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RATE SCHEDULE - All Rates are to be billed monthly.

RESIDENTIAL CUSTOMERS

$51.50 per month* - Full time customers
Full time customers are water system users with continuous service for more than eight (8) months per year.

$34.25 per month* - Part time customers
Part time customers are water system users with water service for eight (8) months or less per year. Rate is per month, whether service is on or off.

* Additional households, whether trailer or cabin, full time or part-time, on the same hook up as a residential customer will be billed as a residential customer, at a rate based on the above definitions.

COMMERCIAL CUSTOMERS

$51.50 per month - (¾-inch or 1-inch service)

$70.00 per month - 2 inch service

Note: Residential customers previously billed under Schedule 3 will be billed based on the above definitions. Schedule 3 has been removed from the Company Tariff.

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NON- RECURRING CHARGES

SERVICE ESTABLISHMENT CHARGE - $20.00

This charge is to be applied to a new account when a customer requests service at an address where service connections already exist.

RECONNECTION CHARGE - $35.00

This charge is to be applied to an existing account when a customer requests reconnection after a voluntary disconnection or an involuntary disconnection caused by nonpayment.

HOOKUP FEE - $1,200.00

This charge is to be applied when a customer requests a new service connection to the system. When the installation of a new service line requires the Company to bore a line under a road, all additional costs will be charged to the customer on a time and material basis. The new customer may, at their option, hire Murray Water Works approved independent contractor to perform the road bore and connection. The Company will require such contractor to show proof of bonding, licensing and insurance and have at least five (5) years of experience at hot-tapping water lines. Murray Water Works will inspect and approve all the work being performed to insure compliance with the Company's installation requirements.

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GENERAL RULES & REGULATIONS FOR SMALL WATER UTILITIES

1. GENERAL

1.1 The Customer, in receiving water service, and the Company, in providing water service, shall both agree to abide by these rules and regulations.

1.2 In the event that there is a conflict between these rules and regulations and the Utility Customer Relations Rules (UCRR) and the Utility Customer Information Rules (UCIR), the Rules and Regulations of the Idaho Public Utilities Commission (Commission) shall take precedence unless an exception has been granted.

1.3 All recurring and non-recurring charges shall be approved in advance by the Commission.

2. DEFINITIONS

2.1 Applicant – a potential customer (person, business or government agency) applying for service to the Company and subject to the Commission's rules and regulations.

2.2 Billing Period - the period of time between bills from the Company for normal services rendered.

2.3 Commission - Idaho Public Utilities Commission.

2.4 Commodity Charge – a recurring charge based only on the quantity of water used.

2.5 Company – the water company.

2.6 Connection or Hook-Up Fee – a non-recurring charge paid by a Customer requesting service for partial or full recovery of the Company's cost of providing a new service connection.

2.7 Contribution in Aid of Construction – a non-recurring charge paid by a Customer or developer to help defray the cost of system expansion.

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2.8 Customer - a person, business or government agency responsible for paying bills and complying with the rules and regulations of the company.

2.9 Customer Charge – a recurring fixed charge to recover a portion of the cost of meter reading and billing.

2.10 Fixed or Flat Rate – a recurring charge of a fixed amount, usually in an unmetered system.

2.11 Franchise Tax – the tax imposed on a Company by a governmental entity for the privilege of doing business within its boundaries.

2.12 Late Payment Charge – the non-recurring charge levied against any delinquent balance.

2.13 Minimum Charge – the minimum recurring charge for a billing period that may or may not include a specified quantity of water.

2.14 Non-recurring Charges – the charges that are not assessed each billing period.

2.15 Premises – the Customer's property including out buildings which are normally located on one lot or parcel of ground.

2.16 Rate Schedule - the schedules of all recurring and non-recurring charges of the Company.

2.17 Reconnection Charge – the charge paid by a Customer to the Company to restore service after disconnection.

2.18 Recurring Charges – the charges that are assessed each billing period.

2.19 Tariff – the rate schedules and the rules and regulations which govern the Company's service.

2.20 Utility Customer Information Rules (UCIR) – Information to Customers of Gas, Electric, and Water Public Utilities - IDAPA 31.21.02.000 et seq.

2.21 Utility Customer Relations Rules (UCRR) - Customer Relations Rules for Gas, Electric, and Water Public Utilities Regulated by the Idaho Public Utilities Commission (The Utility Customer Relations Rules) - IDAPA 31.21.01.000 et seq.

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3. SERVICE FOR NEW CUSTOMERS

3.1 The Company shall furnish service to applicants within its certificated service area in accordance with rates and the rules and regulations approved by the Commission.

3.2 Applicants for water service may be required to sign a standard form of service application.

3.3 The Company shall not be obligated to provide service at a service location until any required deposit has been received by the Company in accordance with the UCRR.

3.4 Special contracts may be required where large investments in special facilities are necessary to provide the requested service. The Company may require contribution toward such investment and establish such minimum charges as are deemed necessary. All such contracts shall be subject to the approval of the Commission.

3.5 The Company reserves the right to place limitations on the amount and character of water service it will supply and to refuse service if, in its opinion:

a. the Company is required to refuse or limit service by regulatory authorities having jurisdiction over the Company;

b. the requested service installation is of larger size than is necessary to properly serve the premises;

c. the permanency of the building, structure, or institution requesting to be served is such that the Company's investment in such service is jeopardized;

d. the depth of the applicant's service line is less than the minimum depth required for frost protection;

e. the applicants' proposed service, main or other appurtenance does not conform to good engineering design or meet the standard specifications of the Company; or

f. if the applicant refuses to agree to abide by the rules and regulations of the Company.

If the Company denies service to an applicant for any reason, it shall immediately provide the applicant with a written explanation of its decision in accordance with the UCRR.

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4. DEPOSITS

4.1 Rules and Regulations regarding deposits can be found in the UCRR.

5. RATES

5.1 Rates charged for water service and supply shall be those published in the Company's tariff and approved by the Commission.

6. BILLING AND PAYMENT

6.1 All Customers shall be billed on a regular basis as identified on the applicable rate schedule.

6.2 If the system is metered, the Company shall try to read the meters prior to each billing unless specified differently on the applicable rate schedule. If the Company's meter reader is unable to gain access to the premises to read the meter, or in the event the meter fails to register, the Company will estimate the Customer's water consumption for the current billing period based on known consumption for a prior similar period or average of several periods. Subsequent readings will automatically adjust for differences between estimated and actual. Bills based on estimated consumption shall be clearly marked as "estimated".

6.3 All bills shall clearly indicate the balance due, and may be due and payable no less than 15 days after the date rendered. All bills not paid by due date may be considered delinquent and service may be disconnected subject to the provisions of the UCRR.

6.4 A Late Payment Charge may be levied against any delinquent account. All payments received by the next billing date shall be applied to the Customer's account prior to calculating the Late Payment Charge.

6.5 The minimum bill or customer charge shall apply when service is provided for less than one month.

6.6 Owners of premises with one or more condominiums, buildings, stores, apartments or any other divisions of like or similar character, all of which are served from one (1) service connection

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are responsible for the entire water charges. If the owner desires to cease being responsible for water bills for such places and desires that the occupant of each division will be responsible for her or her respective bill, such transfer of responsibility will not be accepted or recognized by the Company until the plumbing arrangements of the building or premises are so changed by the owner or his or her agent as to permit the Company, to its satisfaction, to serve each division or occupant separately from the other occupants in the same building.

6.7 Accounts shall be continued and water bills rendered regularly until the Company has been duly notified to discontinue service.

7. METERING (If Applicable)

7.1 Meters will be installed by the Company near the Customer's property line or at any other reasonable location on the Customer's premises that is mutually agreed upon.

7.2 The Company's representative shall be given access to the Customer's premises at all reasonable hours for the purpose of obtaining meter readings. In the event of recurring inaccessibility the Company may, at its option and after notifying the customer, relocate its metering equipment at the Customer's expense.

7.3 The Company shall be responsible for the maintenance of its metering equipment. Meters are considered to be sufficiently accurate if tests indicate that meter accuracy is within $\pm$ 2 percent. When for any reason a meter fails to register within these limits of accuracy, the Customer's use of water shall be estimated on the basis of available data and charges shall be adjusted accordingly. Corrected bills shall then be sent out to the customer and additional payment or refund arrangements shall be made in accordance with the UCRR.

7.4 The Company reserves the right to test and/or replace any meter. Upon deposit of a "Meter Testing Fee" by a Customer, the Company will test the Customer's meter. If the test indicates that the meter over-registers by more than 2 percent, it shall be replaced with an accurate meter at no cost to the Customer and the "Meter Testing Fee" shall be refunded and water bills shall be adjusted in accordance with the UCRR. Meter Testing Fees shall require prior approval by the Commission.

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7.5 At the Company's discretion, un-metered Customers may be converted to metered service if such transition occurs in a planned, systematic manner without unreasonable discriminations and if the Company has an approved metered rate.

7.6 The Company will have the right to set meters or other devices without notice to the Customer for the detection and prevention of fraud.

7.7 In any building where the meter is to be installed in the basement, the incoming water pipe must enter the basement at least sixteen (16) inches from the riser in order that a meter can be set in a horizontal position in the basement. All pipes to the different parts of the building or grounds must lead from the riser at least one (1) foot above the elbow.

8. CUSTOMER PLUMBING AND APPLIANCES

8.1 All plumbing, piping, fixtures and appliances on the Customer's side of the service connection will be installed and maintained under the responsibility and at the expense of the Customer or owner of the premises.

8.2 The plumbing, piping, fixtures and appliances shall be maintained in conformity with all municipal, state and federal requirements. The nature and condition of this plumbing, piping and equipment will be such as not to endanger life or property, interfere with service to other Customers or permit those with metered services to divert system water without meter registration.

8.3 A stop-and-waste valve will be installed on the Customer's plumbing in a place always accessible and so located as to permit shutting off the water for the entire premises with the least possible delay.

8.4 All persons having boilers, water tanks or other equipment supplied by direct pressure from the Company's mains should install a pressure relief valve, or other device to serve the same purpose, so as to prevent excess pressure from forcing hot water and/or steam back into the water meter and mains of the Company. All damage to the Company's property resulting from the failure to properly equip plumbing with a relief valve will be billed to the Customer.

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8.5 The Company is not obligated to perform any service whatever in locating leaks or other trouble with the customer's piping.

8.6 When the premises served by the Company are also served in any manner from another water supply of any kind, an approved backflow prevention device shall be installed at the service connection. Water service for either stand-by or other purposes will not be furnished until piping and connections are inspected and approved by a representative of the Company.

8.7 Property owners will not be allowed to connect the water service of different properties together.

8.8 All of the Customer's service pipes and fixtures must be kept in repair and protected from freezing at his or her expense. When there are leaking or defective pipes or fixtures, the water may be turned off at the option of the Company until the proper repairs are made.

9. INSTALLATION OF SERVICE CONNECTIONS

9.1 The service connection is the property of the Company and as such, the Company is responsible for its installation and maintenance. It consists of piping, curbstop and valve or meter box and a meter, if the system is metered. The service connection transmits water from the Company's water main to a valve or meter box generally located near the Customer's property line. All piping, valves or appliances beyond this point shall be the property and responsibility of the Customer.

9.2 The Company reserves the right to designate the size and location of the service line, curbstop, meter (if applicable) and meter or valve box and the amount of space which must be left unobstructed for the installation and future maintenance and operation thereof.

9.3 Where a service connection is desired for premises on which there is no permanent structure, the Company will install a service connection to said premises only upon payment by the applicant of the estimated cost of said service connection. If within a period of five (5) years from the installation of said service connection a permanent structure is erected on the premises, the Company will refund, with interest, the difference between any approved new

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Customer charges in effect at the time of connection, and the applicant's advance.

9.4 The extra costs of any out-of-the-ordinary circumstances requiring additional equipment or special construction techniques involved in the installation of a service connection will be agreed to in advance by the Customer and the Company.

10. REPLACEMENT OR ENLARGEMENT OF SERVICE CONNECTION

10.1 Unless otherwise provided herein, the Company shall replace or enlarge service connections at its own expense as follows:

a. whenever it is necessary to change the location of any service connection due to relocation or abandonment of the Company's mains; and,

b. for commercial or industrial services where the type or volume of use has changed and the enlargement will result in sufficient increase in annual revenue to justify the enlargement.

10.2 The relocation, enlargement or reduction of service connections for the convenience of the Customer will be at the expense of the Customer. Prior to such relocation, enlargement or reduction, the Customer will deposit the estimated cost thereof with the Company. Within fifteen (15) days, a refund will be made to the Customer in the amount by which the estimated cost exceeds the actual cost. The amount by which the actual cost exceeds the estimated cost will be due and payable within fifteen (15) days after billing for such deficiency.

10.3 Enlargement of any service connection will be made only after such time as the Customer's plumbing inside his or her premises have been enlarged sufficiently to accommodate the additional capacity.

11. DISCONNECTION AND RECONNECTION OF SERVICE

11.1 When a Customer desires to discontinue service he shall give notice to the Company at least two (2) days in advance and be responsible for all water consumed for the two (2) days after the date of such notice.

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11.2 The Company shall discontinue a Customer's service on an involuntary basis only in accordance with UCRR.

11.3 When it becomes necessary for the Company to involuntarily discontinue water service to a Customer, service shall be reconnected only after all bills for service then due have been paid or satisfactory payment arrangements have been made.

11.4 A reconnection fee may be charged each time a Customer is disconnected, either voluntarily or involuntarily, and reconnected at the same premises. The reconnection fee will be paid before service is restored. Reconnection fees shall not be charged for any situation or circumstance in which the Customer's water supply is disconnected by the Company for its convenience.

11.5 The Company reserves the right at any time, upon notice, to shut off the water for maintenance or expansion and, in emergencies, may do so without notice. The Company shall at all times use reasonable diligence and care to prevent interruption of said water service.

11.6 Except in the case of an emergency, no one, except an authorized Company representative, shall turn on or turn off the water on the Company's side of the service connection.

12. EXTENSION OF WATER MAINS

12.1 The extension of system water mains for the purpose of providing new service shall be handled in accordance with the "Uniform Main Extension Rules for Small Water Companies" which is attached to these Rules and Regulations as an Appendix.

13. MISCELLANEOUS

13.1 No customer shall permit any person from another premises to take water from his or her water service or tap for more than (1) week without the written permission and consent of the Company.

13.2 No person acting either on his or her own behalf or an agent of any person, firm, corporation or municipality not authorized by the Company shall take any water from any fire hydrant on the Company's system except in the case of an emergency.

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13.3 No person shall place upon or about any hydrant, gate, box, meter, meter box or other property of the Company any building material or other substance so as to prevent free access at all times to the same.

13.4 Service will be maintained to domestic Customers on a preferential basis. Delivery of water under all schedules may be restricted, interrupted or curtailed at the discretion of the Company in case of shortage or threatened shortage of water.

13.5 No rate contract or application is assignable from one user to another, except upon agreement of all parties concerned.

13.6 The Company representative shall be given access to the premises of the Customer at all reasonable hours for obtaining meter readings, for turning on or shutting off the flow of water, for inspecting, removing, repairing or protecting from abuse or fraud any of the property of the Company installed on the premises. Access shall be granted at all times for emergency purposes.

13.7 No one shall tamper or interfere with the Company's equipment or property, nor shall repairs, connections or replacements be made without the Company authorization.

13.8 Whenever an applicant desires service of a character for which there is no available service classification, a contract may be executed in lieu of a tariff. Any such contract shall be subject to the approval of the Idaho Public Utilities Commission.

13.9 Copies of the Company's rates and summary of rules and regulations shall be available at the Company's office and provided to customers upon commencement of service, and annually thereafter in accordance with the UCRR and the UCIR.

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14. Special Provisions or Amendments