

SCHEDULE OF RATES, RULES AND REGULATIONS

TARIFF NO.

Issued on June 1, 2004, notice to the Commission and to the public by authority of the Public Service Commission of Utah's Order in Case No. 04-2428-01, dated May 13, 2004.

Issued:

By:

Effective June 1, 2004

INDEX

<u>Description</u>	<u>Sheet No.</u>
Title and Authority	1
Index	2
Rate Schedule	3
1.    Connections	3
2.    Application for Permit	4
3.    Metering of Services	4
4.    Meter Adjustments	4
5.    Service Connections	4
6.    Service Line	4
7.    Water Use Restriction	4
8.    Service Turn-on and Turn-off	5
9.    Disruption Liability	5
10.   Damage to Facilities	5
11.   A, 11.b. Reading of Meters	5
12.   Billing and Payments	5
13.   Discontinuance of Service	6
14.   Regulated Usage	6
15.   Changes and Amendments	6
16.   Credit Deposit	6
Facility Extension Policy	6
Definition	6
1.    Costs	6
2.    Construction Standards	6
3.    Water Storage and Supply	7
4.    Ownership	7
5.    Temporary Service	7

Issued:

By:

Effective June 1, 2004

WATER SERVICE RATE SCHEDULE

Applicability

This water schedule is applicable to the entire service area of Harmony Mountain Ranch water Company Association, for the purposes of providing water service for culinary purposes at one point of delivery for each lot.

Rates as herein set forth shall apply to each consumer unit. A consumer unit is defined as a single unit dwelling, establishment or concern that might apply for culinary water service for domestic purposes.

The following rate is for a period of twelve (12) month(s).

<u>Usage</u>	<u>Charges</u>
First 42,316 gallons for April 1 - September 30	\$40.00 monthly minimum charge for each service connection
First 12,000 gallons for October 1-March 31	
Over charges for every 1,000 gallons	\$3.00
Standby Fee/General Operating Expense	\$120.00 per lot/per year

Premises temporarily without meters will be charged the minimum rate.

Service Connection Charges

1" Service to Property Line One-time charge for each service requiring new meter installation (This does not include lot owners cost for installing the waterline and fire hydrant on each lot commencing at the right-of-way line to the fire hydrant and water meter.)	\$1,800.00
Turn-on service where meter is already in place	\$0.00

Issued:

By:

Effective June 1, 2004

## RULES AND REGULATIONS

1. 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 part of the waterworks system or attachment thereto, No person 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, tap, stop cock, or any other fixture or attachment connected with 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 water work 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.

3. 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 on or off water except in case of emergency or when special permission is given by the Company.

4. Meter Adjustments: If the meter fails to register at any time, the water delivered during such a period shall be billed at the minimum rate. 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 in the customer's previous bill as are just and fair under the circumstances.

5. Service Connections: Any party desiring to obtain a supply of water from the Company shall make application in writing. The service connection charges shown in this tariff include maintenance, engineering inspection fees, standby-maintenance fees and establishment fees. The meter and meter box will be located as directed by the Company. All materials furnished by the Company shall remain the property thereof. All funds shall be retained for the benefit of the shareholders to insure financial stability of system.

Issued:

By:

Effective June 1, 2004

RULES AND REGULATIONS  
(Continued)

6. Service Line: All service line materials and installation shall be provided by the applicant. Installation shall be inspected and approved by the Company before the service line trench is back filled. The applicant shall provide a shut-off valve on each service line in an accessible location 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 of the Company.

8. Service Turn-on and Turn-off: Only authorized representatives of the Company shall turn on or off water at the meter box except in case of emergency or when special permission is granted by the Company. Service may be turned off by the Company when so requested by the applicant or when the applicant fails to abide by these regulations. Whenever the water is turned off at any premises, it shall be turned on again only upon payment in full of the applicable charge shown in the rate schedule.

9. Disruption Liability: The Company shall use reasonable diligence to provide continuous water service to its customers, and shall make a reasonable effort to furnish them with a clean, pure supply of water, but the Company shall not be held liable for damages to any water user by reason of any stoppage or interruption of the water supply caused by scarcity of water; accidents to works; water main alterations, additions or repairs; acts of God or 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 other facilities of the Company or owner which is installed upon premises supplied with water 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.a. Reading of Meters: All meters shall be read by the Company as early in the spring and as late in the fall as shall be practicable, and during the period in between. The charges for the period between the last meter reading in the fall and the first meter reading in the spring shall be estimated based upon previous consumption and shall be adjusted on the bill for the first meter reading in the spring. The charges during the remaining billing periods shall be based upon meter readings, except as provided for in paragraph 4 herein above.

Issued:

By:

Effective June 1, 2004

RULES AND REGULATIONS  
(Continued)

11.b. Reading of Meters: All meters shall be read by the Company and charges shall be based upon meter readings except as provided for in paragraph 4 herein above.

12. Billing and Payments: Bills covering charges shall be rendered quarterly and shall be due twenty (20) days from the date the current bill was prepared. If a bill becomes delinquent, the Company, after following the procedures required in Public Service Commission Rule "R746-200-6 Termination", including the delivery of notices at least 10 days and at least 48 hours prior to the proposed termination, shall have the right to go upon the premises and do such work as may be necessary to disconnect the water service. Before service is restored to the customer whose bill has become delinquent, 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.

13. Discontinuance of Service: Any customer wishing to discontinue service shall notify the Company so that the meter can be read for a final billing. Such final billing 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, unless restricted, the public health, safety and general welfare is likely to be endangered, it 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.

15. Changes and Amendments: The right is reserved to amend or add to these Rules and Regulations as experience may show it to be necessary and as such amendments or additions are approved by the Public Service Commission of Utah.

16. Credit Deposit: The Company does not intend to require a deposit. However, if necessary, the Company may at its option, and in lieu of established credit, require a deposit from the customer to assure payment of bills; such deposits shall be a minimum of ninety (90) days' estimated bill or \$120.00. This deposit may be refunded when credit has been established. Deposits held over twelve (12) months shall earn interest from the Company at the rate of 3% per annum, beginning with the first day of deposit. Interest will be credited to the customer's account.

Issued:

By:

Effective June 1, 2004

## FACILITY EXTENSION POLICY

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 customer's requirements.

1. Costs: The total cost of extensions including engineering, labor, and materials, shall be paid by the applicants. Where more than one applicant 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.

2. Construction Standards: Minimum standards of the Company shall be met, which standards shall also comply with the standards of the Utah State Bureau of Environmental Health. Pipe sizes shall be designated by the Company, but the size shall never be smaller than 4" (four inches) in diameter. The pipeline shall be installed only along dedicated streets and highways .

3. Water Storage and Supply: 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.

4. Ownership: Completed facilities shall be owned, operated, and maintained by the Company, in the public right-of-way, as detailed in the Tariff Rules and Regulations.

5. 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.

Issued:

By:

Effective June 1, 2004