, pipes, meters, or other equipment owned by the Company. The Company shall immediately try to notify the Customer of the termination of service and the reasons therefor.
- F8. **Notice of Proposed Termination of Service.** At least 10 calendar days before a proposed termination of residential utility service, the Company shall give written notice of disconnection for nonpayment to the account holder. The 10-day time period is computed from the date the bill is postmarked. The notice shall be given by first class mail or delivery to the premises and shall contain a summary of the following information:
- a. statement of Customer Rights and Responsibilities under existing state law and Commission rules;

- b. The Commission-approved policy on termination of service for the Company;
 - c. the availability of deferred payment agreements and sources of possible financial assistance, including but not limited to state and federal energy assistance programs;
 - d. informal and formal procedures to dispute bills and to appeal adverse decisions, including the Commission's address and telephone number;
 - e. specific steps, printed in a conspicuous fashion that may be taken by the consumer to avoid termination of service;
 - f. the date on which payment arrangements must be made to avoid termination of service; and
 - g. a conspicuous statement, in Spanish, that the notice is a termination of service notice and that the Company has a Spanish edition of its Customer information pamphlet and whether it has personnel available during regular business hours to communicate with Spanish-speaking Customers.
- F9. **Personal Notification.** At least 48 hours before termination of service is scheduled, the Company will make good faith efforts to notify the account holder or an adult member of the household, by mail, by telephone or by a personal visit to the residence. If personal notification has not been made either directly by the Company or by the Customer in response to a mailed notice, the Company will leave a written termination of service notice at the residence. Personal notification, such as a visit to the residence or telephone conversation with the Customer, is required only during the winter months, October 1 through March 31. Other months of the year, the mailed 48-hour notice can be the final notice before the termination of service. If termination of service is not accomplished within 15 business days following the 48-hour notice, the Company will follow the same procedures for another 48-hour notice.
- F10. **Third-Party Notification.** The Company will send duplicate copies of 10-day termination of service notices to a third party designated by the account holder and shall make reasonable efforts to personally contact the third party designated by the account holder before termination of service occurs, if the third party resides within its service area. The Company shall inform its account holders of the third-party notification procedure at the time of application for service and at least once each year.
- F11. **Rental Property.** In rental property situations where the tenant is not the account holder, and that fact is known to the Company, the Company will post a notice of proposed termination of service on the premises in a conspicuous place and will make reasonable efforts to give actual notice to the occupants by personal visits or other appropriate means at least five (5) calendar days before the proposed termination of service. The posted notice will contain the information specified above. This notice provision applies to residential premises when the account holder has requested termination of service or the account holder has a delinquent bill. If nonpayment is the basis for the termination of service, the Company will also advise the tenants that they may continue to receive utility service for an additional 30 days by paying the charges due for the 30-day period just past.
- F12. **Termination Hours.** Upon expiration of the notice of proposed termination of service,

the Company may terminate residential utility service. Except for service diversion or for safety considerations, utility service shall not be disconnected between Thursday at 4:00 p.m. and Monday at 9:00 a.m. or on legal holidays recognized by Utah, or other times the Company's business offices are not open for business. Service may be disconnected only between the hours of 9:00 a.m. and 4:00 p.m.

- F13. **Customer-Requested Termination of Service.** The Customer shall advise the Company at least three (3) days in advance of the day on which he/she wants service disconnected to his/her residence. The Company will disconnect the service within four (4) working days of the requested disconnect date. The Customer will not be liable for the services rendered to or at the address or location after the four (4) days, unless access to the meter has been delayed by the Customer.
- F14. **Non-Occupants.** A Customer who is not an occupant at the residence for which termination of service is requested shall advise the Company at least 10 days in advance of the day on which he/she wants service disconnected and sign an affidavit that he/she is not requesting termination of service as a means of evicting his/her tenants. Alternatively, the Customer may sign an affidavit that there are no occupants at the residence for which termination of service is requested and thereupon the disconnection may occur within four (4) days of the requested disconnection date.
- F15. **Restrictions Upon Termination of Service Practices.** The Company will not use termination of service practices other than those set forth in these regulations. The Company shall have the right to use or pursue legal methods to ensure collections of obligations due it.
- F16. **Reconnection of Discontinued Service.** The company will have personnel available 24 hours each day to reconnect utility service. Service will be reconnected as soon as possible, but no later than the next generally recognized business day after the Customer has requested reconnection and complied with all necessary conditions for reconnection of service; which may include payment of reconnection charges and compliance with deferred payment agreement terms.

REGULATION G
INFORMAL REVIEW, MEDIATION AND FORMAL REVIEW

- G1. **Informal Review.** A person who is unable to resolve a dispute with the Company concerning a matter subject to Public Service Commission jurisdiction may obtain informal review of the dispute by a designated employee within the Division of Public Utilities. The procedures for informal review shall be as set forth in Utah Administrative Rule R746-200-8.
- G2. **Mediation.** If the Company or the complainant determines that they cannot resolve the dispute by themselves, either of them may request that the Division attempt to mediate the dispute, as set forth in Utah Administrative Rule R746-200-8.
- G3. **Formal Review.** The Commission, upon its own motion or upon the petition of any person, may initiate formal or investigative proceedings upon matters arising out of informal complaints.

REGULATION H

STATEMENT OF UTILITY CUSTOMER RIGHTS AND RESPONSIBILITIES

The Utah Public Service Commission has established rules about utility/consumer/company relationships. These rules cover payment of bills, late charges, security deposits, handling complaints, service disconnection and other matters. These rules assure Customers of certain rights and outline Customer responsibilities.

Customer Rights. Grand Staircase Water Company will:

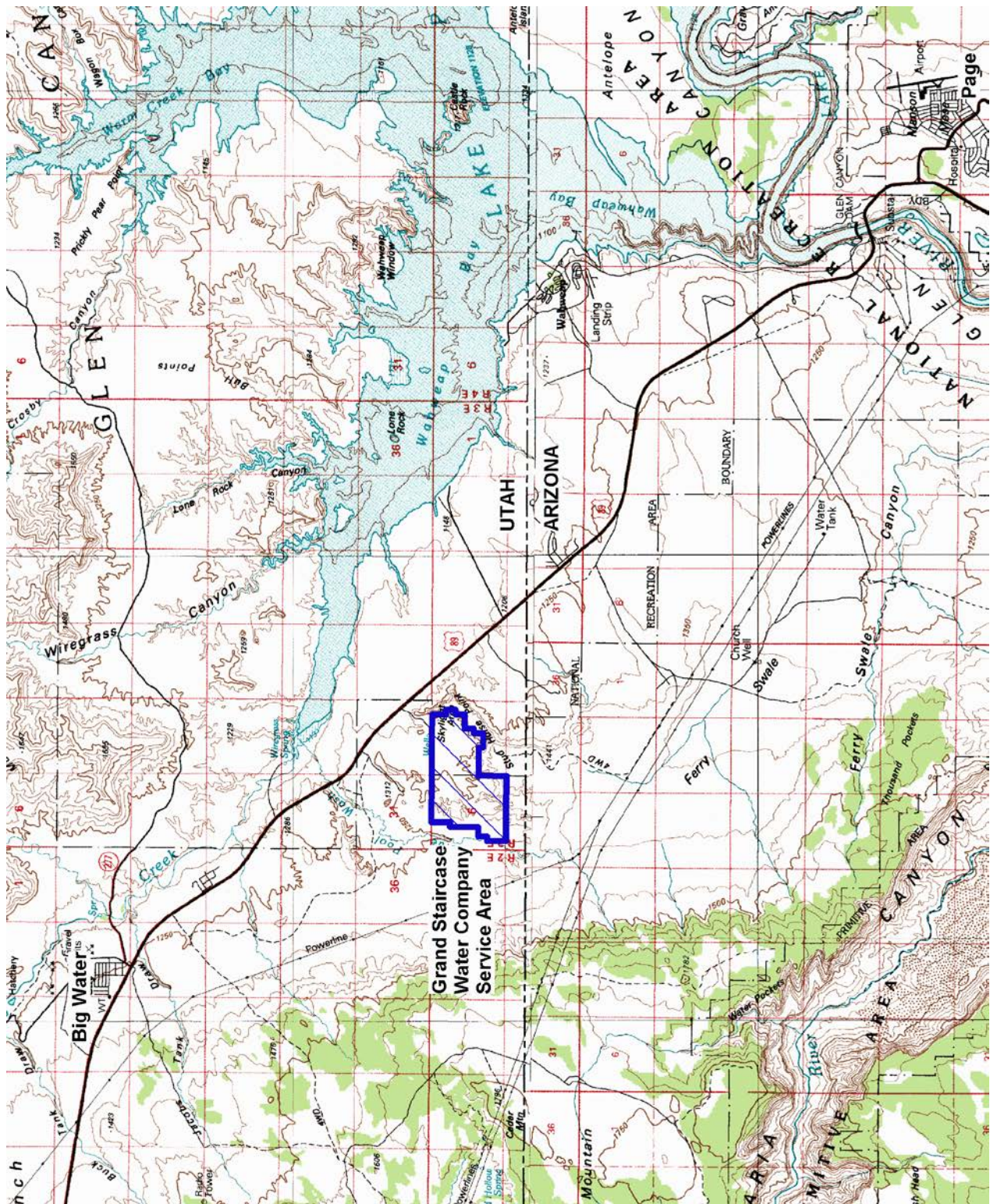
- Provide service if you are a qualified applicant.
- Offer you at least one 12-month deferred payment plan if you have a financial emergency.
- Let you pay a security deposit in three (3) installments, if one is required.
- Follow specific procedures for service disconnection, which include providing you notice postmarked at least 10 days before service is disconnected.
- Offer winter shut-off protection of energy utility service to qualifying ratepayers.
- Advise you of sources of possible financial assistance in paying your bill.
- Continue service for a reasonable time if you provide a physician's statement that a medical emergency exists in your home.
- Give you written information about Commission rules and your rights and responsibilities as a Customer under those rules.

Customer Responsibilities. You, the Customer will:

- Use services safely and pay for them promptly.
- Contact the Company when you have a problem with payment, service, safety, billing, or customer service.
- Notify the Company about billing or other errors.
- Contact the Company when you anticipate a payment problem to attempt to develop a payment plan.
- Notify the Company when you are moving to another residence.
- Notify the Company about stopping service in your name or about stopping service altogether.
- Permit access for meter readers and other essential Company personnel and equipment.

To contact the Company, call the telephone number shown on your utility bill.

If you have a problem, call the Company first. If you cannot resolve the problem you may obtain an informal review of the dispute by calling the Utah State Division of Public Utilities Complaint Office at the following telephone number: (801) 530-7622 in Salt Lake City or (800) 874-0904 Toll Free Statewide.



T23

