

Gallatin County Water District
4500 Hwy 455
Sparta, Ky. 41086
859-643-5200

October 11, 2006

Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Ky. 40601

RECEIVED
OCT 13 2006
PUBLIC SERVICE
COMMISSION

Ref: Case No. 2006-00399

Dear Sirs,

Please find enclosed the original and three copies of the revised tariff in reference to the above case.

If you have any questions or need additional information contact the office.

Sincerely,



Tammy Hendren
Office Manager

P.S.C. KY. NO. 2

CANCELING P.S.C. KY. NO. _____

GALLATIN COUNTY WATER DISTRICT

OF

4500 HWY 455

SPARTA, KENTUCKY, 41086

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

GALLATIN COUNTY
KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE October 11, 2006
Month / Date / Year

DATE EFFECTIVE September 22, 2006
Month / Date / Year

ISSUED BY *Vic Satchwell*
(Signature of Officer)

TITLE Chairman

FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 2

Original SHEET NO. 1

CANCELING P.S.C. KY. NO. 1

SHEET NO. _____

Gallatin County Water District
(Name of Utility)

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- B. Deposits
- C. Meter Connection/Tap-on Charges
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DATE OF ISSUE October 11, 2006
Month / Date / Year

DATE EFFECTIVE September 22, 2006

ISSUED BY *W. Satchwell*
Month / Date / Year
(Signature of Officer)

TITLE Chairman

BY AUTHORITY _____ DATED _____

FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 2

Original SHEET NO. 2

CANCELING P.S.C. KY. NO. 1

SHEET NO. _____

Gallatin County Water District
(Name of Utility)

CONTENTS

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TITLE Chairman

BY AUTHORITY _____ DATED _____

FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 3

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

RULES AND REGULATIONS

A. MONTHLY RATES:

5/8" x 3/4" Meter

First	1,000 Gallons	\$16.60 Minimum Bill
Next	2,000 Gallons	5.80 Per 1,000 Gallons
Next	2,000 Gallons	5.50 Per 1,000 Gallons
Next	5,000 Gallons	5.20 Per 1,000 Gallons
Over	10,000 Gallons	5.00 Per 1,000 Gallons

Wholesale Rate \$1.46 per 1,000 Gallons

Sales to the Kentucky Speedway will be a flat rate equivalent to \$2,917 per month, or a minimum of \$35,000 annually.

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TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 4

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

RULES AND REGULATIONS

B. DEPOSITS:

A customer may be charged a deposit of \$ 78.40. This amount does not exceed 2/12 of the average annual bill of residential customers.

C. METER CONNECTION/TAP-ON CHARGES:

5/8 Inch X 3/4 Inch	\$530.00
All Larger Meters	Actual Cost

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TITLE Chairman

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FOR Gallatin County
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P.S.C. KY. NO. 1

First Revised SHEET NO. 5

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

RULES AND REGULATIONS

D. SPECIAL NON-RECURRING CHARGES:

Connection/Turn-on Charge	35.00
Connection/Turn-on Charge – After Hours	60.00
Disconnect/Reconnect	70.00
Field Collection Charge	35.00
Late Payment Penalty	10%
Meter Re-Read	35.00
Meter Test Charge	60.00
Returned Check	25.00
Service Line Inspection	35.00
Meter Relocation	Actual Cost
Credit Card Payment	2.00

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TITLE Chairman

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 6

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

RULES AND REGULATIONS

The schedule of rates prescribed herein will be uniformly charged to all customers of the utility. No one will receive or be entitled to free service by the utility. No employee or individual commissioner of the utility is permitted to make an exception to these rates, rules, or regulations. These rules and regulations are subject to change by the utility at any time, subject to the approval of the Public Service Commission.

A. Service Information.

1. Upon request the utility will give its customers or prospective customers such information as is reasonably possible in order that they may secure safe, efficient, and continuous service. The utility will inform its customers of any change made or proposed in the character of its service that might affect the efficiency, safety, or continuity of operation.
2. The utility will obtain the approval of the Public Service Commission prior to making any substantial change in the character of the service furnished that would affect the efficiency, adjustment, speed, or operation of the equipment or appliances of any customer. The application will show the nature of the change to be made, the number of customers affected, and the manner in which they will be affected.
3. The utility will inform each applicant for service of each type, class, and character of service available at his/her location.
4. Upon request the utility will provide the following information to any applicant/customer:
 - a) Characteristics of Water. A written description of chemical constituents and bacteriological standards of the treated water as required by the Natural Resources Cabinet.

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IN CASE NO. _____ DATED _____

FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 7

Gallatin County Water District
(Name of Utility)

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

RULES AND REGULATIONS

- b) Rates. A schedule of rates for water service applicable to the service to be rendered to the customer. The District will publish a copy of all applicable rates in a newspaper of general circulation once each year at least thirty (30) days prior to the annual membership meeting. A copy of the billing form imposing said rates is attached to this tariff. Rates are available upon request at any time.
- c) Reading Meters. Information about the method of reading meters.
- d) Bill Analysis. A statement of the past readings of a customer's meter for a period of two (2) years.

B. Special Rules or Requirements.

- 1. No customer is allowed to resell water except under the terms of a special contract executed by the utility and approved by the Public Service Commission.

C. Billings, Meter Readings, and Related Information.

- 1. Information on bills. Each bill issued by the utility will clearly show the following, if applicable: class of service; present and last preceding meter readings; date of the present reading; number of units consumed; meter constant, if any; net amount for service rendered; all taxes; any adjustments; and the gross amount of the bill. The date after which a late payment penalty applies to the gross amount will also be indicated. Estimated or calculated bills will be distinctly marked as such. The rate schedule under which the bill is computed will be furnished by publishing it in a newspaper of general circulation once each year.
- 2. Bill format. A copy of the utility's billing form is included in the utility's tariff.
- 3. Frequency of meter reading. Unless prevented by reasons beyond the utility's control, meter readings will be taken monthly.

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TITLE Chairman

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IN CASE NO. _____ DATED _____

FOR Gallatin County
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P.S.C. KY. NO. 1

First Revised SHEET NO. 8

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Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

RULES AND REGULATIONS

4. Related Information.

- a) With the exception of existing connections, the existence of a special contract, or unusual circumstances requiring approval of the utility, a single meter can serve no more than one residential or commercial unit on and after the effective date of this tariff.
- b) Service at a rental property will be disconnected once the property become vacant, unless the owner notifies the utility to place the service in the owners name or unless the service is immediately transferred to another individual. It is the property owners responsibility to transfer the service in his/her name each time the property becomes vacant.
- c) For existing connections, special contracts, or other utility approved situations, where two or more units are being served by one meter, the following rules will apply:
 - 1) One bill per meter will be sent to the customer that applied for service.
 - 2) The bill will consist of a charge in the amount of the utility's minimum bill multiplied by the number of units served by the meter. The amount of water included with a minimum bill will be multiplied by the number of units and deducted from the total amount of consumption. The remaining consumption will be evenly distributed among each unit, added to each unit's minimum bill, with the charges calculated in accordance with the currently approved rate schedule.
 - 3) The individual whose name the service is in will be fully and solely responsible for the charges associated with the connection including payment for all water passing through the meter, regardless of which unit is responsible for the water consumption.

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TITLE Chairman

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 9

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

RULES AND REGULATIONS

D. Deposits.

1. Deposits to secure payment. The utility may require a minimum cash deposit or other guaranty to secure payment of bills.
2. Equal Deposits. An equal deposit amount for each class of customers will be established based on the average annual bill of customers in that class. Deposit amounts will not exceed two-twelfths (2/12) of the average annual bill of customers in each class where bills are rendered monthly. Deposit amounts are listed in the Rates and Charges section of this tariff.
3. Recalculation of deposits. If the utility retains the deposit for more than eighteen (18) months, it will notify customers in writing that, at the customer's request; the deposit will be recalculated every eighteen- (18) months based on actual usage of the customer. The notice of deposit recalculation will be included either on the customer's application for service or on the receipt of deposit, or may be included annually with or on customer bills. The notice of deposit recalculation will state that if the deposit on account differs by more than ten (10) dollars for residential customers, or by more than ten (10) percent for nonresidential customers, from the deposit calculated on actual usage, then the utility will refund any over-collection and may collect any underpayment. Refunds will be made either by check or by credit to the customer's bill, except that the utility will not refund any excess deposit if the customer's bill is delinquent at the time of recalculation.
4. Waiver of Deposits. The deposit may be waived upon a customer's showing of satisfactory credit or payment history. In determining whether a deposit will be required or waived, the following criteria will be considered:
 - a) Previous payment history with the utility. If the customer has no previous history with the utility, statements from other utilities, banks, etc. may be presented by the customer as evidence of good credit.

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TITLE Chairman

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 10

Gallatin County Water District
(Name of Utility)

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

RULES AND REGULATIONS

- b) Whether the customer has an established income or line of credit.
 - c) Length of time the customer has resided or been located in the area.
 - d) Whether the customer owns the property to be served.
 - e) Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.
5. Additional deposit requirement. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, the utility may require that a deposit be made. The utility may require a deposit in addition to the initial deposit if the customer's classification of service changes or if there is a substantial change in usage.
6. Receipt of deposit. The utility will issue a receipt to every customer that pays a deposit. The receipt will show the name of the customer, location of the service or customer account number, date, and amount of deposit. If the notice of recalculation described in this section is not included in the utility's application for service or mailed with customer bills, the receipt of deposit will contain the notification. If deposit amounts change, the utility will issue a new receipt of deposit to the customer.
7. Deposits as a condition of service. Service may be refused or discontinued if payment of requested deposits is not made.
8. Interest on deposits. Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis, except that the utility will not be required to refund or credit interest on deposits if the customer's bill is delinquent on the anniversary of the deposit date. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

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TITLE Chairman

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FOR Gallatin County
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P.S.C. KY. NO. 1

First Revised SHEET NO. 11

Gallatin County Water District
(Name of Utility)

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

RULES AND REGULATIONS

E. Special Non-recurring Charges:

1. The utility will collect for special nonrecurring charges to recover customer-specific costs incurred which would otherwise result in monetary loss to the utility or increased rates to other customers to whom no benefits accrue from the service provided or action taken. The utility may establish or change any special nonrecurring charge by applying for Public Service Commission approval of such charge in accordance with the provisions of 807 KAR 5:011, Section 10.
2. Special nonrecurring charges will be applied uniformly throughout the area served by the utility. Such charges will relate directly to the service performed or action taken and only yield enough revenue to pay the expenses incurred in rendering the service.
3. The utility will assess a charge for the following non-recurring services:
 - a) Connection/Turn-on Charge: Will be assessed for new service turn-on, seasonal turn-on, temporary service, or transfer of service. The charge will not be made for initial installation of service where a meter connection/tap-on charge is applicable.
 - b) Field Charge: Will be assessed when a utility representative visits the premises of the service connection to terminate service, and the customer is on-site and pays the bill to avoid termination of service. This fee may only be charged once per billing period.
 - c) Late Payment Penalty: Will be assessed on the delinquent amount of the bill, less taxes. The late payment penalty will be assessed on the delinquent amount of the bill, less taxes and any prior penalty amounts. Pursuant to 807 KAR 5:006 Section 8 (3)(h), a penalty may be assessed only once on any bill for rendered services.

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TITLE Chairman

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FOR Gallatin County
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First Revised SHEET NO. 12

Gallatin County Water District
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RULES AND REGULATIONS

- d) Meter Relocation Charge: Will be assessed when a customer or other authorized person requests that a meter be relocated, changed, or modified. Those requesting a change must reimburse the utility for the actual costs incurred, including but not limited to appropriate legal, administrative, engineering, overhead, or other related costs.
- e) Meter Re-read Charge: Will be assessed when a customer requests the utility to re-read the customer's meter and the re-read proves that the original meter reading was correct.
- f) Meter Test Charge: Will be assessed when a customer requests the utility perform a test on the customer's meter to check for accuracy, and the test shows the customer's meter is not more than two percent (2%) fast.
- g) Reconnection Charge: Will be assessed to reconnect service that has been terminated for non-payment of service, at the customer's request or for violation of Utility or Public Service Commission rules and regulations, and will include the cost of the service trip for both the disconnection and the reconnection.
- h) Returned Check Charge: Will be assessed when a customer's check is returned, either due to insufficient funds or other reason due to customer fault.
- i) Service Call/Investigation Charge: The field charge will be assessed when a customer requests the onsite presence of utility personnel to investigate a service problem and the problem is a result of the customer's own plumbing facilities, beyond the utility's delivery point, or not caused by failure of utility facilities. Any maintenance and repair of facilities beyond the utility's delivery point is the responsibility of the customer.

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 13

Gallatin County Water District
(Name of Utility)

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

RULES AND REGULATIONS

F. Bill Adjustments:

1. Fast or slow reading meters:

- a) If upon periodic test, requested test, or complaint test, a meter in service is found to be more than two (2) percent fast, additional tests will be made to determine the average error of the meter. The tests will be made in accordance with Public Service Commission rules and regulations applicable to the type of meter involved.
- b) If test results on a customer's meter show an average error greater than two (2) percent fast or slow, or if a customer has been incorrectly billed for any other reason, except in an instance where a utility has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a customer, the utility will immediately determine the period during which the error has existed, and will recompute and adjust the customer's bill to either provide a refund to the customer or collect an additional amount of revenue from the underbilled customer. Any adjustment to the customer's account will be in accordance with the rules and regulations of the Public Service Commission pursuant to 807 KAR 5:066 Section 9(c).
- c) The utility will readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period will be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for the customer. If that data is not available, the average usage of similar customer loads will be used for comparison purposes in calculating the time period. If the customer and the utility are unable to agree on an estimate of the time period during which the error existed, the Public Service Commission will determine the issue. In all

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 14

Gallatin County Water District
(Name of Utility)

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

RULES AND REGULATIONS

instances of customer overbilling, the customer's account will be credited or the overbilled amount refunded at the discretion of the customer within thirty (30) days after final meter test results. A utility will not require customer repayment of any underbilling to be made over a period shorter than a period coextensive with the underbilling.

2. Meter read failure. When a meter has ceased to register, or a meter reading cannot be obtained, the quantity of water to be billed will be based upon an average of twelve-months' consumption. If said meter readings are not available for an entire twelve-month period, the water bill will be estimated by the utility, subject to an upward or downward adjustment once a twelve-month average of actual meter readings can be calculated.
3. Monitoring usage. The utility will monitor a customer's usage at least annually in such a way to draw the utility's attention to unusual deviations in a customer's usage. If a customer's usage is unduly high (100% above average) and the deviation is not otherwise explained, the utility will test the customer's meter to determine whether the meter shows an average error greater than two (2) percent fast or slow.
4. Usage investigation. If the utility's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, the utility will notify the customer in writing either during or immediately after the investigation of the reasons for the investigation, and of the findings of the investigation. If knowledge of a serious situation requires more expeditious notice, the utility will notify the customer by the most expedient means available.
5. Customer notification. If a meter is tested and it is found necessary to make a refund or back bill a customer, the customer will be notified in substantially the following form:

On _____, 20____, the meter bearing identification No. _____ installed in your building located at _____ (Street and Number) in _____ (city) was tested at _____ (on premises or elsewhere) and found to register _____

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

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Gallatin County Water District
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RULES AND REGULATIONS

(percent fast or slow). The meter was tested on _____ (Periodic, Request, Complaint) test.

Based upon this we herewith _____ (charge or credit) with the sum of \$____, which amount has been noted on your regular bill. If you desire a cash refund, rather than a credit to your account, of any amount overbilled, you must notify this office in writing within seven (7) days of the date of this notice.

G. Status of Customer Accounts during Billing Disputes. With respect to any billing dispute, customer accounts shall be considered to be current while the dispute is pending as long as the customer continues to make undisputed payments and stays current on subsequent bills.

H. Customer's Request for Termination of Service.

1. Any customer desiring service terminated or changed from one address to another shall give the utility three (3) working days' notice in person, in writing, or by telephone, provided such notice does not violate contractual obligations. The customer will not be responsible for charges for service beyond the three- (3) day notice period if the customer provides proper notification and reasonable access to the meter during the notice period. If the customer notifies the utility of his/her request for termination by telephone, the burden of proof is on the customer to prove that service termination was requested if a dispute arises.
2. Upon request that service be reconnected at any premises subsequent to the initial installation or connection to its service lines, the utility will charge the applicant a reconnect fee as set out in this tariff and approved by the Public Service Commission

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TITLE Chairman

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 16

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

RULES AND REGULATIONS

I. Customer Relations.

1. Display of customer rights. The utility will prominently display in the office in which payment is received a copy of Customer's Rights. If a customer indicates to any utility personnel that he is experiencing difficulty in paying a current utility bill, that employee will refer the customer to the designated representative for explanation of the customer's rights.
2. Partial payment plans. The utility shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice for failure to pay, except that a utility is not required to negotiate a partial payment plan with a customer who is delinquent under a previous partial payment plan. Partial payment plans must be mutually agreed upon. Plans which extend for a period longer than thirty (30) days will be in writing and will advise customers that service may be terminated without additional notice if the customer fails to meet the obligations of the plan.
3. Utility inspections of service conditions prior to providing service. The utility will inspect the condition of the meter and service connections before providing service to a new customer so that prior or fraudulent use of the facilities will not be attributed to the new customer. The new customer will be afforded the opportunity to be present at such inspections. The utility will not be required to render service to any customer until any defects in the customer-owned portion of the service facilities have been corrected.
4. Prompt connection of service. The utility will reconnect existing service within twenty-four (24) hours, and will install and connect new service within seventy-two (72) hours, when the cause for refusal or discontinuance of service has been corrected and the rules and regulations of the utility and Public Service Commission have been met.
5. Advance termination notice. When advance termination notice is required, the termination notice will be mailed or otherwise delivered to the last known address of the customer. The termination notice will be in writing, distinguishable and separate from any bill. The

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 17

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Gallatin County Water District
(Name of Utility)

RULES AND REGULATIONS

termination notice will plainly state the reason for termination, that the termination date will not be affected by receipt of any subsequent bill, and that the customer has the right to dispute the reasons for termination.

J. Refusal or Termination of Service.

1. The utility may refuse service to a customer under the following conditions:

- a) For noncompliance with utility or Public Service Commission rules and regulations. The utility cannot refuse service to any customer for noncompliance without first having made a reasonable effort to obtain customer compliance. After such effort by the utility, service may be refused only after the customer has been given a written notice of refusal stating the reasons for refusal of service.
- b) For dangerous conditions. If a dangerous condition exists which could subject any person to imminent harm or result in substantial damage to the property of the utility or others is found to exist on the customer's premises, then service will be refused. The utility will notify the customer in writing and, if possible, orally for the reasons for refusal of service. Such notice will be recorded by the utility and will include the corrective action to be taken by the customer before service can be provided.
- c) For refusal of access. When a customer refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance or removal of utility property, the utility may refuse service. The utility will notify the customer in writing and, if possible, orally for the reasons for refusal of service. Such notice will be recorded by the utility and will include the corrective action to be taken by the customer before service can be provided.
- d) For outstanding indebtedness. The utility will not furnish new service to any customer who is indebted to the utility until that customer has repaid the indebtedness.

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DATE EFFECTIVE September 22, 2006
Month / Date / Year

ISSUED BY *Viv Satchwell*
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 18

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

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- e) For noncompliance with state, local, or other codes. The utility may refuse service to a customer if the customer does not comply with state, municipal or other codes, rules, and/or administrative regulations applying to such service. The utility will notify the customer in writing and, if possible, orally for the reasons for refusal of service. Such notice will be recorded by the utility and will include the corrective action to be taken by the customer before service can be provided.

2. Utility Initiated Termination of Service.

- a) The termination notice requirements stated herein will not apply if termination notice requirements to a particular customer or customers are otherwise dictated by the terms of a special contract between the utility and customer which has been approved by the Public Service Commission.
- b) When advance termination notice is required, the termination notice shall be mailed or otherwise delivered to the last known address of the customer. The termination notice shall be in writing, distinguishable and separate from any bill. The termination notice shall plainly state the reason for termination, that the termination date will not be affected by receipt of any subsequent bill, and that the customer has the right to dispute the reasons for termination.
- c) The utility may terminate service to a customer under the following conditions with an advance termination notice:
- 1) For noncompliance with utility or Public Service Commission rules and regulations. The utility cannot terminate service to any customer for noncompliance without first having made a reasonable effort to obtain customer compliance. After such effort by the utility, service may be terminated only after the customer has been given at least ten (10) days written termination notice.

DATE OF ISSUE October 11, 2006
Month / Date / Year

DATE EFFECTIVE September 22, 2006
Month / Date / Year

ISSUED BY *Viv Satchwell*
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TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 19

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

Gallatin County Water District
(Name of Utility)

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- 2) For refusal of access. When a customer refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance, or removal of utility property, the utility may terminate service. Such action will be taken only when corrective action negotiated between the utility and customer has failed to resolve the situation and after the customer has been given at least ten (10) days' written notice of termination.
 - 3) For noncompliance with state, local, or other codes. The utility may terminate service to a customer that does not comply with state, municipal, and/or other codes, rules, and regulations that apply to such service. A utility may terminate service only after ten (10) days' written notice of termination is provided unless ordered to terminate immediately by a governmental official.
 - 4) For nonpayment of bills. The utility may terminate service for nonpayment of charges incurred for utility services. The utility may terminate service only after five (5) days' written notice of termination is provided, and after twenty (20) days have elapsed since the mailing date of the original unpaid bill.
- d) The utility may terminate service to a customer if the following conditions exist without an advance termination notice. Within twenty-four (24) hours after such termination, the utility shall send written notification to the customer of the reason(s) for termination upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Public Service Commission. The utility will not restore service until the customer agrees to comply with all rules and regulations of the utility and Public Service Commission.
- 1) For illegal use or theft of service. The utility may terminate service to a customer without advance notice if it has evidence that a customer has obtained unauthorized service by illegal use or theft. This right of termination

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FOR Gallatin County
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is separate from and in addition to any other legal remedies that the utility may pursue for illegal use or theft of service.

- 2) For dangerous conditions. If a dangerous condition relating to the utility's service which could subject any person to imminent harm or result in substantial damage to the property of the utility or others is found to exist on the customer's premises, then service will be terminated immediately. Upon termination the utility will leave notification at the customer's dwelling and, if possible, orally contact the customer to inform him/her of the reasons for the termination. Such notice will be recorded by the utility and will include the corrective action to be taken by the customer or utility before service can be restored.
- 3) Unapproved Extensions and/or Additions. Any extension or additions to an existing service connection that have not been approved by the utility will be considered theft of service, and will constitute grounds for termination of service. This right of termination is separate from and in addition to any other legal remedies that the utility may pursue for illegal use or theft of service.
- 4) Misrepresentation. Any misrepresentation in the application or contract as to the property or fixtures to be supplied or additional use to be made of water will constitute grounds for termination of service, and the customer shall be liable for any damage to any of the utility's facilities or equipment.
- 5) Failure to Report Changes. Failure to notify the utility of additions to the property or fixtures to be supplied or additional use to be made of water will constitute grounds for termination of service.
- 6) Resale of Water. Under no circumstances will a customer be allowed to resell or give away water except under the terms of a special contract executed by

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TITLE Chairman

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 21

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the utility and approved by the Public Service Commission. Failure to comply with this rule will constitute grounds for termination of service.

- 7) Waste or Misuse. Waste or misuse of water due to improper or imperfect service pipes and/or failure to keep said pipes in suitable state of repair will constitute grounds for termination of service.
 - 8) Tampering with meter, meter seal, service, valves, or other system facilities, or permitting such tampering by others will constitute grounds for termination of service.
 - 9) Connections, cross-connections, or permitting the same, of any separate water supply to premises that receive water from the utility will constitute grounds for termination of service.
- e) The utility will not terminate service to a customer if the following conditions exist:
- 1) If payment for services is made. Service will not be terminated to a customer that was sent a termination notice if the customer delivers full payment to the utility prior to the actual termination of service.
 - 2) If a partial payment agreement is in effect. Service will not be terminated for nonpayment if the customer and the utility have entered into a partial payment plan and the customer is meeting the requirements of the plan.
 - 3) If a medical certificate is presented. Service will not be terminated for thirty (30) days beyond the termination date if a physician, registered nurse or public health officer certifies in writing that termination of service will aggravate a debilitating illness or infirmity on the affected premises. The utility may refuse to grant consecutive extensions for medical certificates past the original thirty (30) days unless the certificate is accompanied by an agreed

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FOR Gallatin County
Community, Town or City

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partial payment plan. The utility will not require a new deposit from a customer to avoid termination of service for a thirty (30) day period who presents to the utility a medical certificate certified in writing by a physician, registered nurse or public health officer.

- 4) The system operator will be the designated representative to answer customer questions, resolve disputes and negotiate partial payment plans. Any member who does not receive a satisfactory answer, resolution or partial payment plan may present the matter to the next regular meeting of the Board of Directors of the District.

K. Access to Property.

1. The utility shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation, replacement or removal of its property at the time service is terminated. Any employee of the utility whose duties require him/her to enter the customer's premises will wear a distinguishing uniform or other insignia identifying him/her as an employee of the utility, or show a badge or other identification which will identify him/her as an employee.
2. Obtaining easements and right-of-ways necessary to extend service will be the responsibility of the utility.
3. All customers must grant, convey, or cause to be granted or conveyed to the utility a perpetual easement and right-of-way across any property owned or controlled by the customer wherever necessary for the utility's facilities in order to provide service.

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ISSUED BY *Vic Satchwell*
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FOR Gallatin County
Community, Town or City

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4. The utility cannot require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. However, the cost of obtaining easements or rights-of-way will be included in the total per foot cost of an extension, and will be apportioned among the utility and customer in accordance with the applicable extension administrative regulation.

L. Reporting of Accidents, Property Damage, or Loss of Service.

1. Within two (2) hours following discovery the utility will notify the Public Service Commission by telephone or electronic mail of any utility related accident which results in:
- a) Death; or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization;
 - b) Actual or potential property damage of \$25,000 or more; or
 - c) Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less.
2. A summary written report will be submitted by the utility to the Public Service Commission within seven (7) calendar days of the utility related accident.

M. Continuity of Service.

1. Emergency interruptions. The utility will make all reasonable efforts to prevent interruptions of service and when such interruptions occur will endeavor to reestablish service with the shortest possible delay consistent with the safety of its consumers and the general public. If an emergency interruption of service affects service to any public fire protection device, the utility will immediately notify the fire chief or other public official responsible for fire protection.

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FOR Gallatin County
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2. Scheduled interruptions. If the utility finds it necessary to schedule an interruption of its service, it will notify all customers to be affected by the interruption, stating the time and anticipated duration of the interruption. Whenever possible, scheduled interruptions will be made at hours of least inconvenience to customers. If public fire protection is provided by mains affected by the interruptions, the utility will notify the fire chief or other officials responsible for fire protection of the interruption, stating the time and anticipated duration. The fire chief or other official responsible for fire protection will be notified immediately upon restoration of service.
3. Record of interruptions. The utility will keep a complete record of all interruptions on its entire system. This record will show the cause of interruption, date, time, duration, remedy and steps taken to prevent recurrence.

N. Service Lines & Connections.

1. The utility will furnish and install at its own expense for the purpose of connecting its distribution system to the customer's premises that portion of the service connection from its main to and including the meter and meter box. The utility will recoup this expense from the customer in accordance with KRS 278.0152.
2. In areas where the distribution system follows well-defined streets and roads, the customer's point of service will be located at that point on or near the street right-of-way or property line most accessible to the utility from its distribution system. In areas where the distribution system does not follow streets and roads, the point of service will be located as near the customer's property line as practicable. Prior to installation of the meter the utility will consult with the customer as to the most practical location.

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3. Depth of service line. All service lines must be laid at a sufficient depth (a minimum of 24 inches) to prevent freezing during the coldest weather normally experienced except where services are not intended for use during freezing weather and are actually drained during such periods.
4. A plumbing permit from the appropriate regulatory agency is required before the utility can set the meter.
5. The applicant/customer must furnish and lay the necessary pipe to make the connection from the point of service to the point of usage and be financially responsible for all costs associated with the installation and maintenance of his/her service line plumbing, including a shut-off valve and one-way check valve, installed on his/her property beginning at the outlet side of the water meter. The service line must be kept in good repair and in accordance with utility and Public Service Commission rules and regulations.
6. The installation and maintenance of the water service line must be in accordance with the rules and regulations of the Kentucky Department of Health.
7. A cross-connection of the utility's system with any other source is strictly prohibited.
8. A well that has or is being used on the premises must be inspected by utility personnel to verify disconnection and separation.
9. If the applicant/customer's point of usage is at a higher elevation than the meter, the customer should consult with a reputable engineering firm to properly size the service line from the meter to the point of usage.
10. Should an applicant/customer desire a higher pressure due to location or other need, provisions must be made by the applicant for an individual pressure booster system. The manner of connection, location cross-connection protection and type is subject to approval by

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FOR Gallatin County
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P.S.C. KY. NO. 1

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the utility. The utility reserves the right to require discontinuance and disconnection should the private booster system have a detrimental effect on the utility's system.

11. Piping on the premises of the applicant/customer must be installed so that connections are conveniently located with respect to the utility's lines and mains. A place must be provided for metering that is unobstructed and accessible at all times.
 12. The utility may require the applicant/customer may, at his/her own expense, to install a back-flow preventor and/or pressure regulator.
 13. Any customer having boilers and/or pressure vessels that receive water from the utility must have a check valve on the water supply line and a vacuum valve on the steam line in order to prevent a collapse were the water supply from the utility be interrupted or discontinued.
- O. Leak Adjustments. A customer may make a request for a bill adjustment in the event of a leak under the following conditions:
1. One adjustment in a twelve-(12) month period shall be allowed upon proof of unintentional cause of the leak and correction of said problem. Proof that the repair has been made such as meter reader verification, plumbing receipt or materials for customer repair will be required. The customer's bill will be based on two components. The first step will be to calculate the customer's average monthly usage over a twelve-month period. (A lesser consumption history may be used if a twelve-month period is not available). The second step will be to deduct the customers average monthly usage (as calculated in the above) from the total amount of water that passed through the meter. The usage calculated in step one will be billed at the utility's regular rates, while the remaining usage will be divided by two and the customer shall pay this amount plus average.

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(Name of Utility)

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Example: 2,000 gallons at regular rate (average usage)

4,000 gallon leak / 2 = 2,000 gallons for which the customer shall pay (leak adjustment equals 2,000 gallons in this example).

2. If meter readings are not available for an entire twelve-month period, the water bill will be estimated by the utility, subject to an upward or downward adjustment once a twelve-month average of actual meter readings can be calculated.
3. Only one (1) leak adjustment will be made per twelve-month period.

P. Ownership of Mains, Services, and Appurtenances:

1. All mains, fire hydrants, valves, crossings, and other appurtenances are and shall remain the property of the utility, whether installed by the utility or the customer.
2. All service lines from the main to the meter with appurtenances are and shall remain the property of the utility, whether installed by the utility or the customer.
3. The customer shall install, own, and maintain his/her service line from the meter (or point of delivery) to the point of usage.

Q. Notification of System Problems. The customer shall notify the utility immediately should the service be unsatisfactory for any reason, or should there be any defects, problems, trouble, or accidents affecting the water system.

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FOR Gallatin County
Community, Town or City

P.S.C. KY. NO. 1

First Revised SHEET NO. 28

Gallatin County Water District
(Name of Utility)

CANCELING P.S.C. KY. NO. 1

Original SHEET NO. 4

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R. Legal Disclaimers.

1. The utility shall in no event be held responsible for any claims made against it for reasons of system failure or interruption of service. No persons shall be entitled to damages nor for any portion of a payment refunded for any system failure or interruption of service which in the opinion of the utility is deemed necessary.
2. No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any structure appurtenance or equipment which is a part of the utility's water system. Any person violating this provision will be subject to immediate arrest and/or discontinuance of water service and shall pay the cost of repairing or replacing the utility's facilities.
3. If any loss or damage to the property of the utility or any accident or other injury to persons or property is caused by or results from the negligence or wrongful action of a customer, members of his/her household, his/her agent or employee, the cost of necessary repairs or replacements shall be paid by the customer of the utility and any liability otherwise resulting shall be that of the customer.
4. For purposes of fire protection, including any customer's fire protection system, the utility cannot guarantee a water supply at any particular flow rate or pressure. The fire flow may vary depending upon other water demands on the system, various water facility limitations, or other circumstances. The customer will indemnify and hold harmless the utility and its employees from and against all claims, damages, losses, and expenses incurred as a result of insufficient water supply or deficient system facilities.

DATE OF ISSUE October 11, 2006
Month / Date / Year

DATE EFFECTIVE September 22, 2006
Month / Date / Year

ISSUED BY *Vic Satchwell*
(Signature of Officer)

TITLE Chairman

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FOR Gallatin County
Community, Town or City

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CANCELING P.S.C. KY. NO. 1

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S. Fire Departments. For the purpose of off-setting fifty percent or more of its operation expenses, any fire department not receiving public funds from the Commonwealth of Kentucky, or any political subdivision thereof, may withdraw water from the utility's facilities at no charge, for the extinguishing of fires or the training of firemen. A fire department making such withdrawals shall provide an estimate of its withdrawals to the utility at the end of each month.

T. Fire Hydrants:

1. In accordance with 807 KAR 5:066 Section 10(2)(b), a new fire hydrant will not be installed unless:
 - a) A professional engineer with a Kentucky registration has certified that the system can provide a minimum fire flow of 250 gallons per minute, and
 - b) The system supporting this flow has the capability of providing this flow for a period of not less than two (2) hours plus consumption at the maximum daily rate.
2. The location, installation, and the responsibility for maintenance of fire hydrants, public and private fire protection facilities, connecting mains, and their ownership may be subject to negotiation between the utility and the applicant/customer. Fire hydrants and public and private fire protection facilities shall be installed as required by the utility and if owned by the utility shall be subject to any conditions the Public Service Commission may impose, based upon the compensation received for this service.

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ISSUED BY *Vic Satchwell*
(Signature of Officer)

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FOR Gallatin County
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U. Water Main Extensions.

1. Applicability. An extension of fifty (50) feet or less shall be made by a utility to its existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one (1) year or more.
2. Other extensions:
 - a) When an extension of the utility's main to serve an applicant or group of applicants amounts to more than fifty (50) feet per applicant, the utility may if not inconsistent with its filed tariff require the total cost of the excessive footage over fifty (50) feet per customer to be deposited with the utility by the applicant or the applicants, based on the average estimated cost per foot of the total extension.
 - b) No water distribution main extension shall be constructed or connected to the District's water distribution system without first obtaining the District's approval.
 - c) The provisions of Administrative Regulation 807 KAR 5:066, Section 11 (1) shall govern refunds for any water distribution main extension that an applicant or group of applicants constructs and donates to the District.

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ISSUED BY *Vic Satchwell*
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- d) For a period of 10 (ten) years following the construction of the water main distribution main extension, any customer who connects to the water main distribution extension shall pay an amount equal to each initial applicant's contribution. Each year for a period of not less than 10 years, which for the purpose of this rule shall be the refund period, the utility shall refund to the customer or customers who paid for the excessive footage the cost of fifty (50) feet of the extensions in place for each additional customer connected during the year whose service line is directly connected to the extensions installed and not to extensions or laterals therefrom, but in no case shall the total amount refunded exceed the amount paid to the utility. After the end of the refund period, no refund will be required to be made. In addition to payment of a required contribution, any person connecting to a water distribution main shall pay other required charges and fees, to include a tap fee.
- e) Nothing contained herein shall be construed to prohibit the utility from making extensions under different arrangements if such arrangements have received the prior approval of the Public Service Commission.
- f) Nothing contained herein shall be construed as to prohibit the utility from making at its own expense greater extensions than herein prescribed, should its judgement so dictate, provided like extensions are made to other customers under similar conditions.

V. Extension Procedures for Developers and/or New Subdivisions.

1. Nothing contained herein shall be construed to prohibit the utility from contracting to make extensions under different arrangements if such arrangements have received the prior approval of the Public Service Commission.

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ISSUED BY *Vic Satchwell*
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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
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2. An applicant desiring an extension to a real estate subdivision may be required to pay the entire cost of the extension. Under this plan, annually for a refund period of ten (10) years, the utility will refund to the applicant who paid for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension installed by the developer, and not to extensions or laterals therefrom. Total amount refunded will not exceed the amount paid to the utility. No refund will be made after the refund period ends.
3. Applicant may construct and donate to the District the extensions as a contribution in aid of construction, meeting all District's specifications and approval. District reserves the right to stipulate applicable engineering, legal and administrative factors. Applicant shall pay all costs of the District as a contribution in aid of construction. Any extension made under this option shall not be eligible for any refunds. In all cases the applicant or group of applicants must execute a contract and agreement for line extensions on forms approved by the District and regardless of option selected all rules, rates and schedule of fees applicable to size and type of service requested shall be paid in addition to the cost of extension.
4. Each applicant for nonstandard service shall execute to the District an agreement for special service.

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ISSUED BY *Viv Satchwell*
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