



Aaron R. Davis, Attorney
Stephanie L. Davis, Attorney
165 Evergreen Lane
Pikeville, KY 41501
(606) 432-3641
thedavisfirmpllc.com

Case No. 2015-00306

September 3, 2015

RECEIVED

SEP 8 2015

PUBLIC SERVICE
COMMISSION

Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

RE: Application for an Adjustment in Rates Pursuant to the
Alternative Rate Filing Procedure for Small Utilities and Tariff

Mr. Derouen,

Bush Gardens Enterprises, LLC (“BGE”) is submitting its application requesting the Commission’s approval of its initial sewer rate pursuant to the Alternative Rate Filing Procedure for Small Utilities (“ARF”). BGE also respectfully requests leave to deviate from 807 KAR 5:076, §§1(b), 2(3), and 3(1). Previously, sewer treatment provider Linda Bowling was not charging a fee to its users and was not considered a utility. Financial information for the period required by the regulation is non-existent. Please find attached the completed “ARF Application.”

A copy of this application and related filings have been sent to the Office of the Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, KY 40601.

Furthermore, BGE wishes to make you aware of several facts as you prepare to review this application:

1. The Bush Garden Subdivision sewer treatment plant has been in operation for nearly ten years.
2. No Bush Garden resident has ever made a payment for sewer service.



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3. In early April 2015, a letter was delivered to each Bush Garden resident informing them that sewer service without pay would cease in the future. This letter expressly mentioned two alternative suggestions to the Operator setting a rate with the Public Service Commission. In sum, these two suggestions were for residents to:
 - i. Form a Homeowners Association and take over the plant; OR
 - ii. Install an independent sewer system for each home (which Johnson County Health Department Officials declared feasible)
4. The Operator's separate and independent economic duress prompted this pursuit.
5. Two meetings followed (April 14, 2015 and April 30, 2015) between the Operator and his representative, Aaron R. Davis, and Bush Garden residents. The residents requested additional time and information. The Operator granted these requests.
6. By June 18, 2015, Bush Garden residents reached the unanimous decision for the Operator to set a rate with the Public Service Commission.
7. In July 2015, the Operator approached Paintsville officials about the City taking over the sewer plant. This discussion was impeded by the extensive flooding that occurred in Johnson County on July 11, 2015.
8. The Operator has exhausted all opportunities to avoid setting a rate, including soliciting municipal and private third parties to take the plant over without consideration.
9. In desperation, the Operator created BGE, secured liability insurance for the sewer treatment plant, and transferred the sewer treatment plant to BGE.
 - a. The insurance premium included in this application reflects the only quote that BGE could secure after contacting insurance agents from Knoxville, TN to Seattle, WA.

Additionally, BGE is now suffering, and will continue to suffer, economic duress in that this insurance premium has already been paid and monthly expenditures continue to deplete its initial financial investment. BGE's operations



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may be *materially impaired or damaged by the failure to permit the rates to become effective* and this could quickly lead to BGE's insolvency.

As a result, BGE requests a deviation from the six months review procedure set forth in 807 KAR 5:076. Specifically, BGE requests an expedited review, within 30 days, to prevent this damage. Moreover, since about half the depreciation life has passed, BGE is concerned about future insolvency when the sewer treatment plant will have to be replaced.

Sincerely,

A handwritten signature in black ink, appearing to read "A. R. Davis". The signature is written over a horizontal line.

Aaron R. Davis

Enclosure

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Bush Gardens Enterprises, LLC
(Name of Utility)

1700 US Highway 23 South
(Business Mailing Address - Number and Street, or P.O. Box)

Hagerhill, KY 41222
(Business Mailing Address - City, State, and Zip)

606-789-8800
(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Aaron R. Davis
(Name)

165 Evergreen Lane
(Address - Number and Street or P.O. Box)

Pikeville, KY 41501
(Address - City, State, Zip)

606-432-3641
(Telephone Number)

adavis@thedavisfirmpllc.com
(Email Address)

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of Kentucky, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2014.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 18,682.39 and total revenues from service rates of \$ 18,682.39. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 8 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

- | | YES | NO | N/A |
|--|-------------------------------------|-------------------------------------|--------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 17. Approximately <u>N/A</u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed 
Officer of the Company/Authorized Representative
 Title Attorney
 Date 9/3/15

COMMONWEALTH OF KENTUCKY
 COUNTY OF Pike

Before me appeared Aaron R. Davis, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.


 Notary Public
 My commission expires: 12/5/18

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

Bush Gardens Enterprises, LLC

September 3, 2015

NOTICE of Proposed Rate Adjustment

This is to inform you that Bush Gardens Enterprises, LLC is requesting the Public Service Commission approval of its initial sewer rate, which will produce annual revenues of \$18,862.39. The requested initial sewer rate is as follows:

| | Existing | Proposed | Percentage Increase |
|--------------------------|----------|----------|---------------------|
| Flat Monthly Residential | N/A | \$194.61 | N/A |

The rate contained in this notice is the rate proposed by Bush Gardens Enterprises, LLC; however, the Public Service Commission may order a rate to be charged that differs from the proposed rate contained in this notice.

Any corporation, association, or person with a substantial interest in the matter may submit a written request to intervene to the Public Service Commission at the address shown below. A copy of the application is attached to this notice. Any person may examine the rate application and any other filings at the offices of Public Service Commission.

Bush Gardens Enterprises, LLC
1700 US Highway 23 S
Hagerhill, KY 41222

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Telephone: 606-789-8800

Telephone: 502-564-3940

Persons may also view and download a copy of the rate application through the Public Service Commission's website at <https://psc.ky.gov>

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

Bush Gardens Enterprises, LLC is requesting initial rates for sewer service in Bush Gardens Subdivision in Johnson County, KY. Given that this is a request for initial rates, there are no annual reports for the immediate past year or for the two (2) prior years because it has not been in existence that long. The rates are based on projected expenses and actual expenses for the 2014 calendar year. Copies of all documentation used in the projections are attached to this application. If required, Bush Gardens Enterprises, LLC is requesting a deviation from the annual report requirement. The depreciation schedule is included in the pro forma adjustments.

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

| | Current Rate | Proposed Rate | Difference | |
|-------------------------------|-----------------|------------------|------------|-----|
| | | | \$ | \$ |
| Flat Residential Monthly Rate | N/A | \$194.61 | N/A | N/A |

STATEMENT OF ADJUSTED OPERATIONS - SEWER UTILITY

| Account Titles | Test Period | Projected Adjustments | Ref. | Projected Operations |
|--------------------------------------|-------------|--------------------------|------|-------------------------|
| Operating Revenues | | | | |
| Residential | \$0.00 | \$0.00 | | \$0.00 |
| Operating Expenses | | | | |
| Owner/Manager Fee | \$0.00 | \$3,600.00 | (a) | \$3,600.00 |
| Power | \$0.00 | \$878.84 | (b) | \$878.84 |
| Routine Maint Fee | \$0.00 | \$3,900.00 | (c) | \$3,900.00 |
| Insurance | \$0.00 | \$2,882.00 | (d) | \$2,882.00 |
| Office Supplies | \$0.00 | \$336.00 | (e) | \$336.00 |
| Chemicals | \$0.00 | \$1,272.00 | (f) | \$1,272.00 |
| Sludge Hauling | \$0.00 | \$475.00 | (g) | \$475.00 |
| Regulatory Commission Expense | \$0.00 | \$440.00 | (h) | \$440.00 |
| Maintain Structures and Improvements | \$0.00 | \$1,240.00 | (i) | \$1,240.00 |
| Total Operation and Maint Exp | \$0.00 | \$15,023.84 | | \$15,023.84 |
| Depreciation | \$0.00 | \$1,316.67 | (j) | \$1,316.67 |
| Property Taxes | \$0.00 | \$100.00 | (k) | \$100.00 |
| Total Operating Expenses | \$0.00 | \$16,440.51 | | \$16,440.51 |
| Net Operating Income | \$0.00 | -\$16,440.51 | | -\$16,440.51 |

PRO FORMA ADJUSTMENTS - SEWER UTILITY

| | | | |
|--|-------------|--------------|-------------------|
| a. Owner/Manager Fee: | | | |
| Requested Owner/Manager Fee | | | <u>\$3,600.00</u> |
| b. Power Bill | | | |
| 2/1/2014 | | | \$81.70 |
| 3/1/2014 | | | \$72.58 |
| 4/1/2014 | | | \$75.92 |
| 5/1/2014 | | | \$75.31 |
| 6/1/2014 | | | \$59.62 |
| 7/1/2014 | | | \$74.47 |
| 8/1/2014 | | | \$77.74 |
| 9/1/2014 | | | \$76.13 |
| 10/1/2014 | | | \$71.89 |
| 11/1/2014 | | | \$79.20 |
| 12/1/2014 | | | \$70.61 |
| 1/1/2015 | | | <u>\$63.67</u> |
| | | Total = | <u>\$878.84</u> |
| c. Routine Maintenance | | | |
| Monthly Routine Fee | | | \$325.00 |
| Multiplied by: 12 months | | | <u>12</u> |
| | | | <u>\$3,900.00</u> |
| d. Insurance | | | |
| General Liability | | | <u>\$2,882.00</u> |
| e. Office Expenses | | | |
| Billing Cost per Customer | | | \$3.50 |
| Multiplied by: Number of Customers | | | <u>8</u> |
| Monthly Billing Cost | | | \$28.00 |
| Multiplied by: 12 months | | | <u>12</u> |
| | | | <u>\$336.00</u> |
| f. Chemicals | | | |
| Chlorine and Dechlor | | | <u>\$1,272.00</u> |
| g. Sludge Hauling | | | |
| | | | <u>\$475.00</u> |
| h. Regulatory Commission Expense | | | |
| KY Division of Water Permit, \$2,200/5 years | | | <u>\$440.00</u> |
| i. Maintain Structures and Improvements | | | |
| | | | <u>\$1,240.00</u> |
| j. Depreciation | | | |
| | <u>Cost</u> | <u>Lives</u> | <u>Expense</u> |
| Cost-of-Plant | \$25,000.00 | 20 | \$1,250.00 |
| Fence | \$1,000.00 | 15 | <u>\$66.67</u> |
| Projected Depreciation Expense | | | <u>\$1,316.67</u> |
| k. Property Tax | | | |
| Estimated Property Tax | | | <u>\$100.00</u> |

To: Bush Gardens Enterprises, LLC
1700 US Highway 23 S
Hagerhill, KY 41222

From: Michael Conley

Purpose: To maintain wastewater system at Bush Gardens Subdivision, Sitka, KY and to make necessary reports to the KY Department of Water.

Scope of Work:

1. Routine inspection of treatment plant and adding necessary chemicals
2. Checking and cleaning floats weekly
3. Checking and greasing aerators
4. Respond to odor complaints and take necessary action
5. Take DO and PH readings (or more often if signs of a problem appear)
6. Do all minor reports and coordinate with contractors on any major repairs (i.e.: breaks in line, pump repairs)
7. All materials needed will be approved and paid for by Bush Gardens Enterprises, LLC

Bid amount:
\$325.00 monthly

Michael Conley

ARF FORM 1 - ATTACHMENT RR-OR SEPTEMBER 2011

REVENUE REQUIREMENT CALCULATION - OPERATING RATIO METHOD (This method is commonly used by investor owned utilities as well as non-profit entities that do not have long-term debts outstanding.)

 Revenue Requirement

| | |
|----------------------------|--------------------|
| Operating Expenses | \$16,440.51 |
| Divide by: Operating Ratio | 88% |
| Revenue | <u>\$18,682.39</u> |

 Monthly Residential Rate

| | |
|---|-------------------|
| Revenue Requirement | \$18,682.39 |
| Divided by: 12 Months | 12 |
| Monthly Revenue Requirement | <u>\$1,556.87</u> |
| Divided by: Number of Customers | 8 |
| Monthly Residential Flat Rate (Rounded to Nearest Dollar) | <u>\$194.61</u> |

 Projected Cash Flow

| | |
|---------------------------|-------------------|
| Revenue Requirement | \$18,682.39 |
| Less: Operating Expenses | \$16,440.51 |
| Subtotal | <u>\$2,241.89</u> |
| Add: Depreciation Expense | \$1,316.67 |
| Net Cash Flow | <u>\$3,558.55</u> |

BILLING ANALYSIS - FLAT RATES

Revenue from Present/Proposed Rates

| | <u>Current Rate</u> | <u>Proposed Rate</u> |
|---------------------|---------------------|----------------------|
| Number of Customers | | 8 |
| Flat monthly Rate | | \$194.61 |
| Monthly Revenue | <u>\$0.00</u> | <u>\$1,556.87</u> |
| Number of Months | <u>12</u> | <u>12</u> |
| Annual Revenue | <u>\$0.00</u> | <u>\$18,682.39</u> |

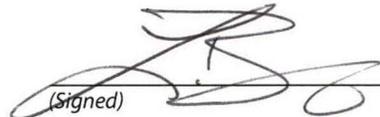
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Bush Gardens Enterprises, LLC ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

| Name of Related Party (Individual or Business) | Type of Service Provided By Related Party | Amount of Compensation |
|---|--|---------------------------|
| Tri-County Concrete, Inc. | Structure Repair/Maintenance and Chemicals | \$2,512.00 |
| | | |
| | | |
| | | |

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Lance Bowling
(Print Name)


(Signed)

Manager
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Pike

Subscribed and sworn to before me by Lance Bowling
(Name)

this 3rd day of September, 2015.


NOTARY PUBLIC
State-at-Large

PSC KY. NO. _____

CANCELLING PSC KY. NO. _____

Bush Gardens Enterprises, LLC

OF

1700 US Highway 23 S

Hagerhill, KY 41222

RATES – CHARGES – RULES - REGULATIONS

FOR FURNISHING

SEWER

AT

Bush Gardens Subdivision, Johnson County, Kentucky

FILED WITH THE

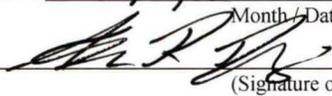
PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE 9/3/15 _____
Month / Date / Year

DATE EFFECTIVE 10/12/15 _____
Month / Date / Year

ISSUED BY  _____
(Signature of Officer)

TITLE Attorney _____

AREA _____

PSC KY NO. _____

_____ SHEET NO. _____

Bush Gardens Enterprises, LLC
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

CONTENTS

- A. Monthly Rates
- B. Deposits
- C. Special Non-recurring Charge Amounts
- D. Connection Inspection Charges
- E. Billing and Collection
- F. Banned Substances
- G. Sewer Lines
- H. Sewer Failure
- I. Protection by Consumer
- J. Notice of Trouble
- K. Customer Request for Termination of Service
- L. Discontinuance of Service by Utility
- M. Special Non-recurring Charge Descriptions
- N. Legal Disclaimers

DATE OF ISSUE 9/3/15
MONTH / DATE / YEAR

DATE EFFECTIVE 10/12/15
MONTH / DATE / YEAR

ISSUED BY 
SIGNATURE OF OFFICER

TITLE Attorney

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

AREA _____

PSC KY NO. _____

_____ SHEET NO. _____

Bush Gardens Enterprises, LLC
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

A. Monthly Rates

All customers. (All customer are residential customers.) \$195.20

B. Deposits

The utility requires a cash deposit to secure payment of bills. The deposit shall not exceed 2/12 of the average annual bill.

Deposit amount(s) shall be as follows: 2/12 of the estimated annual bill

Service will be refused or discontinued if payment of deposit is not made.

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 consumer or credited to the consumer's bill on an annual basis. If interest is paid or credited to the consumer's bill prior to twelve (12) months from the date of deposit or the last interest payment date, the payment or credit shall be on a prorated basis.

Deposits will be refunded to consumers upon termination of service.

DATE OF ISSUE 9/3/15
MONTH / DATE / YEAR

DATE EFFECTIVE 10/12/15
MONTH / DATE / YEAR

ISSUED BY [Signature]
SIGNATURE OF OFFICER

TITLE Attorney

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

AREA _____

PSC KY NO. _____

_____ SHEET NO. _____

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

Bush Gardens Enterprises, LLC
(NAME OF UTILITY)

C. Special Non-recurring Charge Amounts

| | |
|---------------------------|---------|
| Connection Inspection Fee | \$75.00 |
| Late Payment Charge | 10% |

D. Connection Inspection Charges

Normal connections to existing sewer lines shall be made by the prospective customer who applies for and contracts to use service for one (1) year or more. Any such connection made at the property line of a prospective customer shall be classified as a normal connection.

All connections to the sewer line shall be inspected by the Sewer Utility at a charge of \$75.00.

E. Billing and Collection

Billing for sewage service furnished by the sewer system shall be made by the Utility on a monthly basis, and each such bill shall be subject to the schedule for payment imposed by the Utility according to its applicable rules.

Service will be billed on or around the 25th day of each month with payment being due by the 10th of each month. Bills are to be paid at Bush Gardens Enterprises, LLC.

DATE OF ISSUE 9/3/15
MONTH / DATE / YEAR

DATE EFFECTIVE 10/12/15
MONTH / DATE / YEAR

ISSUED BY [Signature]
SIGNATURE OF OFFICER

TITLE Attorney

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

AREA _____

PSC KY NO. _____

_____ SHEET NO. _____

Bush Gardens Enterprises, LLC
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

F. Banned Substances

No substances shall be placed or discharged into the sanitary sewer system which will create a combustible, gaseous, explosive or inflammable condition in such sewer system nor shall any substances or objects be placed or discharged into the sewer system which will not dissolve and which will thus cause an obstruction and clogging within the system. No petroleum products shall be placed or discharged into the sewer system. No storm water or surface water drain shall be connected with the sanitary sewer system nor shall any storm or surface water be otherwise introduced into the sewer system.

G. Sewer Lines

A sewer pipe shall not be laid in the same trench with a water pipe.

If a governmental agency requires an inspection of the customer's plumbing, the Utility shall not connect the customer's service pipe until it has received notice from the inspection agency certifying that the customer's plumbing is satisfactory. When necessary to move or relocate facilities, the cost will be paid by the party or parties requesting such relocation.

Any customers ultimately connected under this arrangement shall be charged according to the utility's current approved rates filed with the Public Service Commission. For purposes of this provision the term "prospective customer" shall mean any person, firm or corporation which expresses an intent to become an ultimate user or customer of the utility at the time of the connection inspection charge.

DATE OF ISSUE 9/3/15
MONTH / DATE / YEAR

DATE EFFECTIVE 10/12/15
MONTH / DATE / YEAR

ISSUED BY [Signature]
SIGNATURE OF OFFICER

TITLE Attorney

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

AREA _____

PSC KY NO. _____

_____ SHEET NO. _____

Bush Gardens Enterprises, LLC
(NAME OF UTILITY)

CANCELLING PSC KY NO. _____

_____ SHEET NO. _____

H. Sewer Failure

The utility is responsible for the maintenance of that portion of the service line installed by the Utility and the customer is responsible for the maintenance of that portion installed by the customer.

I. Protection by Consumer

Consumer shall protect the equipment of the Utility on his premises and shall not interfere with Utility's property or permit interference except by duly authorized representatives of the Utility.

J. Notice of Trouble

The Consumer shall give immediate notice to the Utility of any irregularities or unsatisfactory service and of any known defects.

K. Customer Request for Termination of Service

Customers who have fulfilled their contract terms and wish to discontinue service must give at least three (3) days notice. The notice may be given in writing, in person or via telephone. Notice to discontinue prior to expiration of contract term will not relieve the customer from any minimum or guaranteed payment.

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L. Discontinuance of Service by Utility

The Utility may refuse or discontinue service to an applicant or customer, after proper notice, for failure to comply with its rules and regulations or state and municipal rules and regulations, when a customer or applicant refuses or neglects to provide reasonable access to the premises, for fraudulent or illegal use of service, or for nonpayment of bills. If discontinuance is for nonpayment of bills, the customer shall be given a minimum of five (5) days written notice, separate from the original bill, and cut-off shall be effected not less than twenty (20) days after the mailing date of the original bill unless, prior to discontinuance, a residential customer presents to the Utility a written certificate, signed by a physician, registered nurse, or public health officer, that such discontinuance will aggravate an existing illness or infirmity on the affected premises, in which case discontinuance may not be effected until the affected resident can make other living arrangements or until not less than thirty (30) days elapse from the termination date. When a dangerous condition is found to exist on the customer's or applicant's premises, the service shall be cut off without notice or refused, and the Utility shall notify the customer or applicant immediately in writing and, if possible, orally of the reasons for the termination or refusal.

M. Special Non-recurring Charge Descriptions

1. Connection Inspection Fee

When a consumer requests to tap on to the main sewer line there will be an inspection by an authorized representative of the Utility.

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2. Late Payment Charge

A late payment charge will be assessed on any account not paid by the due date. The penalty may be assessed only once on any bill for rendered services. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

N. 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 or 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 appurtenance or equipment which is a part of the utility's system. Any person violating this provision will be subject to immediate arrest and/or discontinuance of sewer service and shall pay the cost of repairing and/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, or 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.

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