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P.S.C.
RATES & RESEARCH DIV.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

PUBLIC SERVICE
COMMISSION

BY: Jordan C. Neal
FOR THE PUBLIC SERVICE COMMISSION

A G R E E M E N T

THIS AGREEMENT made and entered into on this the 31 day of July 1979, by and between the ELECTRIC AND WATER PLANT BOARD OF THE CITY OF FRANKFORT, KENTUCKY, a governmental agency of the City of Frankfort, Kentucky, having the powers granted by Section 96.171 et. seq., Kentucky Revised Statutes, hereinafter referred to as "Board", and the NORTH SHELBY WATER COMPANY, a non-profit corporation created and existing under the Laws of the State of Kentucky, hereinafter referred to as "Company";

WITNESSETH: That the parties hereto, in consideration of the mutual duties and obligations herein created, have, and do agree as follows:

1. The Board will make available to the Company water in only such quantity and at such pressure as it may have in its main at the service connection at the time of use but not to exceed more than 300 gallons per minute or ten million gallons per month, with, however, pumping from the main, if done by the Company, done at regular pumping periods to be designated by the Board.

2. The Board under this agreement is obligated to make water available only to the facilities of the Company.

3. The Board in agreeing to furnish water to the Company is acting on a friendly and neighborly basis and in an effort to assist the residents of the Company to have water service, and agrees to release the Company from this contract at any time the Company desires on Sixty (60) days written notice to the Board.

4. The Board under this agreement has, and assumes no obligation whatever to furnish satisfactory quantity or pressure for any particular service such as irrigation, fire protection, industrial or commercial use.

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BY: Jordan C. Neel
FOR THE PUBLIC SERVICE COMMISSION

5. The Company shall at all times pay the rates and charges for water as exist at the time of delivery under the then existing published rates, rules and regulations of the Board.

6. The water will be furnished the Company through a meter or meters of the size and type specified by the Board, which shall be furnished and maintained by the Company and located at such point or points as the Board shall designate on its main, which said meter or meters the Board shall have the right to inspect and test at any and all times. In the event any meter test, whether initiated by the Board or by the Company, discloses any substantial error compensation payable for water delivered shall be adjusted so as to compensate for the error.

7. The obligation of the Board to supply water hereunder is further limited by the understanding that the Board shall only be required to use reasonable care and diligence in the operation and maintenance of its existing system to prevent and avoid interruptions and fluctuations in the supply, and that it cannot and does not guarantee that such interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects or necessary repairs to its facilities, or the normal demand on its system, or fires, strikes, acts of God or other causes there may not be periods during which the supply may be curtailed or interrupted. (Continues on next page.)

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BY: Jordan C. Paul
FOR THE PUBLIC SERVICE COMMISSION

8. The present published Rates, Rules and Regulations of the Board relating to water service are attached hereto and made a part hereof.

9. It is further mutually agreed and understood by and between the parties hereto that this contract is to run for a period of 20 years from the date of initial delivery of water hereunder, with an option to renew for an additional period of 20 years.

10. Service shall begin as of the date of the completion and placing in service of the Company's water distribution system.

11. Any successor of the Board or the Company, whether the result of legal process, assignment or otherwise, shall succeed to the rights of the Board or Company hereunder.

IN TESTIMONY WHEREOF, the parties hereto have caused this agreement to be executed by its duly authorized officers, on this the day and year first above written.

ATTEST:

Secretary

ATTEST:

William J. Tingle
Secretary

ELECTRIC AND WATER PLANT BOARD OF
THE CITY OF FRANKFORT, KENTUCKY

BY: [Signature]
Chairman

NORTH SHELBY WATER COMPANY

BY: J. W. Miles
President

FMHA Concurs: 7-31-79
Robert W. Letton
COMMUNITY PROGRAMS SPECIALIST

