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PUBLIC SERVICE COMMISSION

EXTENSION APPLICATION
FOR
NORTH SHELBY WATER COMPANY

APPLICANT(S): Tom Monarch and Shelby Fiscal Court

(Address) (Phone No.)

NOTE: All Applicants must sign

AREA TO BE SERVED: Rattletrap Road

SERVICE APPLIED FOR: Distribution Line Extension X
Distribution Flush Hydrant _____
Distribution Upgrading _____
Distribution Relocation _____
Other (describe) _____

ESTIMATES: Estimated Water Line Size 6-inch
Estimated Project Cost \$16,425.25
Estimated Footage 850
Other (describe) _____

EXHIBITS: Map or plat showing streets,
lots, buildings, proposed
service route, and easements,
a copy of which is attached
hereto and made a part hereof,
and marked "Exhibit A" for
identification See Preliminary Estimate
attached hereto
Other (describe) _____

CONSTRUCTION COMMENTS: Shelby Fiscal Court and Tom Monarch will contribute \$8,000.00 towards the project, and North Shelby Water Company will contribute the entire remaining cost. This contract replaces the previous contract dated September 5, 2000 between Monarch and North Shelby filed with the Public Service Commission on October 27, 2000.

AGREEMENT:

1. Applicant(s) applies for a water line extension upon the terms and conditions set forth in this contract. All Applicants who are married or are otherwise living within the same dwelling unit shall normally be considered one Applicant for rebate purposes.

2. Applicant(s) agrees to obtain and provide, without cost to the Company, all properly signed recordable easements required by the Company for the installation and maintenance of the Company's water transmission or distribution lines, existing and future. If Applicant(s) cannot obtain easements on property other than Applicant's, the Company will obtain those easements at Applicant's cost, which is not included in the estimate.

3. The water facilities constructed hereunder shall at all times be owned and maintained by the Company. The Company shall have the right to extend the facilities without compensation to Applicant(s) or the consent of Applicant(s). The Company shall have the right to make service connections thereto without the consent of Applicant(s), and subject to the Company's construction rebate agreement as hereinafter provided.

4. Upon approval by the Company's engineer, manager, and board of directors, the manager and engineer will design and make a cost estimate of the project. Applicant(s) will, prior to construction, make a \$16,000.00 deposit to the Company's escrow construction account. To the extent the actual construction cost exceeds \$16,000,

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PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY: Stephan D Bell
SECRETARY OF THE COMMISSION

the Company will promptly pay the difference. If the actual construction cost is less than \$16,000, the Company will refund to Tom Monarch any overpayment plus interest at the rate of 6% per annum on the amount of the excess deposit for the period beginning 90 days after completion of all construction, installation and servicing work in connection with the project and ending with the date of payment of refund.

5. Applicant(s) acknowledges that the project cost will include the Company's reasonable supervision, engineering, legal and accounting charges attributable to this project

6. All projects having estimated construction costs exceeding \$25,000.00 shall be bid unless waived by the Applicant. All smaller projects, and all projects where bidding is waived by the Applicant, will be constructed by the Company or the Company's contractor. All contractors will sign the Company's standard construction contract.

The Applicant(s): _____ Waives the right to have this project bid even though the estimated cost exceeds \$25,000.00.

7. Applicant(s) grants Company a perpetual easement over Applicant's land to survey, plan, install, construct, maintain, repair, and remove existing and future water pipelines, appurtenant facilities, and meters, the right to read those meters, and the right of ingress and egress for these purposes over Applicant's property.

8. All construction, labor and materials must be in accordance with the Company's specifications. A payment and performance bond will be required.

9. The facilities will be constructed in accordance with "Exhibit A." If there is no "Exhibit A" to this contract, the extension will be constructed within the Company's easements upon Applicant's property. Under no circumstances will construction begin on Applicant's property until Applicant(s) has granted Company all necessary and proper recorded easements.

10. The Company agrees that it will perform its obligations under this contract with reasonable diligence, and that construction will begin as soon as reasonably possible. In the event that the construction called for by this contract cannot begin within 6 months from the date of this contract, then either the Company or all of the Applicant(s) may terminate this agreement by written notice to the other at which time the Company will refund the deposit less any cost incurred.

11. This agreement shall be valid and binding on the Company only when executed by its President. Any deposit made with this application prior to such signature shall not be construed as an acceptance hereof.

✓ 12. The Company shall determine the total cost of the water main extension (exclusive of the tap on fee and the Fiscal Court contribution). \$8,000 of this construction cost shall be contributed by Tom Monarch. The Company will contribute all cost exceeding \$16,000. Shelby Fiscal Court does not desire service on the main extension. In consideration of this contribution by the Company, the assumption of the risk of all cost overruns by the Company, and the waiver by the Company of its right to participate in the rebate plan, Applicant(s) waive all 50-foot rule contributions otherwise required by 807 KAR 5:066, Section 11(3).

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For a period of ten years after the project has been completed and placed in service, each additional customer directly connected to that portion of the water main constructed under this agreement (but not including any future main extensions or customer connections thereto) will be required to contribute to the \$8,000 cost of Monarch's contribution to that extension based upon a recomputation of each individual customer's contribution as set out above. The Company must refund to those customers that have previously contributed to the cost of each main extension (but not including Shelby Fiscal Court) that amount necessary to reduce their

contribution to the currently calculated amount for each customer connected to that extension, provided, however, that the total amount returned shall not exceed the original construction cost, without interest. Except as provided above, all customers directly connected to each main extension for a ten year period after it is placed in service are to contribute equally to the cost of the construction of the water main extension. In addition, each customer must pay the approved tap on fee applicable at the time of their application for the meter connection, which is not refundable and may be changed during the refund period. After the ten year refund period expires, any additional customer applying for service on this project main must be connected for the amount of the approved tap on fee only, and all or any part of the construction cost not refunded within said ten year period shall become the property of the Company. All refunds shall be made on an annual basis and without interest.

13. If any Applicant's account becomes delinquent, that Applicant agrees to pay the Company's attorney fees and costs incurred in collecting that account. Any delinquent account will accrue Twelve Percent (12%) interest. Venue for any action filed on this contract shall be in Shelby County, Kentucky.

14. Any notice given hereunder shall be deemed sufficient if in writing and sent by certified mail to Company at P.O. Box 97, Bagdad, Kentucky 40003, and to each Applicant at that Applicant's most recent billing address or, if none, then that Applicant's address as shown on this application.

15. The terms of this special extension agreement shall prevail over any of the Company's rules and regulations.

16. By signature hereon, Applicant(s) acknowledges that he/she has read the foregoing, received a copy thereof, agrees to be bound by same, and acknowledges that this is the entire agreement between the parties and that there are no oral agreements between the parties.

Date: 1-9-2001

SHELBY FISCAL COURT

By: Bobby Stratton
 Bobby Stratton, Shelby County
 Judge/Executive
Tom Monarch
 Tom Monarch

Date: 1-9-2001

NORTH SHELBY WATER COMPANY

By: Duncan LeCompte
 Duncan LeCompte, President

* * *

PUBLIC SERVICE COMMISSION FOR Company USE ONLY:
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PURSUANT TO 807 KAR 50:11,
 SECTION 9(1)

BY: Stephan D. Bell

SECRETARY OF THE COMMISSION
Path: \\s1\att\ltrap\extension.frm
 Form 8/9/00

| | |
|--|--------------------|
| Received this ____ day of _____, 200__ | |
| from Applicant(s) for Escrow Construction: | \$ _____ |
| Completed Cost of Project | \$ _____ |
| Balance due from (to) Applicant(s) | \$ _____ |
| Completed Footage of Project | _____ |
| Company Contribution (if any) | _____ |
| Shelby Fiscal Court Contribution (if any) | \$ <u>8,000.00</u> |

PRELIMINARY ESTIMATE

Quantities are from field measurements made by Russ Rose.

Location: Rattletrap

Project No: 00-00

Client Name: Tom Monarch

Date Prepared: December 11, 2000

Client Address: _____

Client Phone: _____

Client Fax: _____

Water Utility: North Shelby Water Company

Utility Phone: 502-747-8942

Utility Address: P.O. Box 97
Bagdad, KY 40003

Utility Fax: _____

Special Problems: _____

Number Of Tap-ons: 1

| ITEM NO. | SIZE | ITEM | AMOUNT | UNIT | UNIT PRICE | TOTAL PRICE |
|----------|--------|------------------------|--------|------|------------|-------------|
| 1 | 6-inch | PVC Pipe | 850 | L.F. | \$6.85 | \$5,822.50 |
| 2 | 6-inch | Gate Valve and Box | 2 | EACH | \$600.00 | \$1,200.00 |
| 3 | 3-inch | Blowoff Valve and Box | 1 | EACH | \$800.00 | \$800.00 |
| 4 | | Class C Concrete | 5 | C.Y. | \$125.00 | \$625.00 |
| 5 | | Crushed Stone | 25 | TONS | \$10.00 | \$250.00 |
| 6 | | Site Videotaping | 1 | L.S. | \$200.00 | \$200.00 |
| 7 | | Culvert Pipe Installed | 20 | L.F. | \$130.00 | \$2,600.00 |
| 8 | | PVC Sleeve | 40 | L.F. | \$12.00 | \$480.00 |
| 9 | | Contingency, 10% | 1 | L.S. | \$1,197.75 | \$1,197.75 |
| | | | | | | \$0.00 |
| | | | | | | \$0.00 |
| | | | | | | \$0.00 |
| | | | | | | \$0.00 |
| | | | | | | \$0.00 |

TOTAL CONSTRUCTION: \$13,175.25

DIVISION OF WATER PROCESSING FEE: \$150.00

ENGINEERING: \$1,500.00

INSPECTION: \$1,000.00

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LEGAL \$100 PER EASEMENT +2%: \$600.00

TOTAL NON-CONSTRUCTION: \$3,250.00

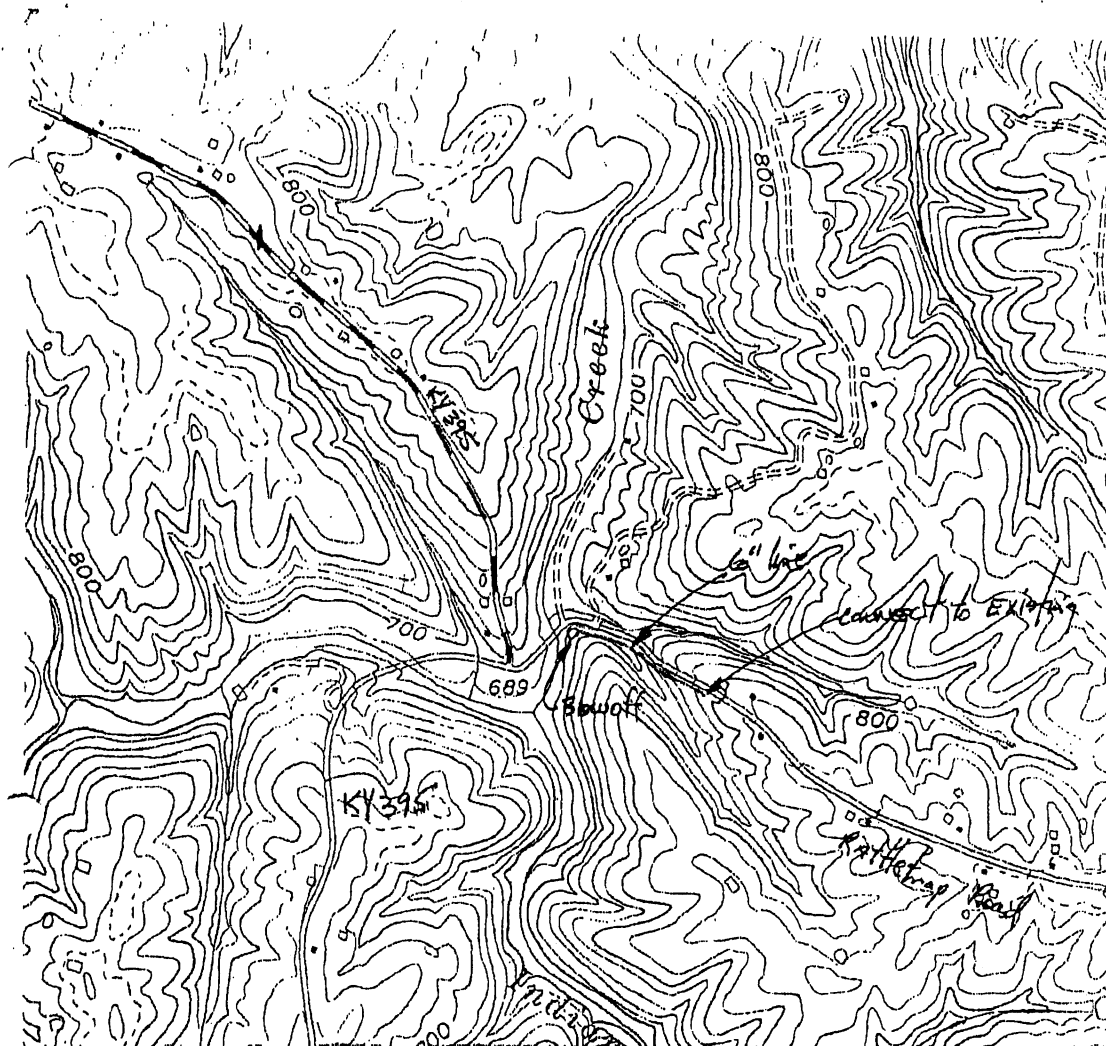
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BY: Stephan Bee

SECRETARY OF THE COMMISSION

TOTAL PROJECT: \$16,425.25



PRELIMINARY ESTIMATE

Field Measurements by Russ Rose

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Location: Rattletrap Road @ KY 395

Project No:

Client Name: Tom Monarch
Client Address:

Date Prepared: March 9, 2000
Client Phone: BY Stephan Bell
Client Fax:

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SECTION 9(1)
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Water Utility: North Shelby Water Company
Utility Address: P.O. Box 97
Bagdad, KY 40003

Utility Phone: 502-747-8942
Utility Fax: 502-747-6048

Special Problems: Creek Crossing/Lots of Rock

Number Of Tap-ons: 1