

amount of water furnished will correspond with the period immediately prior to the failure, unless both Districts shall agree upon a different amount.

4. Billing Procedures. The meter shall be read between the 1st and 5th of each month, by a representative of the District furnishing water to the other, and if a representative of the receiving District wishes to be present at the time the meter is read, it shall let the other District know by the 30th of each month. The District furnishing water shall provide the other an itemized statement of the amount of water bought or sold during the preceding month.

5. Rates and Payment Date. The Jonathan Creek Water District agrees to pay no later than the 5th day of the following month, for water delivered in accordance with this agreement, \$ 1.92 for each 1000 gallons of water furnished or as adjusted periodically in any general rate increases approved by the Public Service Commission. There shall be no minimum rate per month when water is not being used.

North Marshall Water District agrees to pay no later than the 5th day of the following month for water delivered to it in accordance with this agreement, \$ 4.85 for each 1000 gallons of water furnished or as adjusted periodically in any general rate increase approved by the Public Service Commission.

see attached letter from North Marshall Dated 12-17-02

B. IT IS FURTHER MUTUALLY AGREED BETWEEN BOTH DISTRICTS AS FOLLOWS:

1. Term of Contract. That this contract shall extend for a term of five (5) years from the date of the signing of this contract, thereafter may be renewed or extended for such term or terms, as may be agreed upon by both Districts.

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2. Connection Charge. There shall be no connection charge to

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Jonathan Creek Water District for connecting its water system to the North Marshall Water District.

3. Modification of Contract. The provision of this contract pertaining to the schedule of rates to be paid by either District for water delivered are subject to modification at the end of every one (1) year period. Any increase or decrease in rates shall be approved by the Public Service Commission, and shall be based on the increase or decrease in the cost of performance hereunder, but such cost shall not include capitalization of either system. All other provisions of this contract may be modified or altered by mutual agreement.

4. Termination Provision. Each District reserves the exclusive right to terminate this contract for just cause upon giving written notice of 90 days in advance of the date of termination. Notice of termination shall be in writing sent to the Chairman of the Water District.

5. Regulatory Agencies. This contract is subject to all rules, regulations and laws as may be applicable to similar agreements in its State.

6. Miscellaneous. The construction of the alternate water supply for distribution by the Jonathan Creek Water district is being financed by a loan made or pursuant to a directive of the Division of Water Quality and the Public Service Commission, and the provisions hereof pertaining to the undertakings of the Jonathan Creek Water District are conditioned upon the approval of the Division of Water Quality and the Public Service Commission.

7. Pledge of Contract. It is understood and agreed that this contract

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11-12-87

[Handwritten signature]

may be pledged by the Jonathan Creek Water District as a portion of its security for the loan being made by the Kentucky Infrastructure Authority for the construction of additions to its water distribution system.

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in three counterparts, each of which shall constitute an original.

NORTH MARSHALL WATER DISTRICT

BY: B.W. Darnell
B.W. DARNELL, CHAIRMAN

ATTEST:

Bobby Sirls
BOBBY SIRLS, MANAGER

JONATHAN CREEK WATER DISTRICT

BY: Leon Lovett
LEON LOVETT, CHAIRMAN

ATTEST:

Matthew York
MATTHEW YORK, MANAGER

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EFFECTIVE

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REGISTRAR OF PUBLIC UTILITIES
RECORDED

AS ATTEST:
12/5/07