

Truckee Meadows Water Authority

RATE SCHEDULES

IWS – INTERRUPTIBLE WATER SERVICE

APPLICABILITY

Delivery of water under this Rate Schedule is available, at the sole discretion of the Authority, to Customers for interruptible water deliveries.

AVAILABILITY

Interruptible Water Service is available hereunder from existing Facilities of Authority located within its retail territories.

RATES

Customer Charge per Meter per Billing Period \$27.00

Commodity Charge per 1,000 Gallons \$0.86

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

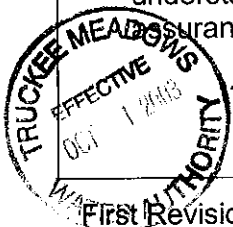
MINIMUM CHARGE

The Minimum Charge will consist of the Customer Charge, commodity charge, late charge, rights-of-way toll, and regional water management fee per Billing Period.

CHARACTER OF SERVICE

Delivery of water provided under this Rate Schedule shall be provided at the sole discretion of the Authority and may be subject to frequent and immediate interruptions or curtailments for indefinite periods. Curtailment and/or interruption of delivery of water may take place due to various operating conditions associated with protecting the overall integrity of the water system (such as the need to maintain drought reserves, insufficient water availability, or lack of available capacity); or with repairing, constructing, or maintaining Facilities on the Authority's system; or with other conditions and circumstances both inside and outside of the Authority's direct ability to control (e.g., acts of God, system repair, system failure, labor disputes, etc.). Subject to this general understanding as to the interruptible nature of the delivery of water, the following assurances as to the character of the service are made:

1. The Authority shall provide the Customer with as much notice as is practical of any curtailment of interruption of delivery of water.

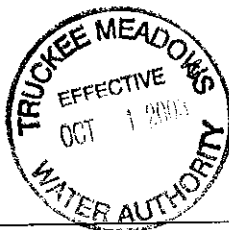


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2. Water delivered under this Rate Schedule, although interruptible, will be provided on a best-efforts basis after the Authority has satisfied all other non-interruptible retail and wholesale Customer sales obligations. Delivery of water for this service will be limited by the existing capacity of the system and its availability to render the requested deliveries, without construction of any additional Facilities. Delivery of water will be available subject to the terms and conditions of delivery specified in the contract for service and as long as, in the Authority's judgment, the required water deliveries can be provided without jeopardizing the integrity of the system, or affecting the Authority's ability to modify, expand or repair the system as necessary to provide adequate deliveries of water to existing or future Customers.
3. If, in the Authority's opinion, the Customer applying for the IWS is not able to adequately demonstrate the ability to tolerate the types of interruption in water deliveries that may occur under the provisions of this Rate Schedule, or the terms and conditions of the contract for service, then delivery of water under this Rate Schedule will not be granted by the Authority. In such cases, the Authority will make best efforts to serve the Customer's water needs under an appropriate non-interruptible water Rate Schedule.
4. In the event there is a need to partially curtail any portion of the total interruptible water load served by the Authority, on any particular day or for any other particular time period, then the curtailment/interruption protocols will be as follows:
 - a. The curtailment or interruption will be in the reverse order of the effective date of the contract for service agreement.
 - b. When two or more service agreements have the same effective date, then among the Customers with such service agreements, the curtailment/interruption requirement will be achieved by proportionally allocating the remaining water available for interruptible service delivery among all such Customers' based upon each such Customer's maximum daily demand (as specified in the service agreement) to the total maximum daily demands of these Customers. If a Customer's service agreement with the Authority does not provide for a maximum daily delivery, then the Customer's minimum delivery will be used for proration purposes. Customers not requesting delivery of water during the time curtailment is required will be excluded from the calculation of any proration.



Notwithstanding the other provisions of parts a) and b) above, the Authority shall not be required to interrupt water delivery to any Customer or curtail water delivery to any Customer served from those locations on Authority's system where, due to operational or capacity limitations, the

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Authority's ability to maintain the priorities provided herein would not be improved.

SPECIAL CONDITIONS

1. The Customer will be required to execute a contract for this service with the Authority, and will mutually agree to distribute water within a specified geographic area and/or use water for specified purposes. The contract may also cover, but not be limited to, requirements as to water resources sufficient to supply the water, the specific delivery requirements of the Customer, conditions of delivery, Authority conveyances as to the likelihood of interruption given the Customer's specified requirements, times of year when delivery of water will be required, the nature of curtailment and interruption notices, time allowed for Customer's response to Authority's interruption notification, etc.
2. The Customer shall pay all interconnection costs necessary to provide delivery of water hereunder, consistent with the Authority's Rules.
3. Any additional costs required to provide delivery of water in excess of those described in this Rate Schedule shall be the responsibility of the Customer. Any additional cost responsibility shall be clearly described in the contract for service.
4. The Authority, for the purposes of providing Wholesale Service, has the option to annex the Customer's retail service territory, prior to the granting of delivery of water under this Rate Schedule.
5. Failure of the Customer to respond to, or cooperate with, the Authority's notification of a need to curtail or interrupt delivery of water, in a timely manner and without justifiable cause, will be sufficient grounds for the Authority to discontinue delivery of water under this Rate Schedule. The Authority must notify the Customer of its reason for terminating delivery of water within ten (10) days after the discovery of the Customer's violation. Delivery of water can also be terminated under the conditions specified in applicable Authority rules, and can be terminated by either party upon one (1) year's prior written notice.

