

Sun City West Water District
(Name of Service Area)

RULES AND REGULATIONS APPLICABLE TO WATER SERVICE
TABLE OF CONTENTS (Continued)

<u>Rule No.</u>	<u>Sec. No.</u>	<u>Title of Page</u>	<u>A.C.C. Sheet No.</u>
7.		METER READING	24 - 25
	A.	FREQUENCY	24
	B.	MEASURING OF SERVICE	24
	C.	CUSTOMER REQUESTED REREADS	24
	D.	ACCESS TO CUSTOMER PREMISES	24
	E.	METER TESTING AND MAINTENANCE PROGRAM	25
	F.	CUSTOMER REQUESTED METER TESTS	25
8.		BILLING AND COLLECTION	26 - 30
	A.	FREQUENCY AND ESTIMATED BILLS	26
	B.	COMBINING METERS, MINIMUM BILL INFORMATION	26 - 27
	C.	BILLING TERMS	27
	D.	APPLICABLE TARIFFS, PREPAYMENT, FAILURE TO RECEIVE, COMMENCEMENT DATE, TAXES	27 - 28
	E.	METER ERROR CORRECTION	28
	F.	INSUFFICIENT FUNDS (NSF) CHECKS	28
	G.	DEFERRED PAYMENT PLAN	28 - 29
	H.	LATE PAYMENT PENALTY	29
	I.	CHANGE OF OCCUPANCY	30
9.		TERMINATION OF SERVICE	31 - 33
	A.	NONPERMISSIBLE TERMINATION OF SERVICE	31
	B.	TERMINATION OF SERVICE WITHOUT NOTICE	31
	C.	TERMINATION OF SERVICE WITH NOTICE	31 - 32
	D.	TERMINATION NOTICE REQUIREMENTS	32
	E.	TIMING OF TERMINATION WITH NOTICE	33
	F.	LANDLORD/TENANT RULE	33
10.		ADMINISTRATIVE AND HEARING REQUIREMENTS	34
	A.	CUSTOMER SERVICE COMPLAINTS	34

ISSUED: July 1, 2004 EFFECTIVE: July 1, 2004
Month Day Year Month Day Year
ISSUED BY: David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Sun City West Water District
(Name of Service Area)

RULE NO. 1
DEFINITIONS

For the purpose of these rules and regulations, unless the context otherwise requires, the following definitions shall apply:

1. Advance in Aid of Construction: Funds provided to the Company by an applicant under the terms of a main extension agreement of service connection tariff, the amount of which may be reasonable.
2. Applicant: A person requesting the Company to supply water service.
3. Application: A written request of the Company for water service, as distinguished from an inquiry as to the availability or charges for such service.
4. Arizona Corporation Commission: The regulatory authority of the State of Arizona having jurisdiction over the public service corporations operating in Arizona.
5. Billing Month: The period between any two regular readings or estimated readings of the Company's meters at approximately thirty (30) day intervals.
6. Billing Period: The time interval between two consecutive meter readings or estimates that are taken for billing purposes.
7. Commission: The Arizona Corporation Commission.
8. Commodity Charge: The unit of cost per billed usage, as set forth in the Company's tariffs.
9. Company: Arizona-American Water Company.
10. Contributions in Aid of Construction: Funds provided to the Company by an applicant under the terms of a main extension agreement and/or service connection tariff, the amount of which is not refundable.
11. Customer: The person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued, regardless of the identity of the actual user of the service.
12. Customer Charge: The amount the customers must pay the Company for the availability of water service, excluding any water used, as specified in this District's tariffs.
13. Customer Piping: The pipe that transports water to the customer from the point of delivery to the point of usage by the customer.
14. Day: Calendar day.
15. Distribution Main: A water main of the Company from which service connections may be extended to customers.
16. Interruptible Water Service: Water service that is subject to interruption or curtailment.
17. District: Sun City West Water District.

ISSUED:

July 1, 2004

EFFECTIVE: July 1, 2004

Month Day Year

Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager

19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Sun City West Water District
(Name of Service Area)

RULE NO. 1 (cont.)
DEFINITIONS

18. **Main Extension**: The mains and ancillary facilities relevant to providing service to additional customers via the extension of the distribution system.
19. **Master Meter**: A meter for measuring or recording the volume or flow of water at a single location where said water is transported through a piping system to several tenants or occupants for their individual consumption.
20. **Meter**: The instrument for measuring and indicating or recording the volume of water that has passed through it.
21. **Meter Tampering**: A situation where a meter has been illegally altered. Common examples are meter bypassing, use of devices to slow the meter recorder, and broken meter seals.
22. **Minimum Charge**: The amount the customer must pay for the availability of water service, including an amount of usage, as specified in this District's tariffs.
23. **Minimum Delivery Pressure**: 20 pounds per square inch gauge at the meter or point of delivery.
24. **Permanent Customer**: A customer who is a tenant or owner of a service location who applies for and receives permanent water service.
25. **Permanent Service**: service which, in the opinion of the Company, is of a permanent and established character. The use of water may be continuous, intermittent, or seasonal in nature.
26. **Person**: Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.
27. **Point of Delivery**: The point where facilities owned, leased or under license by a customer to connect to the Company's pipes or at the outlet side of the meter.
28. **Premises**: All of the real property and apparatus employed in a single enterprise or living unit on an integral parcel or land undivided by public streets, alleys, or railways.
29. **Residential Subdivision Development**: Any tract of land which has been divided into four or more contiguous lots for use in the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.
30. **Residential Use**: Service to customers using water for domestic purposes such as personal consumption, water heating, cooking, clothes washing, and other residential uses, including use in apartment buildings, mobile home parks, and other multi-unit residential buildings.
31. **Rules**: The regulations set forth in the tariffs which apply to the provision of water service.
32. **Service Area**: The territory in which the Company has been granted a certificate of convenience and necessity and is authorized by the Commission to provide water service in this District.

ISSUED:

July 1, 2004
Month Day Year

EFFECTIVE: July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

RULE NO. 1 (cont.)
DEFINITIONS

33. **Service Establishment Charge**: The charges specified in this District's tariffs which cover the cost of establishing a new account.
34. **Service Line**: A water line that transports water from a common source (normally a distribution main) of supply to the customer's point of delivery.
35. **Service Reconnect Charge**: The charge as specified in this District's tariffs which must be paid by the customer prior to reestablishment of water service each time the water is disconnected for nonpayment or whenever service is discontinued for failure otherwise to comply with this District's filed rules.
36. **Service Reestablishment Charge**: A charge as specified in this District's tariffs, for service at the same location where the customer or a member of the customer's immediate family, had ordered a service disconnection within the preceding twelve month period.
37. **Single Family Dwelling**: A house, an apartment, or a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a home.
38. **Tariffs**: The documents filed with the Commission which list the services and products offered by this District and which set forth the terms, conditions, and a schedule of the rates and charges for those services and products.
39. **Temporary service**: service to premises or enterprises which is temporary in character, or where it is known in advance that the service will be of limited duration. Service that, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.
40. **Utility**: The public service corporation providing water service to the public in compliance with state law.

ISSUED:

July 1, 2004
Month Day YearEFFECTIVE: July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)Sun City West Water District
(Name of Service Area)**RULE NO. 2**
ESTABLISHMENT OF SERVICE**A. INFORMATION FROM NEW APPLICANTS**

1. The Company may obtain the following minimum information prior to acceptance of the applicant as a customer.
 - a. Name or names of applicant(s).
 - b. Service address or location and telephone number.
 - c. Billing address or location and telephone number, if different than service address.
 - d. Address where service was provided previously.
 - e. Date applicant will be ready for service.
 - f. Indication of whether premises have been supplied with Company service previously.
 - g. Purpose for which service is to be used.
 - h. Indication of whether applicant is owner or tenant of or agent for the premises, and written proof of agency.
2. The Company may require a new applicant for service to appear at the Company's designated place of business to produce proof of identity and sign the Company's application form.
3. Where service is requested by two or more individuals the Company shall have the right to collect the full amount owed to the Company from any one of the applicants.

B. DEPOSITS

1. The Company may require a deposit from any new applicant for service.
2. The Company shall issue a nonnegotiable receipt to the applicant for the deposit. The inability of the customer to produce such a receipt shall in no way impair his right to receive a refund of the deposit which is reflected on the Company's records.
3. Interest on deposits shall be calculated annually at an interest rate filed by the Company and approved by the Commission in a tariff proceeding. In the absence of such, the interest rate shall be 6%.
4. Interest shall be computed and accrued to the customers account on an annual basis.
5. Residential deposits plus accrued interest shall be refunded within thirty (30) days after discontinuance of service when the customer has paid all outstanding amounts due the Company.

ISSUED:

July 1, 2004
Month Day YearEFFECTIVE: July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)Sun City West Water District
(Name of Service Area)**RULE NO. 2 (cont.)**
ESTABLISHMENT OF SERVICE

- d. Customer is known to be in violation of the Company's tariffs filed with the Commission or of the Commission's Rules and Regulations.
- e. Failure of the customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the customer and which have been specified by the Company as a condition for providing service.
- f. Applicant falsifies his or her identity for the purpose of obtaining service.

D. SERVICE ESTABLISHMENTS, REESTABLISHMENTS, OR RECONNECTION CHARGE:

- 1. The Company may make a charge as periodically filed with the Commission for establishment, reestablishment, reconnection or disconnection of utility services.
- 2. Should service be established or disconnected during a period other than regular working hours at the customer's request or cause, the customer may be required to pay an after hours charge. Where the Company's scheduling will not permit the requested service on the same day requested, the customer can elect to pay the after hours charge for the service that day.
- 3. For purposes of this tariff, service establishments are where the customer's facilities are ready and acceptable to the Company and the Company needs only to install a meter, read a meter, or turn the service on.

TEMPORARY SERVICE

- 1. Applicants for temporary service may be required to pay the Company, in advance of service establishment, the estimated cost of installing and removing the facilities necessary for furnishing the desired service.
- 2. Where the duration of service is to be less than one month, the applicant may also be required to advance a sum of money equal to the estimated bill for service.
- 3. Where the duration of service is to exceed one month, the applicant may also be required to meet the deposit requirements of this District.
- 4. If at any time during the term of the agreement for service the character of a temporary customer's operations changes so that in the opinion of the Company the customer is classified as permanent, the terms of this District's main extension rules shall apply.

F. DOUBTFUL PERMANENCY

When in the Company's opinion, the permanent nature of the customer's requirement for water service is doubtful, the customer shall be required to enter into an agreement with the Company and shall advance the entire cost of construction, including the mains and associated equipment. The agreement shall include provisions for refund upon proof of permanency to the satisfaction of the Company.

ISSUED:

July 1, 2004
Month Day Year

EFFECTIVE:

July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

RULE NO. 4
SERVICE CONNECTIONS AND REESTABLISHMENTS

A. PRIORITY AND TIMING OF SERVICE ESTABLISHMENTS

1. After an applicant has complied with the Company's application and deposit requirements and has been accepted for service by the Company, the Company shall schedule that customer for service connection and/or establishment.
2. Service establishments shall be scheduled for completion within five (5) working days of the date the customer has been accepted for service, except in those instances when the customer requests service establishment beyond the five (5) working day limitation.
3. When the Company has made arrangements to meet with a customer for service establishment purposes and the Company or the customer cannot make the appointment during the prearranged time, the Company shall reschedule the service establishment to the satisfaction of both parties.
4. The Company shall schedule service establishment appointments within a maximum range of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Company and its customer.
5. Service establishments shall be made only by qualified Company service personnel or persons authorized by the Company.
6. For the purpose of this tariff, service establishments are where the customer's facilities are ready and acceptable to the Company and the Company needs only to install or read a meter or turn the service on.

B. SERVICE LINES

1. An applicant for service shall be responsible for the cost of installing their piping up to the meter.
2. An applicant for service shall pay to the Company as a refundable advance in aid of construction a sum for each meter and service line.
3. Except where the refundable advances in aid of construction for meters and service lines have been included in refundable advances in aid of construction for main extensions and thus are refundable pursuant to main extension contracts approved by the Commission, each advance in aid of construction for a service line or meter shall be repaid by the Company by an annual credit of one-tenth of the amount received, said credit to be applied upon the water bill rendered in November of each year until fully paid, for each service line and meter for which the advance was made, and said credit to commence in the month of November for all such advances received during the preceding calendar year.
4. Where service is being provided for the first time, the customer shall provide and maintain a private cutoff valve within 18 inches of the meter on the customer's side of the meter, and the Company shall provide a like valve on the Company's side of such meter.
5. The Company may install its meter at the property line or, at the Company's option, on the customer's property in a location mutually agreed upon.

ISSUED:

July 1, 2004
Month Day Year

EFFECTIVE:

July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)

Sun City West Water District
(Name of Service Area)

RULE NO. 5
MAIN EXTENSION AGREEMENTS

- A. EXTENSIONS OF MAINS AND SERVICES; ADVANCES IN AID OF CONSTRUCTION - GENERAL REQUIREMENTS
1. The Company will supply service for temporary purposes, provided that the Company has water available in excess of the Company's regular needs, and provided the Company has available material and equipment necessary to supply said service. Each applicant for such service must pay in advance, to the Company, the Company's estimate of the cost of labor and materials, less salvage value on removal, for installing and removing such service.
 2. An applicant for the extension of mains shall be required to pay the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all mains, distribution lines and service lines, including all valves, fittings, meters, other costs and reasonable overheads.
 - a. Upon request by a potential applicant for a main extension, the Company shall prepare, without charge, a preliminary sketch and rough estimates of the cost of installation to be paid by said applicant.
 - b. Any applicant for a main extension requesting the Company to prepare detailed plans, specifications, or cost estimates may be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company shall, upon request, make available within forty-five (45) days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts the plans and the Company proceeds with construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include over-sizing of facilities to be done at the Company's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.
 - c. In the event that additional facilities are required to provide or sustain pressure, storage, or water supply for the new service or services requested, or for existing customers as a consequence of the extension of service, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from the future customers, the estimated reasonable cost of such additional facilities may be included in refundable advances in aid of construction to be paid to the Company.
 3. Refunds of advances shall be made in accord with the following method: the Company shall each year, pay to the party making an advance under a main extension agreement, or that party's assigns or other successors in interest where the Company has received notice and evidence of such assignment or succession, an amount equal to ten per centum (10%) of the total gross annual revenue, less any gross receipts or sales taxes and amounts payable to any municipalities or others for treatment and/or transmission of water from each bonafide customer whose service is connected directly to main or extension lines covered by the main extension agreement. Refunds shall not be made for any period after the expiration of ten (10) years from the date of the advance. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period shall become non-refundable, and the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company.

ISSUED:

July 1, 2004

EFFECTIVE:

July 1, 2004

Month Day Year

Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Decision No. 67093

Arizona-American Water Company
(Name of Company)Sun City West Water District
(Name of Service Area)**RULE NO. 5 (cont.)****MAIN EXTENSION AGREEMENTS**

13. All agreements shall be filed with and approved by the Utilities Division of the Commission. Where agreements for extension of service are not filed and approved, all advances in aid of construction shall be immediately due and payable to any person making such an advance.

14. No extension of facilities shall be made without first having received approval of plans and specifications of such extensions or installations from the Arizona State Department of Health Services. A copy of such written approval shall then be filed with the Utilities Division of the Arizona Corporation Commission.

7. WRITTEN AGREEMENT REQUIREMENTS

1. Each main extension agreement shall include the following information:

- a. Name and address of applicant(s).
- b. Proposed service address or location.
- c. Description of requested service.
- d. Description and map of the requested line extension.
- e. Itemized cost estimate to include materials, labor and other costs as necessary.
- f. Payment terms.
- g. A clear and concise explanation of any refunding provisions, if applicable.
- h. Company's estimated start date and completion date for construction of the main extension.

2. Each applicant shall be provided with a copy of the written main extension agreement.

8. FINAL COST

1. In the event the Company's actual completed cost is less than the amount advanced by the customer, the Company shall make a refund to the applicant within 30 days after completion of the construction or Company's receipt of invoices related to that construction.

2. In the event the Company's actual completed cost is more than the amount advanced by the customer the Company shall notify the applicant and the applicant shall remit additional funds within 30 days of notification of the actual completed cost. Should the applicant fail to remit additional funds, service may be discontinued to the extension until the actual completed cost is paid in full.

9. CONSTRUCTION/FACILITIES RELATED INCOME TAXES

1. Definitions:

- a. "Company" or "utility" refers to the entity authorized to provide public utility service in the geographic area involved.

ISSUED:

July 1, 2004EFFECTIVE: July 1, 2004

Month Day Year

Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)Sun City West Water District
(Name of Service Area)**RULE NO. 5 (cont.)**
MAIN EXTENSION AGREEMENTS

- b. "Rate Basing" – The Company pays federal income tax (FIT) and state income tax (SIT), if any, due on the receipt of an Advance in Aid of Construction (AIAC) or a Contribution in Aid of Construction (CIAC) in accordance with the Tax Reform Act of 1986 (TRA-86), as amended. Tax paid is included in the Deferred Income Tax Account and is used in the calculation of rate base. This amount is reduced by the effect of tax depreciation received for AIAC/CIAC plant and tax deductions resulting from refunds of AIAC.
- c. "Full Gross Up" - Utility requires contributor/advancer to pay entire FIT/SIT plus a gross-up to reflect the tax on tax resulting from treating effected AIAC/CIAC payments as taxable income.
2. For construction or proposed construction which, in the judgment of the Company, will be utilized by ultimate customers of the Company in the near future, the Company shall account for the advances and/or contributions required by this Rule by "Rate Basing" them as defined in Paragraph D.1.b. No additional tax related amount should be required with the AIAC or CIAC.
3. For construction or proposed construction costs collected pursuant to tariff provisions, Commission Rules and Regulations, or orders, and which are subject to Paragraph D.4 the Company shall require contributor/advancer to provide funds necessary for Company to pay the state and federal tax obligations associated with the subject construction or proposed construction.
4. In the event the Company determines that the required construction, proposed construction or development fall within certain criteria, some of which are set forth below, Company may petition the Commission to authorize it to collect from the contributor/advancer funds sufficient to pay the "Full Gross Up" of the state and federal income taxes as defined in Paragraph D.1.c. Without intending to limit, examples of events which shall cause Company to require contributor/ advancer to advance the taxes as contemplated herein, are as follows:
- The development or build-out of the project is remote or speculative; or
 - The size of the development, as compared to the size of the Company's customer base, represents undue risk for the Company; or
 - The size of the advance/contribution or its related cost is extraordinarily large relative to the Company's rate base or revenues; or
 - The public interest is better served by treating the advance/contribution as other than the "Rate Basing" methodology.

The Company must present sufficient evidence that its request to require "Full Gross Up" of taxes under this paragraph is in the public interest. The commission may deny, alter, or amend the Company's petition for authorization to require "Full Gross Up".

5. In the event contributor/advancer is required by other tariff, agreement, rule or order to advance Facilities for the subject development, those AIAC/CIAC's shall be subject to the provisions of this Section D.

ISSUED:

July 1, 2004EFFECTIVE: July 1, 2004

Month Day Year

Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)

Sun City West Water District
(Name of Service Area)

RULE NO. 6
PROVISION OF SERVICE

A. COMPANY RESPONSIBILITY

1. The Company shall be responsible for providing potable water to the customer's point of delivery.
2. The Company may, at its option, refuse service until the customer has obtained all required permits and/or inspections indicating that the customer's facilities comply with local construction and safety standards.

B. CUSTOMER RESPONSIBILITY

1. Each customer shall be responsible for maintaining all facilities on the customer's side of the point of delivery in a safe and efficient manner and in accordance with the rules of the Arizona Department of Health Services, and the prescribed specifications of the Company.
2. Each customer shall be responsible for safeguarding all Company property installed in or on the customer's premises for the purpose of supplying water to that customer.
3. Each customer shall exercise all reasonable care to prevent loss or damage to Company property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to Company property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the at Company for the cost of necessary repairs and replacements.
4. Each customer shall be responsible for payment for any equipment damage resulting from unauthorized breaking of seals, interfering, tampering, or bypassing the Company meter.
5. The customer shall be responsible for notifying the Company of any failure identified in the Company's equipment.
6. Water furnished by this District shall be used only on the customer's premises and shall not be resold to any other person. During critical water conditions, as determined by the Commission, the customer shall use water only for those purposes specified by the Commission. Disregard of this rule shall be sufficient cause for refusal or discontinuance of service.
7. The customer agrees, when accepting service, that no one except Company employees or persons authorized by the Company shall be allowed to operate, remove or replace any Company owned equipment installed on customer's property.
8. No person, except an employee or persons acting on behalf of the Company shall alter, remove or make any connection to the Company's meter or service equipment.
9. No meter seal may be broken or removed by anyone other than an employee acting on behalf of the Company. However, the Company may give its prior consent to break the seal by an approved plumber employed by a customer when deemed necessary by the Company.

ISSUED:

July 1, 2004
Month Day Year

EFFECTIVE:

July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)

Sun City West Water District
(Name of Service Area)

RULE NO. 7 (cont.)
METER READING

E. METER TESTING AND MAINTENANCE PROGRAM.

1. The Company shall establish a regular program of meter testing taking into account the following factors:

- a. Size of meter
- b. Age of meter
- c. Consumption
- d. Characteristics of water

F. CUSTOMER REQUESTED METER TESTS

The Company shall test a meter upon customer request, and shall be authorized to charge the customer for such meter test according to the tariff on file and approved by the Commission. However, if the meter is found to over register by more than three percent (3%), no meter-testing fee will be charged to the customer.

ISSUED:

July 1, 2004

EFFECTIVE:

July 1, 2004

Month Day Year

Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager

19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Sun City West Water District
(Name of Service Area)

RULE NO. 8
BILLING AND COLLECTION

A. FREQUENCY AND ESTIMATED BILLS

1. The Company shall bill monthly for services rendered. Meter readings shall be scheduled for periods of not less than 25 days or more than 35 days, unless otherwise approved by the Commission.
2. If the Company is unable to read the meter on a scheduled meter read date, it will estimate the consumption for the billing period giving consideration to the following factors when applicable:
 - a. The customer's usage during the same month of the previous year.
 - b. The amount of usage during the preceding month.
3. After the second consecutive month of estimating the customer's bill for reasons other than severe weather or standard billing practice as approved by the Commission, the Company will attempt to secure an accurate reading of the meter.
4. Failure on the part of the customer to comply with a reasonable request by the Company for access to its meter may lead to the termination of service.
5. Estimated bills will be issued only under the following conditions:
 - a. Failure of a customer who reads his own meter to deliver his meter reading card to the Company in accordance with the requirements of the Company's billing cycle.
 - b. Severe weather conditions that prevent the Company from reading the meter.
 - c. Circumstances that make it dangerous or impossible to read the meter, i.e., locked gates, blocked meters, vicious or dangerous animals, etc.
 - d. Other billing cycles as approved by the Commission.
6. Each bill based on estimated usage will indicate that it is an estimated bill.

B. COMBINING METERS, MINIMUM BILL INFORMATION

1. Each meter at a customer's premises will be considered separately for billing purposes, and the readings of two or more meters will not be combined.
2. Each bill for residential service will contain the following minimum information:
 - a. Date and meter reading at the end of the actual or estimated billing period.
 - b. Previous month's actual or estimated meter reading and date.

ISSUED:

July 1, 2004
Month Day Year

EFFECTIVE: July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)

Sun City West Water District
(Name of Service Area)

RULE NO. 8 (cont.)
BILLING AND COLLECTION

- c. Billing usage.
- d. Company telephone number.
- e. Customer's name.
- f. Service account number.
- g. Amount due and terms of payment.
- h. Past due amount where appropriate.
- i. Adjustment factor, where applicable.
- j. Privilege, sales or use tax, or any regulatory assessment applicable.
- k. Other approved tariff charges.

C. BILLING TERMS

- 1. All bills for services are due and payable when rendered. All bills not paid within fifteen (15) days shall be considered delinquent.
- 2. For purposes of this rule, the date a bill is rendered may be evidenced by:
 - a. The postmark date.
 - b. The mailing date.
- 3. All delinquent bills shall be subject to the provisions of the Company's termination procedures.
- 4. All payments shall be made at offices of the Company or designated payment stations, or to the address shown on the bill form.

D. APPLICABLE TARIFFS, PREPAYMENT, FAILURE TO RECEIVE, COMMENCEMENT DATE, TAXES

- 1. Each customer shall be billed under the applicable tariff indicated in the customer's application for service.
- 2. The Company shall make provisions for advance payment for services.
- 3. Failure to receive bills or notices that have been properly placed in the United States mail shall not prevent such bills from becoming delinquent nor relieve the customer of his obligations therein.
- 4. Charges for service commence when the service is installed and connection made, whether used or not.

ISSUED: July 1, 2004 EFFECTIVE: July 1, 2004
Month Day Year Month Day Year

ISSUED BY: David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)Sun City West Water District
(Name of Service Area)**RULE NO. 8 (cont.)**
BILLING AND COLLECTION

5. In addition to the collection of regular rates, the Company may collect from its customers a proportionate share of any privilege, sales or use tax, or other imposts based on the gross revenues received by the Company.

E. METER ERROR CORRECTIONS

1. If any meter after testing is found to be more than three percent (3%) in error, either fast or slow, proper correction between three percent (3%) and the amount of the error shall be made of previous readings, and adjusted bills shall be rendered according to the following terms:
- For the period of three (3) months immediately preceding the removal of such meter from service for test or from the time the meter was in service since last tested, but not exceeding three (3) months since the meter shall have been shown to be in error by such test, or
 - From the date the error occurred, if the date of the cause can be definitely fixed.
2. The Company will make no adjustment, except to the customer last served by the meter tested.

F. INSUFFICIENT FUNDS (NSF) CHECKS

1. The Company shall be allowed to recover a fee, as approved by the Commission for each instance where the customer tenders payment for service with an insufficient funds check, and require a security deposit equal to that prescribed in Section B, provision 7 of Rule No. 2.
2. When the Company is notified by the customer's bank that there are insufficient funds to cover the check tendered for service, the Company may require the customer to make payment in cash, money order, certified check, or other means which guarantee the customer's payment to the Company.
3. A customer who tenders an insufficient funds check shall in no way be relieved of the obligation to render payment to the Company under the original terms of the bill nor defer the Company's provision for termination of service for nonpayment of bills.
4. The Company will not accept personal checks if two (2) NSF checks have been received within a twelve-month period in payment of any billing.

G. DEFERRED PAYMENT PLAN

1. The Company may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for service.
2. Each deferred payment agreement, entered into in writing by the customer and the Company, due to the customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:
- Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment plan.

ISSUED:

July 1, 2004
Month Day YearEFFECTIVE: July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Sun City West Water District
(Name of Service Area)

RULE NO. 8 (cont.)
BILLING AND COLLECTION

- b. Customer agrees to pay all future bills for service in accordance with the billing and collection tariffs of the Company.
 - c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six (6) months.
3. For the purpose of determining a reasonable installment payment schedule under these rules, the Company and the customer shall give consideration to the following conditions:
- a. Size of the delinquent account.
 - b. Customer's ability to pay.
 - c. Customer's payment history.
 - d. Length of time that the debt has been outstanding.
 - e. Circumstances that resulted in the debt being outstanding.
 - f. Any other relevant factors related to the circumstances of the customer.
4. Any customer who desires to enter into a deferred payment agreement shall establish such agreement prior to the Company's scheduled termination date for nonpayment of bills. A customer's failure to execute a deferred payment agreement prior to the scheduled termination date shall not prevent the Company from terminating service for nonpayment.
5. Deferred payment agreements shall be in writing and signed by the customer and an authorized Company representative
6. A deferred payment agreement may include a finance charge as approved by the Commission in a tariff proceeding,
7. If a customer has not fulfilled the terms of a deferred payment agreement, the Company shall have the right to disconnect service pursuant to this District's termination of service rules-and, under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to termination.
- H. LATE PAYMENT PENALTY
1. The Company may include in its tariffs a late payment penalty that may be applied to delinquent bills.
 2. The amount of the late payment penalty shall be indicated upon the customer's bill when rendered by the Company.
 3. In the absence of an approved tariff, the amount of the late payment penalty shall not exceed 1 ½% per month of the delinquent bill, applied on a monthly basis.

ISSUED:

July 1, 2004
Month Day Year

EFFECTIVE:

July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Arizona-American Water Company
(Name of Company)

Sun City West Water District
(Name of Service Area)

RULE NO. 8 (cont.)
BILLING AND COLLECTION

I. CHANGE OF OCCUPANCY

1. Not less than three (3) working days advance notice must be given in person, in writing, or by telephone at the Company office to discontinue service or to change occupancy.
2. The outgoing party shall be responsible for all utility services provided and/or consumed up to, and including the scheduled turn off date.

ISSUED:

July 1, 2004
Month Day Year

EFFECTIVE: July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Decision No. 67093

Sun City West Water District
(Name of Service Area)

RULE NO. 9
TERMINATION OF SERVICE

A. NONPERMISSIBLE TERMINATION OF SERVICE

The Company may not disconnect service for any of the reasons stated below:

- a. Delinquency in payment for services rendered to a prior customer at the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.
- b. Failure of the customer to pay for services or equipment not regulated by the Commission.
- c. Nonpayment of a bill related to another class of water service.
- d. Failure to pay for a bill to correct a previous under billing due to a billing error, inaccurate meter reading or meter failure, if the customer and company agree in writing to payment terms over a reasonable period of time.
- e. Disputed bills where the customer has complied with the Commission's rules and regulations.

B. TERMINATION OF SERVICE WITHOUT NOTICE

1. Company service may be disconnected without advance written notice under the following conditions:
 - a. The existence of an obvious hazard to the safety or health of the consumer, the general population, Company personnel or facilities.
 - b. The Company has evidence of meter fraud.
 - c. Unauthorized resale or use of utility services.
 - d. Failure of a customer to comply with the curtailment of procedures imposed by a utility during supply shortages.
2. The Company shall not be required to restore service until the conditions that resulted in the termination have been corrected to the satisfaction of the Company.
3. The Company shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of one (1) year and shall be available for inspection by the Commission.

C. TERMINATION OF SERVICE WITH NOTICE

1. The Company may disconnect service to any customer for any reason stated below, provided the Company has met the notice requirements established by the Commission.
 - a. Customer violation of any of the Company's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.

ISSUED: July 1, 2004 EFFECTIVE: July 1, 2004
 Month Day Year Month Day Year
ISSUED BY: David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Sun City West Water District
(Name of Service Area)

RULE NO. 9 (cont.)
TERMINATION OF SERVICE

- b. Failure of the customer to pay a delinquent bill for water service.
 - c. Failure to meet or maintain the Company's credit and deposit requirements.
 - d. Failure of the customer to provide the Company reasonable access to its equipment and property.
 - e. Customer breach of a written contract for service between the Company and customer.
 - f. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.
 - g. The Company may terminate water service to effect sewer service termination when it provides both services to the same customer upon the same premises.
2. The Company shall maintain a record of all terminations of service with notice. This record shall be maintained for one (1) year and be available for Commission inspection.

D. TERMINATION NOTICE REQUIREMENTS

1. The Company shall not terminate service to any of its customers without providing advance written notice to the customer of the Company's intent to disconnect service, except under those conditions specified where advance written notice is not required.
2. Such advance written notice shall contain, at a minimum, the following information:
 - a. The name of the person whose service is to be terminated and the address where service is being rendered.
 - b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of this District, if applicable.
 - c. The date on or after which service may be terminated.
 - d. A statement advising the customer to contact the Company at a specific address or phone number for information regarding any deferred payment or other procedures which the Company may offer or to work out some other mutually agreeable solution to avoid termination of the customer's service.
 - e. A statement advising the customer that the Company's stated reason for the termination of service may be disputed by contacting the Company at a specified address and phone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a reasonable employee of the Company in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the Company shall retain the option to terminate service after affording this opportunity for a meeting and concluding that the reason for termination is just and advising the customer of his right to file a complaint with the Commission.

ISSUED: July 1, 2004 EFFECTIVE: July 1, 2004
 Month Day Year Month Day Year
ISSUED BY: David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Sun City West Water District
(Name of Service Area)

RULE NO. 9 (cont.)
TERMINATION OF SERVICE

E. TIMING OF TERMINATION WITH NOTICE

1. The Company shall be required to give at least (10) days advance notice prior to termination date.
2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.
3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof or ZI in the case of a violation of the Company's rules the customer has not satisfied the Company that such violation has ceased, the Company may then terminate service on or after the day specified in the notice without giving further notice.
4. An authorized representative of the Company may only disconnect Service in conjunction with a personal visit to the premises.
5. The Company shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises upon the termination of service.

F. LANDLORD/TENANT RULE

1. In situations where service is rendered at an address different from the mailing address of the bill or where the Company knows that a landlord/tenant relationship exists and that the landlord is a customer of the Company, and where the landlord as customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:
 - a. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the rules.
 - b. The Company shall not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charge due upon the outstanding account of the landlord.

ISSUED:

July 1, 2004
Month Day Year

EFFECTIVE: July 1, 2004
Month Day Year

ISSUED BY:

David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

