POWELL'S VALLEY WATER DISTRICT

P.S.C. KY. NO. 1

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

POWELL'S VALLEY WATER DISTRICT

OF

P.O. BOX 550

CLAY CITY, KENTUCKY, 40312

RATES & CHARGES

AND

RULES & REGULATIONS

FOR FURNISHING

WATER SERVICE

AT

CLAY CITY, RURAL POWELL AND ESTILL COUNTIES
KENTUCKY

FILED WITH THE

PUBLIC SERVICE COMMISSION

OF

KENTUCKY

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY _____
(Signature of Officer)

TITLE Chairman

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 14 2003

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

BY _____
EXECUTIVE DIRECTOR

FOR Clay City, Rural Powell and Estill Counties in Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 1

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 14 2003

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

FOR Clay City, Rural Powell and Estill Counties in Kentucky
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P.S.C. KY. NO. 1

Original SHEET NO. 2

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

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Powell's Valley Water District
(Name of Utility)

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Original SHEET NO. 3

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

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P.S.C. KY. NO. 1

Original SHEET NO. 4

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

RATES AND CHARGES

A. MONTHLY RATES:

First	2,000	Gallons	$14.75	Minimum Bill
Next	2,000	Gallons	6.71	Per 1,000 Gallons
Next	2,000	Gallons	5.96	Per 1,000 Gallons
Over	6,000	Gallons	5.52	per 1,000 Gallons

DATE OF ISSUE
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DATE EFFECTIVE February 6, 2004
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(Signature of Officer)

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BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00009 DATED 2-6-04

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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FEB 06 2004

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

FOR Clay City, Rural Powell and Estill Counties in Kentucky
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P.S.C. KY. NO. 1

Original SHEET NO. 5

Powell's Valley Water District
(Name of Utility)

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

_____ SHEET NO. _____

RATES AND CHARGES

B. DEPOSITS:

5/8" x 3/4" Meter	$60.00
3/4" Meter	$60.00
1" Meter	$60.00
1 1/2" Meter	$100.00
2" Meter	$150.00

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PUBLIC SERVICE COMMISSION
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FEB 06 2004

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FOR Clay City, Rural Powell and Estill Counties in Kentucky
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P.S.C. KY. NO. 1

Original SHEET NO. 8

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

RATES AND CHARGES

E. PURCHASED WATER RATES:

	Rate
Beech Fork Water Commission	$2.15 per 1,000 Gallons

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FOR Clay City, Rural Powell and Estill Counties in Kentucky
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P.S.C. KY. NO. 1

Original SHEET NO. 9

Powell's Valley Water District
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CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

F. LEAK ADJUSTMENT RATE: $2.15 per 1,000 Gallons

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P.S.C. KY. NO. 1

Original SHEET NO. 10

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

RULES AND REGULATIONS

The following are the rules and regulations of the Powell's Valley Water 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 any time, 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.

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EXECUTIVE DIRECTOR

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 Service Contract before service is supplied by the utility, and show proper picture identification.
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.

RULES AND REGULATIONS

b) By publishing it in a newspaper of general circulation once each year.

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 will be 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 Service Contract 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.

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d) Payment must be received, not postmarked, before the close of business on the fifteenth 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 Service Contract.

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 Service Contract will be fully and solely responsible for the charges associated with the connection including payment

RULES AND REGULATIONS

for all water passing through the meter, regardless of which unit is responsible for the water consumption

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, it will notify customers in writing that, at the customer's request; the deposit will be recalculated every eighteen- (18) months based on actual usage of the customer. The notice of deposit recalculation will be included either on the customer's application for service or on the receipt of deposit, or may be included annually with or on customer bills. The notice of deposit recalculation will state that if the deposit on account differs by more than ten (10) dollars for residential customers, or by more than ten (10) percent for nonresidential customers, from the deposit calculated on actual usage, 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:

RULES AND REGULATIONS

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.

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

RULES AND REGULATIONS

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.

permit has been obtained and the State Plumbing Inspector will inspect the service line.

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 written 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 underbilled 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).

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 data 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

RULES AND REGULATIONS

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.

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 _____, 19___, the meter bearing identification No. ____ installed in your building 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) 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.

FOR Clay City, Rural Powell and Estill Counties in Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 22

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

RULES AND REGULATIONS

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 on subsequent bills.

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ISSUED BY
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
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PUBLIC SERVICE COMMISSION
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FOR Clay City, Rural Powell and Estill Counties in Kentucky
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P.S.C. KY. NO. 1

Original SHEET NO. 23

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

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 three (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 shall 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.

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EXECUTIVE DIRECTOR

RULES AND REGULATIONS

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 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 twenty-four (24) hours, and will install and connect new service within seventy-two (72) hours, 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.

5. Advance termination notice. When advance termination notice is required, the termination notice will be mailed or otherwise delivered to the last known address of the customer. The termination notice will be in writing, distinguishable and separate from any bill. The termination notice will 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.

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.

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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.

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.

2. 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

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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.

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

RULES AND REGULATIONS

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.

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

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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.

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.

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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.

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.

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L. Meter Testing.

1. Water meters will be tested before being installed for use by any customer. The water meter will be in good working order and adjusted as close to the optimum operating tolerance as possible, in accordance with 807 KAR 5:022, Section 8(3)(a), 807 KAR 5:041, Section 17(1)(a)-(c) and 807 KAR 5:066, Section 15(2)(a)-(b).
2. The utility may have all or part of its meter testing performed by another utility or agency approved by the Public Service Commission. The utility will notify the Public Service Commission of the make, type, and serial number of standards used for testing.
3. The utility cannot place in service any basic measurement standard unless the Public Service Commission has approved the calibration. The Public Service Commission will be notified promptly of the adoption or deletion of any basic standards requiring approval of the calibration.
4. Meter testers must be certified by the Public Service Commission. 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 and adjustments and data sufficient to allow checking of test calculations will be recorded by the meter tester. Such record will include: information to identify the unit and its location; date of tests; reason for such tests; readings before and after test; statement of "as found" and "as left" accuracies sufficiently complete to permit checking of calculations employed; notations showing that all required checks have been made; statement of repairs made, if any; identifying number of the meter; type and capacity of the

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meter; and the meter constant. The complete record of tests of each meter will be continuous for at least two (2) periodic test periods and will in no case be less than two (2) years.

2. The utility will keep numerically arranged and properly classified records for each meter owned, used and inventoried by the utility. The identification number, date of purchase, name of manufacturer, serial number, type, rating, and name and address of each customer on whose premises the meter has been in service with date of installation and removal will be included in the records. These records will also contain condensed information concerning all tests and adjustments including dates and general results of such adjustments. The records will reflect the date of the last test and indicate the proper date for the next periodic test required by the applicable Public Service Commission rule and/or regulation.

3. Upon completion of adjustment and test of any meter pursuant to Public Service Commission rules and regulations, the utility will affix to the meter a suitable seal in such a manner that adjustments or registration of the meter cannot be altered without breaking the seal.

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.

2. After having first obtained a test from the utility, any customer of the utility may request a meter test by the Public Service Commission upon written application. Such request shall not be made more frequently on one (1) meter than once every twelve- (12) months.

O. Access to Property.

RULES AND REGULATIONS

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 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. Obtaining easements and right-of-ways necessary to extend service will be the responsibility of the utility.
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 utility cannot require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service. However, 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. At a minimum, the safety program will:

1. Establish a safety manual with written guidelines for safe working practices and procedures to be followed by utility employees.

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2. Instruct employees in safe methods of performing their work.
3. Instruct employees who, in the course of their work, are subject to the hazard of electrical shock, asphyxiation or drowning, in accepted methods of artificial respiration.

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. These procedures will be filed with the Public Service Commission for review.
2. Upon receipt of a report of a potentially hazardous condition at any utility facility made by a qualified employee, public official, or customer, the utility will inspect all portions of the system which are the subjects of the report.
3. Appropriate records will be kept by the utility to identify the inspection made, deficiencies found and action taken to correct the deficiencies.
4. Inspections. The utility will make systematic inspections of its system in the manner set out below to insure that the Public Service Commission's safety requirements are being met. These inspections will be made as often as necessary but not less frequently than is set forth below for various classes of facilities and types of inspection.
   a) The utility will annually inspect all structures pertaining to source of supply for their safety and physical and structural integrity, including dams, intakes, and traveling screens. The utility will semiannually inspect supply wells, their motors and structures, including electric power wiring and controls for proper and safe operation.
   b) The utility will annually inspect all structures pertaining to purification for their safety, physical and structural integrity and for leaks, including sedimentation basins, filters, and clear wells; chemical feed equipment; pumping equipment and water

storage facilities, including electric power wiring and controls; hydrants, mains, and valves.

c) The utility will monthly inspect construction equipment and vehicles for defects, wear, operational hazards, lubrication, and safety features.

S. Reporting of Accidents, Property Damage, or Loss of Service.

1. Within two (2) hours following discovery the utility will notify the Public Service Commission by telephone or electronic mail of any utility related accident which results in:

   a) Death; or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization;

   b) Actual or potential property damage of $25,000 or more; or

   c) Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less.

2. A summary written report will be submitted by the utility to the Public Service Commission within seven (7) calendar days of the utility related accident.

T. 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. If an emergency interruption of service affects service to any public fire protection device, the utility will immediately notify the fire chief or other public official responsible for fire protection.

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2. Scheduled interruptions. If the utility finds it necessary to schedule an interruption of its service, it will notify all customers to be affected by the interruption, stating the time and anticipated duration of the interruption. Whenever possible, scheduled interruptions will be made at hours of least inconvenience to customers. If public fire protection is provided by mains affected by the interruptions, the utility will notify the fire chief or other officials responsible for fire protection of the interruption, stating the time and anticipated duration. The fire chief or other official responsible for fire protection will be notified immediately upon restoration of service.

3. Record of interruptions. The utility will keep a complete record of all interruptions on its entire system. This record will show the cause of interruption, date, time, duration, remedy and steps taken to prevent recurrence.

U. Pressures.

1. Standard pressure. The utility will maintain a standard pressure in its distribution system at locations to be designated as the point or points of "standard pressure." The selection of such points will be confined to locations fairly representative of average conditions. In selecting points for fixed standard pressure, the utility may divide its distribution system into districts if division is necessary due to differences of elevation or loss of pressure because of friction, or both, and may either adopt a standard pressure for each division or establish a single standard pressure for its distribution system as a whole. In no case will the constant difference between the highest and lowest pressures in a district for which a standard has been adopted exceed fifty (50) percent of such standard. The utility may, in extenuating circumstances, furnish service that does not comply with the foregoing specifications if the customer is fully advised of the conditions under which average service may be expected. The Public Service Commission, upon investigation, may require improvements when it appears right and proper that such upgrades should be made. In no event, however, will the

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pressure at the customer's service pipe under normal conditions fall below thirty- (30) psig nor will the static pressure exceed 150 psig.

2. Pressure surveys. At least once a year the utility will make a survey of pressures in its distribution system of sufficient magnitude to indicate the quality of service being rendered at representative points in its system. Pressure charts for these surveys will show the date and time of beginning and end of the test and the location at which the test was made. Records of these pressure surveys will be maintained at the utility's office and will be made available to the Public Service Commission upon request.

V. 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. 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 (a minimum of 24 inches) 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.

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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 and one-way check 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.
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. A well that has or is being used on the premises must be inspected by utility personnel to verify disconnection and separation.
9. All service lines on the customer's side of the meter must consist of copper or PVC pipe with a rating of no less than 200 psi, and should not be less than 3/4 inches.
10. Absolutely no galvanized pipe or fittings can be used in the installation.
11. The utility will not set a meter on a customer's service line at a point that does not deliver 30 psig at the meter.
12. 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.
13. 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

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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.

14. Piping on the premises of the applicant/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.
15. The utility may require the applicant/customer may, at his/her own expense, to install a back-flow preventor and/or pressure regulator.
16. 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.
17. All taps and connections to the mains of the utility must be made
18. Utility personnel and will incur a meter connection/tap-on charge, an amount that has been approved by the Public Service Commission for such service. 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.
19. Should an applicant requesting a 5/8" x 3/4" meter require service on the opposite side of the road from the water main, the utility will provide the service at no additional cost to the customer other than the standard meter connection/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.
20. 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.

Powell's Valley Water District
(Name of Utility)

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W. Leak Adjustments. A customer may make a request for a bill adjustment in the event of a leak under the following conditions:

1. The customer must request a leak adjustment in writing to the utility.
2. The customer's bill will be based on two components. The first step will be to calculate the customer's average monthly usage over a twelve-month period. The second step will be to deduct the customers average monthly usage (as calculated in the above) from the total amount of water that passed through the meter. The usage calculated in step one will be billed at the utility's regular rates, while the remaining usage will be charged at the per thousand gallon leak adjustment rate, as set forth in the rates and charges portion of the utility's approved tariff. All water passing through the meter must be accounted and paid for by the customer. So the customer will owe the amount of his/her average bill plus the per thousand gallon leak adjustment rate for the remainder of the water that passed through the meter.
3. If 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.
4. Only one (1) leak adjustment will be made per twelve-month period.

X. 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 with appurtenances are and shall remain the property of the utility, whether installed by the utility or the customer.

DATE OF ISSUE
Month / Date / Year

DATE EFFECTIVE
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ISSUED BY
(Signature of Officer)

TITLE Chairman

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 14 2003

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

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3. The customer shall install, own, and maintain his/her service line from the meter (or point of delivery) to the point of usage.

Y. 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.

RULES AND REGULATIONS

Z. 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 or wrongful action of a customer, members of his/her household, 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.
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.

FOR Clay City, Rural Powell and Estill Counties in Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 42

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

RULES AND REGULATIONS

AA. Fire Departments. For the purpose of off-setting fifty percent or more of its operation expenses, any fire department not receiving public funds from the Commonwealth of Kentucky, or any political subdivision thereof, may withdraw water from the utility's facilities at no charge, for the extinguishing of fires or the training of firemen. A fire department making such withdrawals shall provide an estimate of its withdrawals to the utility at the end of each month.

AB. Fire Hydrants:

1. In accordance with 807 KAR 5:066 Section 10(2)(b), a new fire hydrant will not be installed unless:

   a) A professional engineer with a Kentucky registration has certified that the system can provide a minimum fire flow of 250 gallons per minute, and

   b) The system supporting this flow has the capability of providing this flow for a period of not less than two (2) hours plus consumption at the maximum daily rate.

2. The location, installation, and the 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.

AC. Fire Sprinkler Systems. Unless specifically exempted within the utility's approved tariff, all connections to the utility's system must be metered; one exception being fire sprinkler systems, subject to utility inspection and approval. A monthly charge will be assessed for each fire sprinkler system. The charge will be approved by the Public Service Commission and included in the rates and charges portion of the utility's approved tariff.

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ISSUED BY Steph Ewell
(Signature of Officer)

TITLE Chairman

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

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

BY
EXECUTIVE DIRECTOR

FOR Clay City, Rural Powell and Estill Counties in Kentucky
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 43

Powell's Valley Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO.

SHEET NO.

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AD. Requirements for New Water Connections.

1. The water line must be buried in a ditch that is at a minimum of 24 inches in depth.
2. The water line must be a minimum of 200 psi
3. A shut-off valve must be installed.
4. A one-way check valve must be installed.
5. A pressure regulator may be required as prescribed by the utility.
6. There shall be absolutely no galvanized pipe or fittings used in the installation.
7. The water line must be visually inspected by the utility.
8. If a well is being used, it must be disconnected and the utility must inspect to verify separation.

AE. Water Main Extensions.

1. Normal extension. An extension of fifty (50) feet or less shall be made by a utility to its existing distribution main without charge for a prospective customer who shall apply for and contract to use service for one (1) year or more.
2. Other extensions.
   a) When an extension of the utility's main to serve an applicant or group of applicants amounts to more than fifty (50) feet per applicant, the utility may require the total cost of the excessive footage over fifty (50) feet per applicant/customer to be deposited with the utility by the applicant or the applicants, based on the average estimated cost per foot of the total extension.

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b) When an extension of the utility's main to serve an applicant or group of applicants amounts to more than fifty (50) feet per applicant, the utility will require the applicant(s) to sign an agreement between the utility and the property owner (applicant/customer) that specifically define the responsibilities of each party with regards to the extension.

c) Each customer who paid for service under such extension will be reimbursed under the following plan:

For a period of five (5) years after construction of the extension, each additional customer whose service line is directly connected to the extension installed, and not to extensions or laterals therefrom, will be required to contribute to the cost of the extension based on a recomputation of both the utility's portion of the total cost and the amount contributed by the customers. The utility will refund to those customers that have previously contributed to the cost of the extension that amount necessary to reduce their contribution to the currently calculated amount for each customer connected to the extension. All customers directly connected to the extension for a five- (5) year period after it is placed in service must contribute equally to the cost of construction of the extension. In addition, each customer must pay the approved tap-on fee applicable at the time of his/her application for the meter connection. The tap-on fee will not be considered part of the refundable cost of the extension and may be changed during the refund period. After the five- (5) year refund period expires, any additional customer will be connected to the extension for the amount of the approved tap-on fee only. After the five (5) year refund period expires, the utility will be required to make refunds for an additional five (5) year period in accordance with subparagraph 1 of 807 KAR 5:066 Section 11 (2)(b).

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3. An applicant desiring an extension to proposed real estate subdivision may be required to pay the entire cost of the extension. Each year, for a refund period of ten (10) years, the utility will refund to the applicant who paid for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension installed by the developer, and not to extensions or laterals therefrom. Total amount refunded will not exceed the amount paid to the utility. No refund will be made after the refund period ends.

4. Nothing contained herein shall be construed to prohibit the utility from making extensions under different arrangements if such arrangements have received the prior approval of the Public Service Commission.

5. Upon complaint to and investigation by the Public Service Commission a utility may be required to construct extensions greater than fifty (50) feet upon a finding by the Public Service Commission that such extension is reasonable and that an extension of fifty (50) feet or less is unreasonable under the circumstances.

AF. Extension Procedures for Developers and/or New Subdivisions.

1. Nothing contained herein shall be construed to prohibit the utility from contracting to make extensions under different arrangements if such arrangements have received the prior approval of the Public Service Commission.

2. An applicant desiring an extension to a real estate subdivision may be required to pay the entire cost of the extension. Under this plan, annually for a refund period of ten (10) years, the utility will refund to the applicant who paid for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each new customer connected during the year whose service line is directly connected to the extension installed by the developer, and not

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to extensions or laterals therefrom. Total amount refunded will not exceed the amount paid to the utility. No refund will be made after the refund period ends.

3. The utility may also, upon Public Service Commission approval, contract privately with owners and/or developers of subdivisions for the installation of water service for the subject subdivision. The owners/developers, pursuant to these contracts, extend mains and install water service at their expense. The utility would not accept nor receive any contribution, cost reimbursement, or deposit from any customer (lot owner) in this circumstance and as contemplated by 807 KAR 5:066 Section 11 (2)(a), and therefore, 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.

POWELL'S VALLEY WATER DISTRICT

WATER SERVICE CONTRACT

This contract entered into between _____, herinafter called "USER"
the undersigned

and the_____POWELL'S VALLEY WATER DISTRICT , herinafter called "SUPPLIER" that
water system

WHEREAS the USER desires to purchase water from the SUPPLIER, the USER hereby enters into this service contract as required by the SUPPLIER.

NOW THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, it is hereby understood and agreed by the parties hereto as follows:

SECTION 1. The SUPPLIER shall furnish, subject to the limitations set out in its Bylaws, Rules and Regulations, and tariffs now in force or as hereafter duly and legally supplemented, amended, or changed, such quantity of water as the USER may desire in connection with the property to be served by this agreement. The property to be served is a (residence, mobile home, or business) _____ __ located at.

_____
Street, Road, etc. Phone

SECTION 2. The USER agrees to pay to the SUPPLIER the meter connection/tap-on fee of $_____ as set out in the SUPPLIER's approved tariff of $_____. If the meter to be installed is more than fifty (50) feet from the main, then the USER also agrees to pay the for the additional materials and labor costs associated with the longer connection. The USER also agrees to pay the SUPPLIER a deposit of $_____ as set out in the SUPPLIER's approved tariff.

The USER agrees to comply with and be bound by the Bylaws, Rules and Regulations, and tariffs now in force or as hereafter duly and legally supplemented, amended, or changed. The USER agrees to pay for water at such rates, time, and place as shall be determined by the SUPPLIER, and agrees to the imposition of such penalties for non-compliance as set out in the SUPPLIER's Bylaws, Rules and Regulations, and tariffs now in force or as hereafter duly and legally supplemented, amended, or changed.

It is understood and agreed that the SUPPLIER reserves the right to determine the size of service connection to be used to supply water to the USER. A 5/8" x 3/4" meter will be the standard meter used. If a USER contracts for a larger meter, the USER agrees to pay the actual costs of materials and labor for the installation of such a meter. Unless under special circumstances requiring the approval of

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SECTION 9 (1)
BY _____
EXECUTIVE DIRECTOR

the utility's commissioners, a separate meter must be installed by the SUPPLIER for each individual residence or place of use. The location of the water meter on the property will be determined by the SUPPLIER and will not be more than fifty (50) feet from the main, unless special circumstances exist. The SUPPLIER shall purchase and install a cutoff valve and a water meter and other appurtenances thereof. The SUPPLIER shall have exclusive right to use said cutoff valve and water meter.

SECTION 3. The USER shall install and maintain, at his/her own expense, a service line that shall begin at the meter and extend to the dwelling or place of use. The USER shall connect his service line to the water distribution system and shall commence to use water from the system on the date the water is available. Water charges to the USER will commence on the date service is made available by the SUPPLIER, regardless of whether the USER is connected to the system, or is in fact using water from the system.

The failure of the USER to pay water charges duly imposed shall result in the automatic imposition of penalties as set out in the SUPPLIER's approved tariff. Penalties shall include, but not be limited to, a late payment penalty charge, termination of service, and a reconnection fee.

SECTION 4. The SUPPLIER shall determine the allocation of water to the USER in the event of a water shortage, and may shut off water to the USER if such event occurs. The SUPPLIER may shut off water to the USER if the USER allows a connection or extension to be made to his service line for the purpose of supplying water to another party. In the even the total water supply shall be insuffiecient to meet all of the needs of the USERS, or in the event there is a shortage of water, the SUPPLIER must first satisfy all of the needs of all of the USERS for domestic purposes before supplying any water for livestock purposes and must satisfy all of the needs of all of the USERS for domestic and livestock purposes before supplying any water for garden or other purposes.

SECTION 5. The USER agrees that no present or future source of water will be connected to any water lines served by the SUPPLIER's water lines and will disconnect from his present water supply, well, or other source, prior to connecting to and switching to the SUPPLIER's system and shall eliminate present or future cross-connections in his system.

DATE: _____

_____
WATER USER

WITNESS: _____

POWELL'S VALLEY WATER DISTRICT

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 14 2003

_____
WATER SYSTEM REPRESENTATIVE

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

BY _____
EXECUTIVE DIRECTOR

Powell's Valley Water District

EASEMENT AGREEMENT

This EASEMENT AGREEMENT made and entered into as of the _____ day of _____

in the year _____, between _____
Owner

and the POWELL'S VALLEY WATER DISTRICT, a water utility and political subdivision organized and existing according to Kentucky Revised Statutes, hereinafter referred to as the SUPPLIER.

WITNESSETH: That for and in consideration of the sum of one dollar ($1.00) cash in hand paid the receipt of which is hereby acknowledged and other good and valuable consideration as specifically set out in a water service contract between parties given above.

The owner agrees to and does hereby grant and convey to the SUPPLIER, a permanent easement over, across, under, and upon land situated in said County, being a strip of land ten (10) feet wide for the purpose of laying, maintaining, operating, inspecting, replacing, and removing a water line, meter, and/or appurtenances. Said easement adjoins and parallels the road on which the property fronts and extends from one side line of the property the other side line of the property along said road, or otherwise so as to permit access to suppliers facilities, and may also be utilized for service installation to that property lying immediately across the road, or adjacent to suppliers facilities.

IN WITNESS WHEREOF, we have executed this Easement Agreement this, the aforementioned day and year.

WITNESS:

_____
Water User

_____

_____
Address

_____
Phone

Attest:

Powell's Valley Water District_____
Water System

_____

By_____

_____
Title

STATE OF KENTUCKY
COUNTY OF _____

I, the undersigned, do certify that the foregoing instrument was produced to me in the County aforesaid, and was acknowledged by _____, to be his/their free act and dded. This _____ day of _____ in the year _____.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 14 2003

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
BY _____
EXECUTIVE DIRECTOR

My Commission expires:

Powell's Valley Water District

PARTIAL PAYMENT AGREEMENT

DATE: _____

NAME OF CUSTOMER: _____

ACCOUNT NUMBER: _____

AMOUNT OF DELINQUENT BILL: _____

I (we) _____

Promise to pay in addition to the currently monthly bill the above past due amount in _____ monthly installments of _____ each. I understand that my water service will be discontinued if I fail to pay my regular monthly bill in addition to my monthly installment on time each month.

Customer's Signature: _____

Utility Employee Witness: _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 14 2003

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
BY _____
EXECUTIVE DIRECTOR

PLEASE MAKE
CHECK PAYABLE TO:

READING
DATE

P.O. BOX 500 • 31 ADAMS RIDGE ROAD
CLAY CITY, KY 40312
PH: 663-5870
FOR EMERGENCIES CALL 663-2575 AFTER 4:00

POWELLS VALLEY WATER
DISTRICT
31 ADAMS RIDGE ROAD
P.O. BOX 500
CLAY CITY, KY 40312

FIRST CLASS MAIL
U.S. POSTAGE PAID
PERMIT NO. 9
CLAY CITY, KY.
40312

FINAL NOTICE

IF YOU ARE UNABLE TO PAY THIS BILL, YOU MAY GET SOME ASSISTANCE THROUGH THE SOURCE LISTED BELOW:

RED RIVER FOOTHILLS, RT. # 3, BOX 47, STANTON, KY 40380
PHONE 663-2659

10% PENALTY IF NOT PAID BY 10TH. ALL BILLS DUE BY 10TH OF MONTH. NON-RECEIPT OF BILL IS NO EXCUSE FOR NON-PAYMENT. SERVICES WILL BE DISCONTINUED AFTER 20TH OF THE MONTH. RATES AVAILABLE UPON REQUEST.

ACCOUNT NO.	TOTAL AMOUNT
RETURN THIS STUB WITH PAYMENT	

PLEASE MAKE
CHECK PAYABLE TO:

READING
DATE

POWELLS VALLEY WATER DISTRICT
P.O. BOX 550 • 31 ADAMS RIDGE ROAD
CLAY CITY, KY 40312
PH: 663-5870
FOR EMERGENCIES CALL 663-2575 AFTER 4:00

POWELLS VALLEY WATER
DISTRICT
31 ADAMS RIDGE ROAD
P.O. BOX 550
CLAY CITY, KY 40312

FIRST CLASS MAIL
U.S. POSTAGE PAID
PERMIT NO. 9
CLAY CITY, KY
40312

(9/91)

PREVIOUS PRESENT CONSUMED

DEPENDABLE BUSINESS FORMS • (800) 755-5341

10% PENALTY IF NOT PAID BY 10TH. ALL BILLS DUE BY 10TH OF MONTH. NON-RECEIPT OF BILL IS NO EXCUSE FOR NON-PAYMENT. SERVICES WILL BE DISCONTINUED AFTER 20TH OF THE MONTH. RATES AVAILABLE UPON REQUEST.

ACCOUNT NO.	TOTAL AMOUNT
RETURN THIS STUB WITH PAYMENT	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 26 1992

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

Attachment no. 1

Powell's Valley Water District
P.O. Box 500
Clay City, Kentucky 40312
606-663-5870

WORKSHEET FOR CALCULATION OF CUSTOMER CONTRIBUTION FOR WATER MAIN EXTENTION

Name of extention: _____

Location: Beginning at: _____
Ending at: _____

Date placed in service: _____
Date refund expires: _____

1. Total cost of construction of main (not including meter connections)	$ _____
2. Divided by total length of water main in feet.	÷ _____
3. Cost per ft. of main	= $ _____ ft.
4. 50ft. times cost/ft.	x 50ft.
5. Districts cost per customer	= $ _____
6. Times number of customers connected to main.	x _____
7. Districts total portion of cost.	$ _____
8. Total cost of construction main (Line 1)	$ _____
9. Minus Districts total portion of cost (Line 7)	- _____
10. Part to be paid by customers	= _____
11. Divided by number of customers (Line 6)	÷ _____
12. Each customers contribution for water main extention.	$ _____
13. Plus the approved Tap-on-Fee (NOT-REFUNDABLE)	+ $ _____
14. Total contribution to be paid by each customer connected to the main extension at this time.	= $ _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 11 1992

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: _____
PUBLIC SERVICE COMMISSION MANAGER

Powell's Valley Water District
P.O. Box 500
Clay City, Kentucky 40312
606-663-5870

BY-LAWS, RULES AND REGULATIONS

The Commission of the Powell's Valley Water District of Powell County, Kentucky at a meeting _____ adopted the following By-Laws and Regulations:

ARTICLE I. NAME. The name of this District is the Powell's Valley Water District. The principal office of this District shall be located at Clay City but the District may maintain offices and places of business at such other places within the State as the Commissioners may determine.

ARTICLE 2. SEAL. The seal of the District shall have inscribed thereon the name of the District and such other inscription as the Commissioners may designate and adopt. The Secretary of the District shall have custody of the seal.

ARTICLE 3. MEMBERSHIP. The customers are the members of this District. The duties of the members are set out hereinafter. A customer must enter into a written users agreement for water service at the office of the District. Said agreement including service received thereunder is not assignable by the customer.

ARTICLE 4. COMMISSIONERS. The Commission is a body corporate as provided by KRS 74.070 and is created and its powers and duties are coincident with applicable Kentucky Statutes. The business and affairs of the District shall be conducted by Commissioners who have been appointed pursuant to statute. In view of the present statutory requirements that the Commissioners of the District be selected by the County Judge of Powell County, Kentucky, the customers at the annual meeting held in the year prior to the selection of each Commissioner shall recommend the name of three or less members of the District for consideration by the County Judge with the request that he select one of the members as a Commissioner. Such meeting date, time and place shall be fixed by the Secretary to be held during the first month of the fiscal year and any present customer may vote.

ARTICLE 5. MEETINGS. The Commissioners shall meet at least once every three months and at such other times as necessary to conduct business. The Chairman and/or the Secretary may call such meetings by giving the other Commissioners three days oral or written notice, and two Commissioners constitute a quorum.

ARTICLE 6. OFFICERS. Officers shall be elected annually at the first meeting of the fiscal year, but in the event the election is not to be held, officers shall continue to hold office until an election is requested by one of the Commissioners.

ARTICLE 7. SALARIES. The Commissioners shall receive an annual salary of not more than thirty six hundred dollars to be fixed by the County Court and paid out of the Water District fund as provided by KRS 74.

PUBLIC SERVICE COMMISSION
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P.O. Box 500
Clay City, Kentucky 40312
606-663-5870

ARTICLE 8. BONDS. The District shall pay for the purchase of the fidelity bond of each Commissioner required by the court and the position fidelity bond of the Treasurer.

ARTICLE 9. VACANCIES. Vacancies of the Commission shall be filled by the County Court.

ARTICLE 10. TREASURER'S DUTY. The Treasurer of the Commission shall pay out the funds of the Commission only upon presentation of warrants signed by the Chairman and countersigned by the Secretary of the Commission. As compensation for his services the Treasurer shall receive an amount fixed by the Commission, not to exceed two hundred dollars. He shall execute bond to the Commission in an amount fixed by the Commission.

ARTICLE 11. POWERS. The Commission may acquire and install pipe and water laterals, and operate a water system. The Commission shall be a body corporate for all purposes, and may make contracts for the water district with municipalities and persons for a water supply, and for the sale of water and for all other purposes connected with its business. It may prosecute and defend suits, hire necessary employees including Commissioners for duties to which their salary limitation herein shall not apply, and do all acts necessary to carry on the work. It may establish and revise a fiscal year. The Commission shall have all powers provided by Kentucky Statutes including KRS 74 and KRS 106.

ARTICLE 12. RATES. The Commission may establish and revise water rates and make reasonable regulations for the disposition and consumption of water.

ARTICLE 13. DISPOSITION OF ASSETS. In the event the District terminates business by reason of liquidation or sale of its assets, and in the event there is a sum of money remaining after the District has sold its property and paid its debts of every kind including all bonded indebtedness, then the District shall seek court approval of a distribution of the money based on the following plan:

(a) One-half of the said money shall be distributed to the original subscribers, their heirs, devisees and assigns in direct ratio to the connection fees paid by them prior to construction of the original line;

(b) One-half of the said money shall be distributed to each customer, his heirs, devisees and assigns, who has at any time purchased water from the District, in direct ratio to the total water bill the customer paid during the entire operation of the system.

The District does not in any way represent that this means of disposing of the assets of the District in the event of liquidation or sale will be approved by the court.

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ARTICLE 14. MISCELLANEOUS. The Commission may acquire a water line or system operating in the District as provided by KRS 74.100.

Powell's Valley Water District
P.O. Box 500
Clay City, Kentucky 40312
606 663-5870

ARTICLE 15. The Commission may condemn rights-of-way as provided in KRS 416.010 to 416.080 and KRS 106.240.

ARTICLE 16. So long as the United States is the insurer of any bonds issued by the District, the Commission will not, without the consent of the Farmers Home Administration, United States Department of Agriculture, take any action with respect to diminishing the territorial limits of the District and will notify the Farmers Home Administration of any proposal or petition to diminish the territorial limits of the District as soon as the Commission has acquired knowledge thereof.

ARTICLE 17. The Commission may finance the acquisition and the construction of authorized works of improvement by the issuance of (1) special assessment bonds, (2) revenue bonds, or (3) a combination special assessment and revenue bond, payable primarily from water revenue supplemented, when necessary,by special assessments. If the combination special assessment and revenue bond is used, the special assessment will not be levied, nor will the lien thereof be attached until such time as it is necessary to make up any deficit in the water revenue to meet annual obligations.

ARTICLE 18. The Commission may issue refunding bonds as provided by KRS 74.320 and 74.330 and KRS 106.

ARTICLE 19. THE COMMISSION shall keep an account of the time spent by all employees employed on an hourly basis and each item of expense incurred in connection with the District.

ARTICLE 20. The fees of officers for services rendered in such capacity shall be the same as fees now allowed by law for similar services in other cases. Such fees shall be taxed as a part of the costs and paid on order of the court. Fees or compensation for any service not otherwise provided for shall be fixed and paid by the Commission.

ARTICLE 21. The Commission shall secure personel to repair and maintain water district property including mains, lines, meters, storage tanks, etc. When necessary, shall secure personel to read meters and shall secure personel to bill customers. The Commissioners may retain an attorney to represent the District. The District may enter into contracts for service, labor and material, and construction as provided by law.

ARTICLE 22. The Commission may make all provisions co[illegible] tracts for sale of water, connection charges, and other di[illegible]n of District services and assets, including the plan of collec[illegible] proceeds thereof. The system manager may at his discretion discontinue delivery of water to any delinquent customer. The District will install, maintain and operate a main distribution pipe line or lines from the source of water supply and service lines from the main distribution pipe line or lines to the property line of each customer of the Dist[illegible] lies within one hundred (1) feet of main line, and if the Commission determines it is feasible to serve such customer: at which points designated as delivery points, meters to be purchased, [illegible]ned and maintained shall be placed. The cost of servvice

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lines from the main distribution pipe line or lines of the District to the property line of each customer shall be paid by the District or the customer, or both, in a manner to be determined by the Commission at the time of installation depending upon the length of the service line. The District will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the District and to be installed on some portion of the service line owned by the District. The District shall have the sole and exclusive right to the use and operation of such cut-off valve.

Each service line shall connect with the District's water system at the nearest available point to the place of desired use by the customer if the District's water system shall be of sufficient capacity to permit the delivery of water through a service line at that point without interferring with the delivery of water through a prior service line. If the District's water system shall be inadequate to permit the delivery of water through a service line installed at such point without interferring with the delivery of water through a prior service line, then such service line shall be installed at a point to be designated by the Commission. Each customer will be required to install and own the service line from the meter to the place of use on his premises and to maintain such portion of the service line.

Each customer shall be entitled to purchase from the District pursuant to such agreements as may from time to time be provided and required by the Commission such water as the customer may desire, subject however, to the provisions of these By-laws and to such rules and regulations as may be prescribed by the Commission provided, however, that should a customer sell or dispose of a portion of his property or subdivide the same he or the new owner of each such new tract may not demand water and taps without paying connection fees for each such tract to be served.

In the event the total water supply shall be insufficient to meet all the needs of the members or in the event there is a shortage of water, the Commission may prorate the water available among the various members on such basis as is deemed equitable by the Commission, and may also prescribe a schedule of hours covering use of water and require adherence thereto or prohibit the use of water for specified purposes.

ARTICLE 23. The Commission is authorized to secure insurance on storage tanks, if any, and such other properties as the District owns, against fire, windstorms and other calamity and liability insurance, in such amounts and with such companies as other privately-owned water systems ordinarily carry. In addition, the District will carry insurance for Director's liability.

ARTICLE 24. The District shall own all lines and meters held by or for it, in the absence of a written agreement to the contrary.

ARTICLE 25. The Commission shall secure engineering services for an annual engineering inspection and report dealing with operation and maintenance practice if the Commission desires or if so required by any bond holder or the Federal Government as insurer of the bonds.

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P.O. Box 500
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ARTICLE 26. The Commission may contract with any person or entity for the sale of water and if such person or entity is metered within the District boundaries, he or it is a member of the District for such time as he or it pays the District bills pertaining to such metered connection.

ARTICLE 27. The By-Laws shall not be amended without the permission of the Farmers Home Administration, United States Department of Agriculture, so long as the United States is the holder or insurer of any bonds issued by the District so long as any of the bonds remain unpaid.

ARTICLE 28. All applicable Kentucky Statutes which now or may hereafter exist are incorporated herein and made a part of these By-Laws and the Commissioners may use any powers therein contained in addition to those herein set out. Any provision herein in violation of Kentucky Statute which is now or may hereafter be in effect is null and void, the remainder of these By-Laws to continue in full force and effect.

ARTICLE 29. An annual audit on a fiscal year basis will be made of the books and accounts pertinent to said project by competent auditor. No later than 60 days after the close of each fiscal year copies of such audit report certified by such accountant shall be promptly mailed to the Farmers Home Administration without request and to any bond holder that may have requested same in writing.

The following rules and regulations are hereby adopted, subject to change by the Commission at any time. These rules and regulations are intended to supplement the bond resolution, the rate resolution, and the By-Laws:

A. All taps and connections to the mains of the District shall be made by and/or under the direction and supervision of District personnel.

B. Water service may be discontinued by the District for any violation of any rule, regulation, or condition of service and especially for any of the following reasons:

1. Misrepresentation in the application or contract as to the property or fixtures to be supplied or additional use to be made of water.

2. Failure to report to the District additions to property or fixtures to be supplied or additional use to be made of water.

3. Resale or giving away of water.

4. Waste or misuse of water due to improper or imperfect service pipes and or failure to keep in suitable state of repair.

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Clay City, Kentucky 40312
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5. Tampering with meter, meter seal, service, or valves or permitting such tampering by others.

6. Connection, cross-connection, or permitting the same, of any separated water supply to premises which receive water from the District.

7. Non-payment of bills.

C. Any customer desiring to discontinue the water service to his premises for any reason must give notice of discontinuance in writing at the business office of the District; otherwise, a customer shall remain liable for all water used and service rendered by the District until said notice is received by the District.

D. Bills and notices relating to the conduct of the business of the District will be mailed to the customer at the address listed on the users agreement unless a change of address has been filed in writing with the District; and the District shall 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 said notice.

E. 1. Bills for water service are due and payable at the office of the District, or to any designated agent, on the date of issue. The past due date shall be the tenth day after the date of issue. Bills will be dated and mailed on the first day of each month.

2. All bills not paid on or before the past due date shall be deemed delinquent. The district ~~may~~ will serve a customer a written final notice of said delinquency. If delinquent bill is not paid within ten days after date of such final notice, the water supply to the customer may be discontinued without further notice, in accordance with 807 KAR 5:006, Section 11 (3)(a)

3. Meters will be read monthly between the 15th and 20th of each month.

F. Where the water supply to the customer has been discontinued for non-payment of delinquent bills, a charge of $40.00 (~~twenty~~) will be made for reconnection of water service, but the reconnection will not be made until after all delinquent bills and other charges, if any, owed by the customer to the district have been paid.

G. The District reserves the right to require a nominal sum of 2/12 estimated annual bill. be placed on deposit with the District for the purpose of establishing or maintaining any customer's credit.

(1) The Powell's Valley Water District does not guarantee any water pressure on the fire hydrants. The fire department will be responsible for any damage done to PVWD lines by fire department equipment or personnel.

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P.O. Box 500
Clay City, Kentucky 40312
606-663-5870

H. All meters shall be installed, renewed, and maintained at the expense of the District and the District reserves the right to determine the size and type of meter used.

I. Upon written request of any customer, the meter serving said customer shall be tested by the District. Such test will be made without charge to the customer if the meter has not been tested within 12 months preceeding the requested test; otherwise, a charge of $25.00 will be made and then only if the test indicates meter accuracy within the limits of 2%. If a meter is inaccurate in excess of 2%, adjustments shall be made for the six preceeding months prior to test according to the inaccuracy in excess of 2%.

J. Where a meter has ceased to register, or meter reading could not be obtained, the quantity of water consumed will be based upon an average of the prior six months consumption and the conditions of water service prevailing during the period in which the meter failed to register.

K. The District shall make all reasonable efforts to eliminate interruption of service and when such interruptions occur will endeavor to reestablish service with the shortest possible delay. When the service is interrupted all consumers affected by such interruption will be notified in advance whenever it is possible to do so.

L. The District shall in no event be held responsible for any claim made against it by reason of the breaking of any mains or service pipes or by reason of any other interruption of the supply of water caused by the failure of machinery or stoppage for necessary repairs. No person shall be entitled to damages nor for any portion of a payment refunded for any interruption of service which in the opinion of the District may be deemed necessary.

M. Customers having boilers and/or pressure vessels receiving a supply of water from the district must have a check valve on the water supply line and a vacuum valve on the steam line to prevent collapse in case the water supply from the District is discontinued or interrupted for any reason, with or without notice.

N. The premises receiving a supply of water and all service lines, meters and fixtures, including any fixtures within said premises, shall at all reasonable hours be subject to inspection by the District.

O. Piping on the premises of a customer must be so installed that connections are conveniently located with respect to the District lines and mains. The customer shall provide a place for metering which is unobstructed and accessible at all times.

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P. The customer's service line shall be installed and maintained by the customer at his own expense in a safe and efficient manner and in accordance with the District rules and regulations and with the regulations of the Department of Health.

Q. If any loss or damage to the property of the District or any accident or injury to persons or property is caused by or results from the negligence or wrongful action of the customer, member of his household, his agent or employee, the cost of the necessary repairs or replacements shall be paid by the customer to the District and any liability otherwise resulting shall be that of the customer.

R. Water furnished by the District may be used for domestic consumption by the customer, member of his household, and employees only. The customer shall not sell or give away the water to any other person.

S. All customers shall grant or convey, or shall be caused to be granted or conveyed, to the District a perpetual easement and right-of-way across any property owned or controlled by the customer wherever said easement or right-of-way is necessary for the District water facilities and lines so as to be able to furnish service to the customer.

T. Complaints may be made to the operator of the system whose decision may be appealed to the Board of Commissioners of the District within ten days; otherwise, the operator's decision will be final.

U. The water bills shall be paid at The Powell's Water District Office Clay City, Ky.

ARTICLE 30. This Resolution shall take effect and be in force from and after its passage.

I, the undersigned, Secretary to the Powell's Valley Water District, do hereby certify the foregoing to be a true and accurate copy of the By-Laws, Rules and Regulations of said District, as adopted by the Board of Commissioners.

WITNESS my hand this 15 Day of JANUARY 1992

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 11 1992

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: [signature]
PUBLIC SERVICE COMMISSION MANAGER

John H. Stevenson
SECRETARY

Earl Adams
CHAIRMAN

FOR Powell County

P.S.C. Ky. No. 2

1st Sheet No. 3

Powell's Valley Water District

Cancelling P.S.C. Ky. No. 1

Sheet No.

RULES AND REGULATIONS

PURCHASED WATER ADJUSTMENT CLAUSE APPLICABLE TO ALL RATE SCHEDULES

(1) The rates authorized herein are based upon the wholesale cost of water to the utility pursuant to valid contracts or wholesale tariffs on file with the Commission. For the purposes of this purchased water adjustment clause, the wholesale rate shall be considered as the base rate for purchased water and any increase or decrease in the base rate shall be considered the changed rate. In the event there is a change in the base rate, the utility shall file with the Commission the following information:

(a) A copy of the wholesale supplier's tariff effecting a change in the base rate and a statement from the wholesale supplier evidencing the effective date of the changed rate;

(b) A detailed statement of water purchased under the base rate for a 12-month period ended within 90 days of the filing date and showing billing both under such base rate and under the changed rate;

(c) A detailed statement of water sold for the same 12-month period;

(d) A balance sheet and statement of operating expenses and revenues for the most recent 12-month period for which that information is available;

(e) In the event of an increase only, evidence that the utility has notified its customers of the proposed rate revision;

(f) Revised tariff sheets reflecting the rates the utility proposes to charge; and

(g) Such other information as the Commission may request for a proper determination of the purchased water adjustment.

(2) The utility will not implement its proposed revised rates until the Commission issues an Order authorizing it to do so. If an

PUBLIC SERVICE COMMISSION OF KENTUCKY
EFFECTIVE
MAY 26 1983
PURSUANT TO 807 KAR 5:011, SECTION 9(1)
BY: Jordan E. Neal

DATE OF ISSUE 4 6 83 (Month Day Year)

DATE EFFECTIVE 5 26 83 (Month Day Year)

ISSUED BY Simpson Barnett (Name of Officer) Commissioner (Title) P.O. Box 500 Clay City, KY 40312 (Address)

SIGNATURE Simpson Barnett DATE July - 19, 1983

FOR Powell County

P.S.C. Ky. No. 2

1st Sheet No. 4

Powell's Valley Water District

Cancelling P.S.C. Ky. No. 1

Sheet No.

RULES AND REGULATIONS

adjustment is authorized, the supplier's changed rate shall become the supplier's base rate for use in future application.

(3) If a change is made in a base rate charged to the utility, the unit charges shall be increased or decreased by a purchased water adjustment calculated as follows:

(a) Volume of water purchased for 12-month period ended _____ (which is within 3 months of effective date of supplier's rate change) 1/ _____ M Gal.

(b) Cost at new rates $_____

(c) Cost at Base Rate $_____

(d) Total change in cost (Item b minus Item c) $_____

(e) Volume sold for same period as in Item a _____ M Gal.

(f) PWA per M gallon sold (Item d divided by Item e) _____ ¢

Note 1: Item a cannot, for this computation table, exceed Item e divided by .85.

In the event a refund is received from the supplier for amounts previously paid, the following tabulations will be made:

(a) Total refund received $_____

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

MAY 26 1983

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

BY: Jordan C. Neal

DATE OF ISSUE 4 6 83 (Month Day Year)

DATE EFFECTIVE 5 26 83 (Month Day Year)

ISSUED BY Simpson Barnett (Name of Officer) Commissioner (Title)

P.O. Box 500 Clay City, KY 40312 (Address)

SIGNATURE Simpson Barnett DATE July 19, 1983

FOR Powell County

P.S.C. Ky. No. 2

1st Sheet No. 5

Powell's Valley Water District

Cancelling P.S.C. Ky. No. 1

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RULES AND REGULATIONS

(b) Total amount of water estimated to be sold during 2-month period beginning with the first day of the month following receipt of the refund. _____ M Gal.

(c) Refund factor per unit of water sold (Item a divided by Item b) _____ ¢

(d) The refund factor may be adjusted in the final month to more accurately reflect the amount to be refunded.

In the event the utility receives a large or unusual refund, it may apply to the Commission for a deviation from the procedure for distribution of refunds specified herein.

(4) The base rate for purchased water for future application of this Purchased Water Adjustment Clause shall be:

Supplier		
City of Clay City	First 2,000,000 gal.	$1,960 minimum
	Over 2,000,000 gal.	$.98 per 1,000 gal.

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