P.S.C. KY. NO. _____

CANCELLING P.S.C. KY. NO. _____

SOUTHERN WATER & SEWER DISTRICT

OF

245 Kentucky Route 680
P.O. Box 610
McDowell, Kentucky 41647

RATES & CHARGES

and

RULES & REGULATIONS

for furnishing

WATER SERVICE

At

SOUTHERN FLOYD COUNTY AND EASTERN KNOTT COUNTY
KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION
OF
KENTUCKY

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE 9-13-02
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CONTENTS

I. RATES AND CHARGES

A. Monthly Rates

B. Deposits

C. Meter Connection/Tap-on Charges

D. Special Non-recurring Charges

E. Purchased Water Rates

F. Wholesale Water Rates

II. RULES AND REGULATIONS

A. Service Information

B. Special Rules or Requirements

C. Billings, Meter Readings, and Related Information

D. Deposits

E. Special Nonrecurring Charges

F. Customer Complaints to the Utility

G. Bill Adjustments

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 2

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CONTENTS

H. Status of Customer Accounts during Billing Disputes
I. Customer's Request for Termination of Service
J. Customer Relations
K. Refusal or Termination of Service
L. Meter Testing
M. Meter Test Records
N. Customer Requested Meter Tests
O. Access to Property
P. Location of Records
Q. Safety Program
R. System Inspections
S. Continuity of Service
T. Service Lines and Connections
U. Ownership of Mains, Services, and Appurtenances
V. Notification of System Problems
W. Legal Disclaimers
X. Fire Departments
Y. Fire Hydrants

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 3

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CONTENTS

Z. Fire Sprinkler Systems

AA. Water Main Extensions

BB. Water Main Extensions for Developers and/or New Service Areas

III. ATTACHMENTS

A. Water User Agreement

B. Easement Agreement

C. Partial Payment Agreement

D. Sample Bill

E. Water Shortage Plan

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY [signature]
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY [signature]
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 4

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 4

RATES & CHARGES

A. MONTHLY RATES:

ALL METERS:

First 2,000 Gallons	$16.50	Minimum Bill
Over 2,000 Gallons	5.60	Per 1,000 Gallons

B. DEPOSITS:

ALL METERS: $45.00

C. METER CONNECTION / TAP-ON CHARGES:

5/8" x 3/4" and 1" Meters	$450.00
All Meters Larger than 1"	Actual Cost

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE October 14, 2005
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2005-00374 DATED October 14, 2005

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
10/14/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By _____
Executive Director

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 5

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

D. SPECIAL NON-RECURRING CHARGES:

Connection/Turn-on Charge	25.00
Connection/Turn-on Charge (After Hours)	35.00*
Late Payment Penalty	10%
Meter Relocation Charge	Actual Cost
Meter Re-read Charge	25.00
Meter Test Charge	30.00
Re-connection Charge	25.00
Re-connection Charge (After Hours)	35.00*
Returned Check Charge	20.00
Service Call/Investigation	25.00
Service Call/Investigation (After Hours)	35.00*

*NOTE—Regular working hours for the utility's Maintenance Staff are 8:00 a.m. to 4:30 p.m. Monday through Friday, excluding holidays. Upon customer request, and subject to availability of maintenance staff, services may be performed outside regular working hours at the after hours rate.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY Hubert Hulbert
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY Thomas M. Dorman
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 6

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

E. PURCHASED WATER RATES:

	Rate
City of Pikeville, Kentucky	$1.69 per 1,000 Gallons

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 7

CANCELLING P.S.C. KY. NO. 1

Original SHEET NO. 7

Southern Water & Sewer District
(Name of Utility)

RATES & CHARGES

F. WHOLESALE WATER RATES:

City of Hindman	$2.40	Per 1,000 Gallons
City of Wheelwright	$2.40	Per 1,000 Gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE October 14, 2005
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE CHAIRMAN

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2005-00374 DATED October 14, 2005

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
10/14/2005
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By _____
Executive Director

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 8

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

The following are the rules and regulations of the Southern Water & Sewer District. 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 anytime, 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.
   b) Rates: A schedule of rates for water service applicable to the service to be rendered to the customer.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY [signature]
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY [signature]
EXECUTIVE DIRECTOR

Southern Water & Sewer District
(Name of Utility)

RULES AND REGULATIONS

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. The utility cannot establish any special rule or requirement without first obtaining the approval of the Public Service Commission.

2. A customer that has complied with Public Service Commission rules and regulations cannot be denied service for failure to comply with the utility's rules that have not been approved by the Public Service Commission.

3. Each prospective customer desiring water service will be required to sign the utility's Water User Agreement before service is supplied by the utility.

4. 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 under one (1) of the following methods:

a) By printing it on the bill.
b) By publishing it in a newspaper of general circulation once each year.

RULES AND REGULATIONS

c) By mailing it to each customer once each year.

d) By providing a place on each bill where a customer may request a copy of the applicable rates. The utility will mail the customer a copy by return first class mail.

2. Bill format. A copy of the utility's billing form is included in the utility's tariff.

3. Meter readings. Registration of each meter shall read in the same units as used for billing unless a conversion factor is shown on the billing form.

4. Frequency of meter reading. Unless prevented by reasons beyond the utility's control, meter readings will be taken every month. Records will be kept by the utility to insure that this information is available to Public Service Commission staff and any customer requesting this information. If, due to reasons beyond its control, the utility is unable to read a meter in accordance with this subsection, the utility will record the date and time the attempt was made, if applicable, and the reason the utility was unable to read the meter.

5. Related Information.

a) Bills and notices related to the utility's business will be mailed to the customer at the address listed on the Water User Agreement unless a change of address has been filed with the utility in writing. The utility will not otherwise be responsible for delivery of any bill or notice nor will the customer be excused from the payment of any bill or any performance required in the notice.

b) Water service will be billed monthly between the 1st and 3rd of each month.

c) Bills are payable and due on the date of issuance.

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 11

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

d) Payment must be received, not postmarked, before the close of business on the twentieth day of the month; otherwise, the delinquent bill will be assessed the late payment penalty approved and on-file with the Public Service Commission.

e) 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.

f) 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.

g) 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 signed the Water User Agreement.

2) The bill will consist of a charge in the amount of the utility's minimum bill multiplied by the number of units the meter serves. 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 customer that signed the Water User Agreement 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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 12

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

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, the deposit will be recalculated, at the customer's request. If the deposit on account differs by more than ten (10) dollars for residential customers, or by more than then (10) percent for nonresidential customers from the recalculated amount, 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.

   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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

RULES AND REGULATIONS

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.

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 14

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

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-ons, seasonal turn-ons, 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) Late Payment Penalty: Will be assessed on the delinquent amount of the bill, less taxes.

   c) 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 cost incurred, including but not limited to appropriate legal, administrative, engineering, overhead, or other related costs.

   d) 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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 15

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

e) 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.

f) Reconnection Charge: Will be assessed to reconnect service that has been terminated for non-payment of service 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.

g) 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.

h) Service Call/Investigation 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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 16

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

F. Customer Complaints to the Utility. Upon complaint to the utility by a customer at the utility's office, by telephone, or in writing, the utility will make a prompt and complete investigation and advise the complainant of its findings. The utility's operator/manager will make a decision within ten (10) days, which the complainant will then have ten (10) days to appeal to the utility's board of commissioners. The customer will receive a final decision from the utility no later than thirty (30) days following the date that the complaint was made. If the complainant is not satisfied with the utility's decision , the utility will provide notice to the complainant of his/her right to appeal the utility's decision by filing a complaint with the Public Service Commission. The utility will also provide the customer with the address and telephone number of the Public Service Commission. The utility will keep a record of all written complaints. This record will show the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition of the complaint. Records will be maintained for two (2) years from the date of resolution of the complaint.

G. 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 under-billed 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).

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY [signature]
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY [signature]
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 17

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

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 date 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 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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY Herbert Hallhead
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY Thomas M. Dorman
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 18

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

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 on your property located at_____(Street and Number) in _____(City) was tested at _____(on premises or elsewhere) and found to register_____ (percent fast or slow). The meter was tested on _____(Periodic, Request, Complaint) test.
> Based upon this we, herewith _____(charge or credit) your account 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.

H. 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 of subsequent bills.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY [signature]
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY [signature]
EXECUTIVE DIRECTOR

Southern Water & Sewer District
(Name of Utility)

RULES AND REGULATIONS

I. Customer's Request for Termination of Service.

1. Any customer desiring service terminated or changed from one address to another shall give the utility (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.

J. 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 may, at its discretion, 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. Customers will be permitted to enter into a partial payment plan only one time within any 12 month period.

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY
EXECUTIVE DIRECTOR

RULES AND REGULATIONS

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 two business days, 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.

K 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.

Southern Water & Sewer District
(Name of Utility)

RULES AND REGULATIONS

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.

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.

i. 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.

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 22

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY Herbert Halbert
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY Thomas M. Dorman
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 23

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

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 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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY Herbert Gilbert
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY Thomas M. Dorman
EXECUTIVE DIRECTOR

Southern Water & Sewer District
(Name of Utility)

RULES AND REGULATIONS

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 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.

DATE OF ISSUE
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 25

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

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 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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

RULES AND REGULATIONS

L. Meter Testing.

1. Water meters will be tested before being installed for use by any customer pursuant to 807 KAR 5:066, Section 16.

2. Certified meter testers will perform tests as necessary to determine the accuracy of the utility's meters and to adjust the utility's meters to the degree of accuracy required by the rules and regulations of the Public Service Commission.

M. Meter Test Records.

1. A complete record of all meter tests, adjustments and data sufficient to allow checking of test calculations will be recorded by the meter tester.

2. The utility will keep properly classified records for each meter owned, used and inventoried by the utility.

N. Customer Requested Meter Tests.

1. The utility will make a test of any meter upon written request of any customer if the request is not made more frequently than once every twelve (12) months. The customer shall be given the opportunity to be present at the requested test. If the test shows that the meter was not more than two (2) percent fast, the utility will make a reasonable charge for the test, the amount being approved by the Public Service Commission and set out in the utility's tariff.

O. 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

RULES AND REGULATIONS

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. The utility will ensure that all necessary easements and right-of-ways necessary to extend service to a new customer have been obtained prior to installation of the service.

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.

4. 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.

P. Location of Records. All records required by Public Service Commission rules and regulations will be kept in the office of the utility and will be made available to representatives, agents or staff of the Public Service Commission upon reasonable notice at all reasonable hours.

Q. Safety Program. The utility will adopt and execute a safety program, appropriate to the size and type of its operations.

R. System Inspections.

1. The utility will adopt inspection procedures to assure safe and adequate operation of its facilities and compliance with Public Service Commission rules and regulations.

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 28

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

S. 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. The utility shall make reasonable efforts to notify affected public agencies and/or service providers of the interruption in service as soon as possible after the interruption occurs.

2. Scheduled interruptions. If the utility finds it necessary to schedule an interruption of its service, it will make a good faith effort to notify all customers to be affected by the interruption, stating the time and anticipated duration of the interruption.

3. Record of interruptions. The utility will keep a complete record of all interruptions on its entire system

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 29

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

T. 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. The utility's standard tap-on charge is based on a maximum distance of fifty (50) feet from the main line to the new meter location. Prior to installation of the meter, the utility will consult with the customer as to the most practical location.

3. Depth of service line. All service lines must be laid at a sufficient depth 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, 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.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 30

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

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. All service lines on the customer's side of the meter must consist of copper, PE, or PVC pipe with a rating of no less than 160 psi, and should not be less than ¾ inches.

9. The utility will not set a meter on a customer's service line at a point that does not deliver 30 psi at the meter.

10. 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.

11. 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 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.

12. Piping on the premises of the applicantl/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.

13. The utility may require the applicant/customer may at his/her own expense, to install a backflow preventor and/or pressure regulator.

14. All meters will be installed, renewed, and maintained at the expense of the utility, and the utility reserves the right to approve the size and type of meter used.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

RULES AND REGULATIONS

15. All taps and connections to the mains of the utility must be made by and/or under the direction and supervision of utility personnel and will incur a meter connection/tap-on charge. Payment of this fee is for the privilege of connecting to the water system and the payment of the fee does not constitute the purchase of a water meter.

16. Should an applicant requesting a 5/8" X ¾" or 1" meter require service on the opposite side of the road from the water main and a service line 50' or less in length, the utility will provide the service at no extra charge to the customer other than the standard tap-on charge. All larger size meters will be charged the actual cost of installing the meter including, when applicable, the additional costs for crossing the road.

17. 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.

U. 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 including all appurtenances (meter base, setter, meter, etc.) 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.

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 32

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

V. 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.

W. 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 of wrongful action of a customer or members of his or her household, his/her agent or employees, the cost of necessary repairs or replacements shall be paid the 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 _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY _____
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 33

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Southern Water & Sewer District
(Name of Utility)

RULES AND REGULATIONS

X. Fire Departments:
Upon request, the utility may grant free use of water to fire departments for the purpose of fighting fires within the utility's service area or for training purposes. Fire departments may not withdraw water from the utility's system for any other purpose without the express permission of the utility. Any fire department withdrawing water from the utility's system for fighting fires or for training shall provide an estimate to the utility in writing of its withdrawals at the end of each month.

Y. Fire Hydrants:

1. The only authorized users of fire hydrants within the utility's service area are the utility and fire departments. No other individual or organization, public or private, is authorized to withdraw water from a fire hydrant without the express permission of the utility. Fire departments shall be responsible for any damage to the fire hydrant and/or appurtenances caused by their negligence or failure to observe this policy.

2. The location, installation, and 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.

Z. Fire Sprinkler Systems: Unless specifically exempted within the utility's approved tariff, all connections to the utility's system must be metered, with the exception of fire sprinkler systems, subject to the utility's inspection and approval.

AA. Water Main Extensions: Water main extensions shall be made in accordance with the provisions of 807 KAR 5:066, Section 11.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY [signature]
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY [signature]
EXECUTIVE DIRECTOR

FOR Southern Floyd County, KY
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 34

Southern Water & Sewer District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RULES AND REGULATIONS

BB. Water Main Extensions for Developers and/or New Service Areas:

1. Nothing contained herein shall be construed to prohibit the utility from contracting to make extensions under different arrangements if such arrangements have required approval of the Public Service Commission.
2. The utility may, upon Public Service Commission approval, contract privately with owners and/or developers of subdivisions for the installation of water service for the subject subdivision and/or new service area. The owners/developers, pursuant to these contracts, extend mains and install water service at their expense. The utility would not accept nor receive and contribution, cost reimbursement, or deposit from any customer in this circumstance and as contemplated by 807 KAR 5:066 Section 11 (2)(b) (1) or (2) or (3) would not apply to the utility with regard to newly developed subdivisions.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE 9-13-02
Month/Date/Year

ISSUED BY [signature]
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2002-00287 DATED 9-13-02

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 13 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY [signature]
EXECUTIVE DIRECTOR