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PUBLIC SERVICE
COMMISSION

R. Benjamin Crittenden
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December 4, 2009

Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

2009-00475

RE: Application of South Shore Water Works Co. for Increase in Non-Recurring Charges

Dear Mr. Derouen:

Pursuant to Section 8 of 807 KAR 5:006 and Section 10 of 807 KAR 5:011, South Shore Water Works Co. ("South Shore") submits this letter as an application to modify its tariff on file with the Commission to increase certain non-recurring charges. A complete list of these non-recurring charges is included in the enclosed tariff sheet and the supporting documentation. A copy of South Shore's proposed tariff sheet is enclosed as Appendix 1. In support of its application, and in compliance with Section 10 of 807 KAR 5:011, South Shore states as follows:

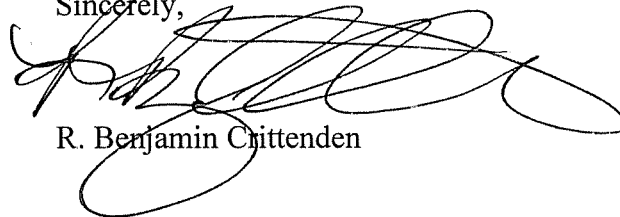
- Cost justification forms are included with the enclosed information for each charge proposed by South Shore and these forms provide a full description of the equipment or service being provided by South Shore. The proposed charges will cover South Shore incremental costs and make a reasonable contribution to overhead. The cost justification forms are enclosed as Appendix 2.
- A copy of the public notice that South Shore will publish once a week for three consecutive weeks in a prominent manner in a newspaper of general circulation in its service area is enclosed. This notice appeared in the Greenup County News-Times on December 3, 2009, prior to the filing of this Application, and will appear subsequently on December 10, 2009 and December 17, 2009. South Shore will file an affidavit of publication from the publisher upon receipt. A copy of the public notice is also posted for public viewing at South Shore's principal office at 809 Main Street, P.O. Box 485, South Shore, Kentucky 41175. South Shore proposes that the new rates for its non-recurring charges will become effective on January 15, 2010.

Jeff R. Derouen
December 4, 2009
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- A copy of this filing has been mailed to the Attorney General's Consumer Protection Division at 700 Capital Avenue, Suite 118, Frankfort, Kentucky 40601.
- South Shore has not increased the rates of its non-recurring charges since 1990. Since the tariff filing establishing the rates at that time, the costs of performing the services associated with the non-recurring charges have increased significantly. South Shore has absorbed these increased costs, but can no longer afford to do so and cannot wait for another general rate case to begin recovering the actual costs of the services at issue in this filing.
- The group of consumers impacted by the proposed increases in the non-recurring charges will be those who cause South Shore to incur the expenses. These are the customers that should absorb the increased costs.
- South Shore has previously filed with the Commission its income statement and balance sheet for a recent twelve (12) month period. These documents are on file with the Commission.
- The additional revenue that will be generated from the proposed tariff revisions will not exceed five (5) percent of the total revenues provided by all miscellaneous and non-recurring charges for a recent twelve (12) month period.
- South Shore has made no tariff filings concerning its non-recurring charges since its last general rate case.

We look forward to working with the Commission on this matter. If you have any questions or would like any additional information from South Shore, please don't hesitate to call me at (502) 209-1216 or send me an e-mail at bcrittenden@stites.com. I look forward to hearing from you and the Commission staff.

Sincerely,



R. Benjamin Chittenden

SOUTH SHORE WATER WORKS COMPANY

CLASSIFICATION OF SERVICE

| | RATE PER UNIT |
|--|------------------|
|--|------------------|

NON-RECURRING CHARGES

| | |
|-----------------------------------|----------|
| New Account Charge | \$10.50 |
| Return Check Charge | \$21.50 |
| Duplicate Bill Charge | \$0.65 |
| Service Charge | |
| A. During Regular Business Hours | \$25.50 |
| B. Request Between 4:15-4:30 P.M. | \$31.50 |
| C. Emergency | \$53.50 |
| Service Reconnect Charge | |
| A. During Regular Business Hours | \$41.50 |
| B. Request Between 4:15-4:30 P.M. | \$47.50 |
| C. Emergency | \$72.00 |
| Meter Recheck Charge | \$22.00 |
| Requested Meter Test | \$79.00 |
| Meter Tampering Broken Yoke Valve | |
| A. During Regular Business Hours | \$203.00 |
| B. Emergency | \$337.50 |
| Stolen Water Meter | \$370.00 |
| Late Penalty 10% of Amount Owed | |

METER TAP FEES

| | |
|--------------------------|-------------|
| 5/8 Inch Meter | \$945.00 |
| 1 Inch Meter | \$1,195.00 |
| Meter Larger Than 1 Inch | Actual Cost |

DATE OF ISSUE: November 24, 2009

DATE EFFECTIVE: January 1, 2010

ISSUED BY _____

| NAME OF OFFICER | TITLE | ADDRESS |
|-----------------|-------|---------|
|-----------------|-------|---------|

BY AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-_____.

DATED: _____, 2009.

| | |
|--|-------------|
| Non-Recurring Charge | |
| New Account Charge | \$10.50 |
| Return Check Charge | \$21.50 |
| Duplicate Bill Charge | \$0.65 |
| Service Charge | |
| During Regular Business Hours | \$25.50 |
| After Hours Request between 4:15 PM to 4:30 PM | \$31.50 |
| Emergency Call Out | \$53.50 |
| Reconnect Charge | |
| During Regular Business Hours | \$41.50 |
| After Hours Request between 4:15 PM to 4:30 PM | \$47.50 |
| Emergency Call Out | \$72.00 |
| Meter Recheck Charge | \$22.00 |
| Requested Meter Test | \$79.00 |
| Meter Tampering Broken Yoke Valve | |
| During Regular Business Hours | \$203.00 |
| Emergency Call Out | \$337.50 |
| Stolen Water Meter | \$370.00 |
| Late Penalty 10% of Amount Owed | |
| | |
| Meter Tap Fee | |
| 5/8 Inch Meter | \$945.00 |
| 1 Inch Meter | \$1,195.00 |
| Meter Larger than 1 Inch | Actual Cost |

| Non-Recurring Charge | | | |
|----------------------------------|-------------|-------------|----------|
| | Proposed | Existing | Increase |
| New Account Charge | \$10.50 | \$5.00 | 110% |
| Return Check Charge | \$21.50 | \$15.00 | 43% |
| Duplicate Bill Charge | \$0.65 | | New |
| Service Charge | | | |
| During regular business hours | \$25.50 | \$10.00 | 155% |
| After hours request @4:15-4:30PM | \$31.50 | | New |
| Emergency call out | \$53.50 | \$13.70 | 290% |
| Reconnect Charge | | | |
| During regular business hours | \$41.50 | \$25.00 | 66% |
| After hours request @4:15-4:30PM | \$47.50 | | New |
| Emergency call out | \$72.00 | \$32.50 | 122% |
| Meter Recheck Charge | \$22.00 | \$10.00 | 120% |
| Requested Meter Test | \$79.00 | \$25.00 | 216% |
| Meter Tampering Broken Valve | | | |
| During regular business hours | \$203.00 | | New |
| Emergency call out | \$237.50 | | New |
| Stolen Water Meter | \$370.00 | | New |
| Late Penalty 10% of Amount Owed | | | 0% |
| Transfer Charge | Cancel | \$10.00 | Cancel |
| Tap Fee | | | |
| 5/8 Inch Meter | \$945.00 | \$400.00 | 136% |
| 1 Inch Meter | \$1,195.00 | \$510.00 | 134% |
| Meter Larger than 1 Inch | Actual Cost | Actual Cost | |

New Account Charge

| | | |
|--|----------------|----------------|
| Labor Sign up new account & deposit | 12 min @ 17.64 | 3.53 |
| Labor locate service and write up work order | 5 min @ 17.64 | 1.47 |
| Labor enter data in computer | 8 min @ 17.64 | 2.35 |
| Labor set up account in meter reading books | 2 min @ 17.64 | 0.59 |
| Labor enter meter data on meter cards | 5 min @ 17.64 | 1.47 |
| Cost | | 9.41 |
| Overhead 88% operating ratio | | 1.09 |
| Total Cost | | \$10.50 |

Service Charge

| | | |
|--|---------------|----------------|
| Labor take call locate and write service order | 8 min @ 17.64 | 2.35 |
| Labor field crew pick up order and locate | 5 min @ 32.08 | 2.67 |
| Labor drive to service site avg 5 mile | 8 min @ 32.08 | 4.28 |
| Labor at job site (simple 2 min other 10 min) | 6 min @ 32.08 | 3.21 |
| Labor return to office avg 5 mile | 8 min @ 32.08 | 4.28 |
| Labor return service order to clerks | 2 min @ 32.08 | 1.07 |
| Truck expense 10 mile | @ .42 mile | 4.2 |
| Labor enter results in computer | 2 min @ 17.64 | 0.59 |
| Cost | | 22.65 |
| Overhead 88% operation ratio | | 2.85 |
| Total Cost | | \$25.50 |

Service Charge After Hours

Requested 4:15 PM to 4:30 PM

| | | |
|--|---------------|----------------|
| Labor take call locate and write service order | 8 min @ 17.64 | 2.35 |
| Labor field crew pick up order and locate | 5 min @ 32.08 | 2.67 |
| Labor drive to service site avg 5 mile | 8 min @ 45.59 | 6.08 |
| Labor at job site | 6 min @ 45.59 | 4.56 |
| Labor return to office avg 5 mile | 8 min @ 45.59 | 6.08 |
| Labor return service to clerk desk | 2 min @ 45.59 | 1.52 |
| Truck expense 10 mile | @ .42 mile | 4.2 |
| Labor enter results on computer (next day) | 2 min @ 17.64 | 0.59 |
| Cost | | 28.05 |
| Overhead 88% operating ratio | | 3.45 |
| Total Cost | | \$31.50 |

Service Charge Call Out Emergency

| | | |
|--|---------------|----------------|
| Labor 1 hour minimum pay for call out | 1 hr @ 42.33 | 42.33 |
| Truck expense 10 mile | @ .42 mile | 4.2 |
| Labor enter results in computer (next day) | 2 min @ 17.64 | 0.59 |
| Cost | | 47.12 |
| Overhead 88% operating ratio | | 6.38 |
| Total Cost | | \$53.50 |

Meter Recheck Charge

| | | |
|--|--------------|----------------|
| Labor take request and write service order | 8 min @17.64 | 2.35 |
| Labor field crew pick up order and locate | 5 min @32.08 | 2.67 |
| Labor drive to service site avg 5 mile | 8 min @32.08 | 4.28 |
| Labor re-read meter | 1 min @32.08 | 0.53 |
| Labor return to office avg 5 mile | 8 min @32.08 | 4.28 |
| Labor return service order to clerks | 2 min @32.08 | 1.07 |
| Truck expense 10 mile | @ .42 mile | 4.2 |
| Cost | | 19.38 |
| Overhead 88% operation ratio | | 2.62 |
| Total Cost | | \$22.00 |

Reconnect Charge

| | | |
|-----------------------------------|-------------|----------------|
| Labor write up disconnect order | 3 min@17.64 | 0.88 |
| Labor pick up order and locate | 5 min@32.08 | 2.67 |
| Labor drive to site avg 5 mile | 8 min@32.08 | 4.28 |
| Labor remove meter | 5 min@32.08 | 2.67 |
| Labor return to office avg 5 mile | 8 min@32.08 | 4.28 |
| Labor write reset order | 1 min@17.64 | 0.29 |
| Labor pick up order | 2 min@32.08 | 1.07 |
| Labor drive to site avg 5 mile | 8 min@32.08 | 4.28 |
| Labor reset meter | 5 min@32.08 | 2.67 |
| Labor return to office avg 5 mile | 8 min@32.08 | 4.28 |
| Labor return order to clerks | 2 min@32.08 | 1.07 |
| Truck expense 20 mile | @ .42 mile | 8.4 |
| Cost | | 36.84 |
| Overhead 88% operating ratio | | 4.66 |
| Total Cost | | \$41.50 |

Reconnect Charge After Hours

Requested 4:15 PM to 4:30 PM

| | | |
|---------------------------------|--------------|----------------|
| Labor write up disconnect order | 3 min @17.64 | 0.88 |
| Labor pick up order and locate | 5 min @32.08 | 2.67 |
| Labor drive to job site | 8 min @32.08 | 4.28 |
| Labor remove meter | 5 min @32.08 | 2.67 |
| Labor return to office | 8 min @32.08 | 4.28 |
| Labor write reset order | 1 min @17.64 | 0.29 |
| Labor pick up order | 2 min @32.08 | 1.07 |
| Labor drive to job site | 8 min @45.59 | 6.08 |
| Labor reset meter | 5 min @45.59 | 3.8 |
| Labor return to office | 8 min @45.59 | 6.08 |
| Labor return order to clerks | 2 min @45.59 | 1.52 |
| Truck expense 20 mile | @ 0.42 mile | 8.4 |
| Cost | | 42.02 |
| Overhead 88% operating ratio | | 6.48 |
| Total Cost | | \$47.50 |

Reconnect Charge Call Out Emergency

| | | |
|---------------------------------------|--------------|----------------|
| Labor write up disconnect order | 3 min @17.64 | 0.86 |
| Labor pick up order and locate | 5 min @32.08 | 2.31 |
| Labor drive to job site | 8 min @32.08 | 3.7 |
| Labor remove meter | 5 min @32.08 | 2.31 |
| Labor return to office | 8 min @32.08 | 3.7 |
| Labor 1 hour minimum pay for call out | 42.33 hr | 42.33 |
| Truck expense 20 mile | @ .42 mile | 8.4 |
| Cost | | 63.61 |
| Overhead 88% operating ratio | | 8.39 |
| Total Cost | | \$72.00 |

Returned Check Charge

| | | |
|---|--------------|----------------|
| Labor notify customer of returned check | 8 min @17.64 | 2.35 |
| Labor change computer payment status | 2 min @17.64 | 0.59 |
| Labor retake payment, return check | 2 min @17.64 | 0.59 |
| Labor repost payment in computer | 2 min @17.64 | 0.59 |
| Bank charge | | 10.75 |
| Cost | | 18.99 |
| Overhead 88% operating ratio | | 2.51 |
| Total Cost | | \$21.50 |

Meter Tampering Broken Yoke Valve

| | | |
|--|------------|-----------------|
| Repaired under pressure | | |
| New yoke valve | 1@34.98 | 34.98 |
| Labor | 1 hr@48.12 | 48.12 |
| Equipment backhoe | 1 hr@45 | 45 |
| Truck expense avg 10 mile | @ .42 mile | 4.2 |
| Cost | | 132.3 |
| Overhead 88% operating ratio | | 17.7 |
| Total Cost | | \$150.00 |
| Repaired / dig out corp. stop turned off | | |
| New yoke valve | 1@34.98 | 34.98 |
| Labor | 2 hr@48.12 | 96.24 |
| Equipment backhoe | 2 hr @ 45 | 90 |
| Truck expense avg 10 mile | @.42 mile | 4.2 |
| Cost | | 225.42 |
| Overhead 88% operating ratio | | 30.58 |
| Total Cost | | \$256.00 |
| Total Cost avg 150 + 256 / 2 | | \$203.00 |

Meter Tampering Broken Yoke Valve Emergency Call Out

Repaired under pressure

| | | |
|------------------------------|-----------|-----------------|
| New yoke valve | 1@34.98 | 34.98 |
| Labor | 1hr@68.38 | 68.38 |
| Equipment backhoe | 1 hr@45 | 45 |
| Truck expense avg 10 mile | @.42 mile | 4.2 |
| Cost | | 152.56 |
| Overhead 88% operating ratio | | 20.44 |
| Total Cost | | \$173.00 |

Repaired / dug out corp. stop turned off

| | | |
|------------------------------------|------------|-----------------|
| New yoke valve | 1@34.98 | 34.98 |
| Labor | 2 hr@68.38 | 136.76 |
| Equipment backhoe | 2 hr@45 | 90 |
| Truck expense avg 10 mile | @.42 mile | 4.2 |
| Cost | | 265.94 |
| Overhead 88% operating ratio | | 35.5 |
| Total Cost | | \$302.00 |
| Total Cost avg 173 + 302 /2 | | \$237.50 |

Stolen Water Meter

| | | |
|--|---------------|-----------------|
| Service Charge to check out compliant of missing meter | | 25 |
| Service Charge to set another meter | | 25 |
| Search for stolen meter | 2 hr@48.12 | 96.24 |
| Search for stolen meter | 2 hr@34.56 | 69.12 |
| Truck expense 3 trucks 25 mile each=75 | .42 x 75 mile | 31.5 |
| Found. Meter Test for damage | | 79 |
| Cost | | 325.86 |
| Overhead 88% operating ratio on labor search | | 44.14 |
| Total Cost plus water usage of stolen meter | | \$370.00 |

Requested Meter Test

| | | |
|--|-------------|----------------|
| Labor take complaint and write service order | 6min@17.64 | 1.76 |
| Labor pick up order and locate | 5 min@32.08 | 2.67 |
| Labor drive to site avg 5 mile | 8 min@32.08 | 4.28 |
| Labor remove meter | 5 min@32.08 | 2.67 |
| Labor return to office avg 5 mile | 8 min@32.08 | 4.28 |
| Labor test meter | 1hr @34.56 | 34.56 |
| Labor drive to site avg 5 mile | 8 min@32.08 | 4.28 |
| Labor reset meter | 5 min@32.08 | 2.67 |
| Labor return to office avg 5 mile | 8 min@32.08 | 4.28 |
| Truck Expense 20 mile | @ .42 mile | 8.4 |
| Cost | | 69.85 |
| Overhead 88% operating ratio | | 9.15 |
| Total Cost | | \$79.00 |

Duplicate Bill Charge

| | | |
|---------------------------------------|-------------|---------------|
| Labor look up and make duplicate bill | 2 min@17.64 | 0.59 |
| Overhead 88% operating ratio | | 0.06 |
| Total Cost | | \$0.65 |

Meter Transfer Charge

Request that this nonrecurring charge be eliminated, because the cost to the customer would be more than establishing a new account. The old account is to be closed and a new account established.

Late Penalty 10% of amount owed**Tapping Fee**

| | | |
|---------------------------|--------------|-----------------|
| 3/4 Inch Meter Tap | see attached | \$945.00 |
|---------------------------|--------------|-----------------|

| | | |
|-------------------------|--------------|-------------------|
| 1 Inch Meter Tap | see attached | \$1,195.00 |
|-------------------------|--------------|-------------------|

| | | |
|---------------------------------|--|--------------------|
| Meter larger than 1 Inch | | Actual Cost |
|---------------------------------|--|--------------------|

**AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility South Shore Water Works Co

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch 3/4-Inch 1-Inch 1 1/2 -Inch 2-Inch

Other (specify) _____

B. Materials Expense

| | <u>Unit Quantity</u> | <u>Cost</u> | <u>Total Cost</u> |
|--------------------------------|--------------------------|-------------|--|
| 1. Water Meter | <u>1</u> | _____ | <u>50⁴⁹</u> |
| 2. Meter Yoke | <u>1</u> | _____ | <u>14⁸⁴</u> |
| 3. Corporation Stop | <u>1</u> | _____ | <u>25⁸⁹</u> |
| 4. Meter Box and Top | <u>1</u> | _____ | <u>40²⁸</u> <u>72⁷⁵</u> |
| 5. Miscellaneous Fittings | <u>1</u> | _____ | <u>15⁰⁰</u> |
| 6. Other (Itemize) | | | |
| <u>Tapping Saddle</u> | <u>1</u> | _____ | <u>33⁸⁶</u> |
| <u>Yoke Valve</u> | <u>1</u> | _____ | <u>34⁹⁸</u> |
| <u>Yoke Bill</u> | <u>1</u> | _____ | <u>10¹²</u> |
| TOTAL MATERIALS EXPENSE | | | \$<u>298²¹</u> |
| (add total cost) | | | |

C. Service Pipe Expense

Type of Service Pipe PB Tubing Size of Service Pipe 3/4"

| | <u>Unit Quantity</u> | <u>Cost</u> | <u>Total Cost</u> |
|--|--------------------------|-------------|-------------------------|
| 1. Short Side Service | <u>10</u> | <u>.23</u> | <u>2³⁰</u> |
| 2. Long Side Service | <u>50</u> | <u>.23</u> | <u>11⁵⁰</u> |
| AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2) | | | <u>\$6⁹⁰</u> |

D. Installation Labor Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|---------------------------|
| 1. Short Side Service | <u>4</u> | <u>48¹²</u> | <u>192⁴⁸</u> |
| 2. Long Side Service | <u>6</u> | <u>48¹²</u> | <u>288⁷²</u> |
| AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2) | | | <u>\$240⁶⁰</u> |

E. Installation Equipment Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|---------------------------|
| <u>Backhoe</u> 1. Short Side Service | <u>4</u> | <u>45⁰⁰</u> | <u>180</u> |
| 2. Long Side Service | <u>6</u> | <u>45⁰⁰</u> | <u>270</u> |
| AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2) | | | <u>\$225⁰⁰</u> |

F. Installation Miscellaneous Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|----------------------------|----------------------------|
| 1. Inspection | <u> </u> | <u> </u> | <u> </u> |
| 2. Site Clean-Up | <u> 1 </u> | <u> 48¹² </u> | <u> 48¹² </u> |
| 3. Other | | | |
| <u>Truck expense 10 M:10 Aug</u> | <u> 10 </u> | <u> @.42 </u> | <u> 4⁷⁰ </u> |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| AVERAGE INSTALLATION MISCELLANEOUS EXPENSE (add total cost) | | | <u>\$ 52⁸²</u> |

G. Overhead Expense

1. Installation expense (\$ 823⁵³) times
 overhead rate (88%) operating Ratio \$ 110⁹⁷

H. Administrative Expense

1. Office expense for establishing a new account
 and billing record. \$ 10⁵⁰

I. Total Expenses

| | |
|------------------------------------|---------------------------|
| Materials Expense | <u>\$298³¹</u> |
| Service Pipe Expense | <u> 6⁹⁰</u> |
| Installation Labor Expense | <u>240⁶⁰</u> |
| Installation Equipment Expense | <u>225⁰⁰</u> |
| Installation Miscellaneous Expense | <u> 52⁸²</u> |
| Overhead Expense | <u> 110⁹⁷</u> |
| Administrative Expense | <u> 10⁵⁰</u> |

TOTAL CONNECTION EXPENSE

\$ 945⁰⁰

**AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility South Shore Water Works Co.

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch 3/4-Inch 1-Inch 1 1/2 -Inch 2-Inch

Other (specify) _____

B. Materials Expense

| | <u>Unit Quantity</u> | <u>Cost</u> | <u>Total Cost</u> |
|--|--------------------------|-------------|---|
| 1. Water Meter | <u>1</u> | _____ | <u>137⁹⁴</u> |
| 2. Meter Yoke | <u>1</u> | _____ | <u>19⁷⁷</u> |
| 3. Corporation Stop | <u>1</u> | _____ | <u>31⁸³</u> |
| 4. Meter Box and Top | <u>1</u> | _____ | <u>84.80</u> <u>63.60</u> <u>52.94</u> |
| 5. Miscellaneous Fittings Nipple, Ell | <u>1</u> | _____ | <u>26⁶⁹</u> |
| 6. Other (Itemize) | | | |
| <u>Topping Saddle</u> | <u>1</u> | _____ | <u>26¹⁶</u> |
| <u>Yoke Valve</u> | <u>1</u> | _____ | <u>26⁵⁰</u> |
| <u>Yoke Ell</u> | <u>1</u> | _____ | <u>23³²</u> |
| <u>EXPANSION Wheel</u> | <u>1</u> | _____ | <u>22⁸⁹</u> |
| TOTAL MATERIALS EXPENSE (add total cost) | | | \$ <u>515⁴⁴</u> |

C. Service Pipe Expense

Type of Service Pipe PB Tubing Size of Service Pipe 1"

| | <u>Unit Quantity</u> | <u>Cost</u> | <u>Total Cost</u> |
|--|--------------------------|-------------|-----------------------|
| 1. Short Side Service | <u>10</u> | <u>.35</u> | <u>3.50</u> |
| 2. Long Side Service | <u>50</u> | <u>.35</u> | <u>17.50</u> |
| AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2) | | | <u>\$ 10.50</u> |

D. Installation Labor Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|----------------------------|
| 1. Short Side Service | <u>4</u> | <u>48¹²</u> | <u>192⁴⁸</u> |
| 2. Long Side Service | <u>6</u> | <u>48¹²</u> | <u>288⁷²</u> |
| AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2) | | | <u>\$ 240⁶⁰</u> |

E. Installation Equipment Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|-----------------------|
| 1. Short Side Service | <u>4</u> | <u>45⁰⁰</u> | <u>180</u> |
| 2. Long Side Service | <u>6</u> | <u>45⁰⁰</u> | <u>270</u> |
| AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2) | | | <u>\$ 225</u> |

F. Installation Miscellaneous Expense

| | <u>Total Hours</u> | <u>Hourly Rate</u> | <u>Total Cost</u> |
|--|------------------------|------------------------|---------------------------|
| 1. Inspection | _____ | _____ | _____ |
| 2. Site Clean-Up | <u>1</u> | <u>48¹²</u> | <u>48¹²</u> |
| 3. Other | | | |
| <i>Truck expense 10 mi: 1/2 Aug</i> | <u>10</u> | <u>@ .42/mile</u> | <u>4²⁰</u> |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| AVERAGE INSTALLATION MISCELLANEOUS EXPENSE (add total cost) | | | <u>\$ 52⁸²</u> |

G. Overhead Expense

1. Installation expense (\$1044³⁶) times
overhead rate (88%) operating ratio \$ 140¹⁴

H. Administrative Expense

1. Office expense for establishing a new account
and billing record. \$ 10⁵⁰

I. Total Expenses

| | |
|------------------------------------|-----------------------------|
| Materials Expense | <u>\$ 515⁴⁴</u> |
| Service Pipe Expense | <u>10⁵⁰</u> |
| Installation Labor Expense | <u>240⁶⁰</u> |
| Installation Equipment Expense | <u>225⁰⁰</u> |
| Installation Miscellaneous Expense | <u>52⁸²</u> |
| Overhead Expense | <u>140¹⁴</u> |
| Administrative Expense | <u>10⁵⁰</u> |
| TOTAL CONNECTION EXPENSE | <u>\$ 1195⁰⁰</u> |

Cost Documation Payroll

South Shore Water Works Company

| | effective 12/12/09 | 7.65% | 0.28% effective 1/1/10 4.29% /30days/8hr | | |
|---------------------|---|-------------|---|-------------------|------------------|
| Clerks | Hour wage | FICA | W. Comp | Hosp. Ins. | Cost Hour |
| C. Robbins | \$12.68 | 0.97 | 0.04 | 4.63 | \$18.32 |
| S. Warnock | \$10.31 | 0.79 | 0.03 | 5.82 | \$16.95 |
| | Cost for 2 clerks | | | | 35.27 |
| | Average clerk cost hour (Total / 2) | | | | \$17.64 |
| Field Crew | | | | | |
| G. Hall | \$19.23 | 1.47 | 0.82 | 5.31 | \$26.83 |
| M. Porter | \$8.65 | 0.66 | 0.37 | 1.32 | \$11.00 |
| T. Hayden | \$8.25 | 0.63 | 0.35 | 1.06 | \$10.29 |
| | Cost for 3 man work crew | | | | \$48.12 |
| | Average 2 man service crew hour (Total / 3 x 2) | | | | \$32.08 |
| Overtime | | | | | |
| G. Hall | \$28.85 | 2.21 | 1.24 | 5.31 | \$37.61 |
| M. Porter | \$12.98 | 0.99 | 0.56 | 1.32 | \$15.85 |
| T. Hayden | \$12.38 | 0.95 | 0.53 | 1.06 | \$14.92 |
| | Cost for 3 man work crew | | | | 68.38 |
| | Average 2 man service crew hour (Total / 3 x 2) | | | | \$45.59 |
| Meter Tester | | | | | |
| G. Hannah | \$23.15 | 1.76 | 0 | 9.65 | \$34.56 |
| Overtime | | | | | |
| G. Hannah | \$34.73 | 2.66 | 0 | 9.65 | \$47.04 |
| Call Out | | | | | |
| | G. Hall and G. Hannah average hour overtime (Total / 2) | | | | \$42.33 |

Quote for Workers Compensation Coverage
296104-- 05/16/2009-05/16/2010

Kentucky
Employers'
Mutual
Insurance

| | |
|----------|--------------------------------|
| 7520-000 | WATERWORKS OPERATION & DRIVERS |
| 8810-000 | CLERICAL OFFICE EMPLOYEES NOC |

| CLASS RATING AND MANUAL PREMIUM DETAIL | EXPOSURE | RATE | PREMIUM |
|--|----------|------|------------|
| South Shore Water Works Inc | | | |
| 05/16/2009 - 05/16/2010 | | | |
| 7520-000 | 90,197 | 4.29 | \$3,869.00 |
| 8810-000 | 46,989 | .28 | \$132.00 |

| PREMIUM CALCULATION DETAIL | TYPE | FACTOR | AMOUNT |
|----------------------------|----------------------------------|--------|------------|
| 05/16/2009 - 05/16/2010 | Total Manual Premium | | \$4,001.00 |
| | Total Subject Premium | | \$4,001.00 |
| | Total Modified Premium | | \$4,001.00 |
| | Schedule Rating Premium | .900 | -\$400.00 |
| Final Estimate | Total Standard Premium | | \$3,601.00 |
| | Expense Constant | | \$240.00 |
| | Estimated Annual Premium | | \$3,841.00 |
| | Kentucky Special Fund Assessment | | \$249.67 |
| | Total Amount Due | | \$4,090.67 |

TOTAL ESTIMATED ANNUAL POLICY PREMIUM **\$4,090.67**

Payment Plan Eligibility: Three-Payment Plan

Required Initial Installment Premium: \$2,045.34

| BILLING SCHEDULE BILL DATE | BILLING SCHEDULE BILL AMOUNT |
|----------------------------|------------------------------|
| 04/16/2009 | \$2,045.34 |
| 07/16/2009 | \$1,022.67 |
| 11/16/2009 | \$1,022.66 |

This renewal quotation is based on the information provided by the expiring policy. Any changes in this information unknown at the time of this quotation could change the policy premium. Please notify underwriting of any and all changes.

cc: Bob Meenach State Farm

Appendix

Appendix A: Employee enrollment detail and rates

| Covered Employee | Age | Sex | Dep Cov ¹ | Empl Status | Spo Age | Child Count | Current Plan | Monthly Rates | | | | |
|---------------------|-----|-----|-------------------------|----------------|------------|----------------|-----------------|---------------|------------|---------------|---------|---------|
| | | | | | | | | Medical | | Life/ AD&D | Dental | Vision |
| | | | | | | | | Current | Renewal | Renewal | Renewal | Renewal |
| DONALD HALL | 43 | M | F | A | 40 | 1 | US-J/1E | \$1,162.55 | \$1,267.23 | \$7.05 | | |
| JOSEPH GEORG HANNAH | 61 | M | F | A | 45 | 3 | US-J/1E | \$2,118.60 | \$2,309.00 | \$7.05 | | |
| GEORGE PORTER | 32 | M | E | A | | | US-J/1E | \$284.42 | \$309.87 | \$7.05 | | |
| CHERYL ROBBINS | 41 | F | S | A | 47 | | US-J/1E | \$1,012.93 | \$1,104.41 | \$7.05 | | |
| STACI WARNOCK | 36 | F | F | A | 33 | 2 | US-J/1E | \$1,275.85 | \$1,390.30 | \$7.05 | | |
| Total Premium | | | | | | | | \$5,854.35 | \$8,380.81 | \$35.25 | | |

¹ E = Employee only S = Employee + Spouse C = Employee + Child F = Employee + Family

Appendix

Appendix B: Age/Gender monthly rates

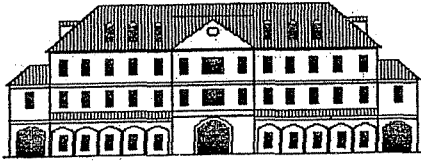
| Current Rates | | Renewal Rates | |
|---------------|------------|---------------|------------|
| US-J / RX 1E | | US-J / RX 1E | |
| Male | | Male | |
| Age | Rate | Age | Rate |
| <25 | \$225.63 | <25 | \$246.15 |
| 25-29 | \$246.66 | 25-29 | \$269.02 |
| 30-34 | \$284.42 | 30-34 | \$309.87 |
| 35-39 | \$332.23 | 35-39 | \$362.14 |
| 40-44 | \$397.23 | 40-44 | \$432.94 |
| 45-49 | \$488.54 | 45-49 | \$532.60 |
| 50-54 | \$637.68 | 50-54 | \$695.42 |
| 55-59 | \$826.02 | 55-59 | \$900.73 |
| 60-64 | \$1,044.47 | 60-64 | \$1,138.71 |
| 65+ | \$1,044.47 | 65+ | \$1,138.71 |
| Female | | Female | |
| Age | Rate | Age | Rate |
| <25 | \$435.48 | <25 | \$474.87 |
| 25-29 | \$550.20 | 25-29 | \$600.13 |
| 30-34 | \$554.50 | 30-34 | \$604.49 |
| 35-39 | \$509.57 | 35-39 | \$555.47 |
| 40-44 | \$524.39 | 40-44 | \$571.81 |
| 45-49 | \$592.27 | 45-49 | \$645.33 |
| 50-54 | \$691.22 | 50-54 | \$753.70 |
| 55-59 | \$809.29 | 55-59 | \$882.22 |
| 60-64 | \$946.48 | 60-64 | \$1,031.97 |
| 65+ | \$1,044.47 | 65+ | \$1,138.71 |
| Children | | Children | |
| Children | Rate | Children | Rate |
| 1 | \$240.93 | 1 | \$262.48 |
| 2+ | \$481.86 | 2+ | \$524.96 |
| Admin. fee | \$0.00 | Admin. fee | \$0.00 |

+ 7.05 = 253²⁰ T. Hayden

Appendix C: Medicare Rates Part A and B

| | Current Rates | Renewal Rates |
|-----------------|---------------|---------------|
| Male Employee | \$556.42 | \$606.67 |
| Female Employee | \$556.42 | \$606.67 |
| Male Spouse | \$556.42 | \$606.67 |
| Female Spouse | \$556.42 | \$606.67 |
| Child | \$834.63 | \$1,007.07 |

Cost Documation Bank Charge



First & Peoples Bank and Trust Company

Date 9/30/09
 Account Number
 Enclosures

Page 2
 84204
 80

BUSINESS SUPER NOW CHECKING

84204 (Continued)

OTHER DEDUCTIONS

| Date | Description | Amount |
|------|---|----------|
| 9/02 | USATAXPYMT IRS 3387702000 09/02/09 ID #-220964500650197 TRACE #-061036010024639 | 1,071.92 |
| 9/04 | RETURN ITEM DEBIT | 27.24 |
| 9/09 | USATAXPYMT IRS 3387702000 09/09/09 ID #-220965200245184 TRACE #-061036010025543 | 1,047.26 |
| 9/16 | USATAXPYMT IRS 3387702000 09/16/09 ID #-220965900551645 TRACE #-061036010010657 | 1,079.78 |
| 9/17 | THANK YOU CMMWLTH OF KY 9350000000 09/17/09 ID #-5840896 TRACE #-083900613812275 | 105.69 |
| 9/23 | USATAXPYMT IRS 3387702000 09/23/09 ID #-220966600209419 TRACE #-061036010009153 | 1,186.54 |
| 9/30 | USATAXPYMT IRS 3387702000 09/30/09 ID #-220967300031287 TRACE #-061036010027730 | 1,131.18 |
| 9/30 | SERVICE CHARGE | 10.75 |
| 9/30 | ITEM FEE IN S/C | 10.75- |

CHECKS

| Date | Check No. | Amount | Date | Check No. | Amount |
|------|-----------|----------|------|-----------|----------|
| 9/16 | 40481 | 30.30 | 9/04 | 40613 | 559.82 |
| 9/02 | 40604* | 503.72 | 9/04 | 40614 | 278.26 |
| 9/08 | 40605 | 241.50 | 9/04 | 40615 | 235.45 |
| 9/08 | 40606 | 5,802.40 | 9/09 | 40616 | 491.07 |
| 9/03 | 40607 | 11.64 | 9/14 | 40617 | 1,320.20 |
| 9/09 | 40608 | 50.00 | 9/14 | 40618 | 74.53 |
| 9/08 | 40609 | 1,320.20 | 9/14 | 40619 | 427.73 |
| 9/14 | 40610 | 48.73 | 9/14 | 40620 | 327.26 |
| 9/08 | 40611 | 412.63 | 9/14 | 40621 | 559.82 |
| 9/08 | 40612 | 327.26 | 9/14 | 40622 | 278.26 |

*Indicates Break In Check Sequence

Cost Documation 5/8 Inch Tap



INVOICE

Local Service, Nationwide
 P.O. Box 1419
 Thomasville, GA 31799-1419

Branch Address:
 HDSWW - LEXINGTON KY
 Branch - 114
 2141 Christian Rd
 Lexington KY 40509 0000
 859/253-3464

| | |
|-------------------------|-----------------|
| INVOICE # | 9178912 |
| INVOICE DATE | 7/01/09 |
| ACCOUNT # | 089902 |
| SALESPERSON | BOBBY YOUNG |
| BRANCH # | 114 |
| Total Amount Due | \$596.49 |

Remit To:
 HD SUPPLY WATERWORKS, LTD.
 PO BOX 277838
 ATLANTA, GA 30384 7838

99 1 MB 0.382 E0083X I0127 D137259474 P377327 0001:0001



SOUTH SHORE WATER COMPANY
 PO BOX 485
 SOUTH SHORE KY 41175-0485

Shipped to:
 809 MAIN ST
 SOUTH SHORE, KY

Return Top Portion With Payment For Faster Credit

Thank You For The Opportunity To Serve You.
 We appreciate your prompt payment.

| Date Ordered | Date Shipped | Customer PO No. | Job Name | Job No. | Bill of Lading | Shipped Via | Order Number |
|--------------|---|------------------|------------------|--------------|----------------|--------------|--------------|
| 6/30/09 | 6/30/09 | | | | | URS | 9178912 |
| Product Code | Description | Quantity Ordered | Quantity Shipped | Back-Ordered | Price | Per | Amount |
| 1305GBM25CI | 1/2X7 1/2 M25 BRZ GAL CIB L/C <i>motor</i> | 12 | 12 | | 47.63000 | EA | 571.56 |
| | | | | <i>Tax</i> | <i>4%</i> | <i>2.86</i> | |
| | | | | | | <i>50.49</i> | |

This transaction is governed by and subject to HD Supply Waterworks standard terms and conditions, which are incorporated herein by this reference and accepted. To review these terms and conditions, please point your web browser to <http://waterworks.hdsupply.com/TandC/>.

| | |
|---------|---------------|
| Terms | SubTotal |
| NET 30 | 571.56 |
| Freight | INVOICE TOTAL |
| 24.93 | \$596.49 |

HDSWW - LEXINGTON KY
 Branch - 114

THANK YOU FOR YOUR ORDER
 VISIT

INVOICE: 9178912



Consolidated Pipe & Supply Co., Inc.

907 HONEY BRANCH IND PARK
DEBORD KY 41214

INVOICE DATE
6/11/2009

VERBLA GREG
22890434

INVOICE NUMBER
2890614-000-000

PAGE
1 OF 1

Original Invoice

SOLD TO:

Account No.
280241

SHIP TO: SOUTH SHORE WATER
WORKS COMPANY
PO BOX 485

SOUTH SHORE WATER
WORKS COMPANY
PO BOX 485
SOUTH SHORE

SOUTH SHORE

KY 41175

JOB:

KY 41175

| Customer Order No. | | | | Terms of Sale | | | Ship Via | | |
|--|---------|-------------|--------------|---------------|----------------------|------------|----------------|--------------|--|
| VERBLA GREG | | | | NET 30 | | | OUR TRUCK | | |
| Freight | | F.O.B. | | Ship Date | | Ship From | | | |
| PREPAID | | DESTINATION | | 6/11/2009 | | CPS-DEBORD | | | |
| Line No. | Ordered | Shipped | Back Ordered | Product No. | Description | Unit Price | Per | Sales Amount | |
| 1 | 12 | 12 | | Y501 | YOKES 6% TDx 084 | 14.00 | EA | 168.00 | |
| 2 | 12 | 12 | | L91-13 | Yoke Bil 6% TDx 1.98 | 9.55 | EA | 114.60 | |
| 3 | 12 | 12 | | AV94-313 | Yoke Valve 6% TDx | 33.00 | EA | 396.00 | |
| 4 | 6 | 6 | | AV91-313 | | 28.00 | EA | 168.00 | |
| STATE SALES TAX - KENTUCKY | | | | | | | | 50.80 | |
| <div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> Yoke 14.84 Bil 10.12 Value 34.98 </div> | | | | | | | | | |
| SERVICE CHARGES BASED ON LEGAL RATE, OR 1.5% PER MONTH ARE ASSESSED ON OVERDUE AMOUNTS. D-28-0612/28 | | | | | | | Invoice Amount | 897.40 | |

REMIT TO: DEPT. 3147 P.O. BOX 2153 BIRMINGHAM, AL. 35287-3147

TERMS AND CONDITIONS ARE LISTED ON REVERSE SIDE



Consolidated Pipe & Supply Co., Inc.

907 HONEY BRANCH IND PARK
DEBORD KY 41214

INVOICE DATE
6/01/2009

VERBAL GR.

| | |
|-------------|-------------|
| INVOICE NO. | 2890612-000 |
| PAGE | 1 OF 1 |

Original Invoice

Account No.
280241

SOLD TO:

SHIP TO: SOUTH SHORE WATER
WORKS COMPANY
809 MAIN STREET

SOUTH SHORE WATER
WORKS COMPANY
PO BOX 485
SOUTH SHORE

KY 41175

JOB:

SOUTH SHORE

KY 41175

| Customer Order No. | | | | Terms of Sale | | | Ship Via | | |
|--------------------|---------|-------------|--------------|---------------|--------------------------------------|------------|----------------|----------------|--|
| VERBAL GREG | | | | NET 30 | | | UPS | | |
| Freight | | F.O.B. | | Ship Date | | Ship From | | | |
| PREPAID | | DESTINATION | | 6/01/2009 | | CPS-DEBORD | | | |
| Line No. | Ordered | Shipped | Back Ordered | Product No. | Description | Unit Price | Per | Sales Amount | |
| 1 | 4 | 4 | | 231082 | 4X3/4 FORD S70-403 4X3/4CC BRASS SDL | 31.00 | EA | 124.00 | |
| 2 | 6 | 6 | | 231095 | 3/4 FORD F1000-3 CORP STOP | 24.42 | EA | 146.52 | |
| 7 | 6 | 0 | 6 | 217911 | 15X24 MIDSTATE MTR BOX 203024 KUB | 36.00 | EA | .00 | |
| | | | | | STATE SALES TAX - KENTUCKY | | | 16.23 | |
| | | | | | Sublte COP | | | 33.86 25.89 | |
| | | | | | | | Invoice Amount | 286.75 | |

SERVICE CHARGES BASED ON LEGAL RATE, OR 1.5% PER MONTH ARE ASSESSED ON OVERDUE AMOUNTS.
S-28-0602/28

REMIT TO: DEPT. 3147 P.O. BOX 2153 BIRMINGHAM, AL. 35287-3147

TERMS AND CONDITIONS ARE LISTED ON REVERSE SIDE



Consolidated Pipe & Supply Co., Inc.

907 HONEY BRANCH IND PARK
DEBORD KY 41214

VERBAL GREG

INVOICE DATE
6/17/2009

INVOICE NUMBER
2890612-003-000

PAGE
1 OF 1

Original Invoice

Account No.
280241

SOLD TO:

SHIP TO: SOUTH SHORE WATER
WORKS COMPANY
809 MAIN STREET

SOUTH SHORE WATER
WORKS COMPANY
PO BOX 485
SOUTH SHORE

SOUTH SHORE KY 41175

JOB:

KY 41175

| Customer Order No. | | | | Terms of Sale | | | | Ship Via | | | |
|--------------------|---------|---------|--------------|---------------|--------------------------------------|------------|-----|--|--|--|--------|
| VERBAL GREG | | | | NET 30 | | | | UPS | | | |
| Freight | | | | F.O.B. | | | | Ship Date | | | |
| PREPAID | | | | DESTINATION | | | | 6/08/2009 | | | |
| Line No. | Ordered | Shipped | Back Ordered | Product No. | Description | Unit Price | Per | Sales Amount | | | |
| 7 | 6 | 6 | | 217911 | 15X24 MIDSTATE MTR BOX 203024 KUB | 38.00 | EA | 228.00 | | | |
| | | | | | STATE SALES TAX - KENTUCKY | | | 13.68 | | | |
| | | | | | | | | <i>3.28 6% Tax</i> <u>40.28</u> | | | |
| | | | | | | | | <i>1139.08</i> <i># 40508</i> <i>7-15-09</i> | | | |
| | | | | | | | | Invoice Amount | | | 241.68 |

SERVICE CHARGES BASED ON LEGAL RATE, OR 1.5% PER MONTH ARE ASSESSED ON OVERDUE AMOUNTS.
S-28-0618/28

REMIT TO: DEPT. 3147 P.O. BOX 2153 BIRMINGHAM, AL. 35287-3147

TERMS AND CONDITIONS ARE LISTED ON REVERSE SIDE



Consolidated Pipe & Supply Co., Inc.

77 INDUSTRIAL DRIVE
DEBORD KY 41214

INVOICE DATE
12/19/2008

VERBAL GREG

INVOICE NUMBER
2882047-000-000

PAGE
1 of 1

Original Invoice

Account No.
280241

SOLD TO:

SHIP TO: SOUTH SHORE WATER
WORKS COMPANY
PO BOX 485

SOUTH SHORE WATER
WORKS COMPANY
PO BOX 485
SOUTH SHORE

SOUTH SHORE

KY 41175

JOB:

KY 41175

| Customer Order No. | | | | Terms of Sale | | | | Ship Via | | | |
|---------------------------------------|---------|---------|--------------|---------------|----------------------------|--------------------------|-----|----------------|--|--------|--|
| VERBAL GREG | | | | NET 30 | | | | OUR TRUCK | | | |
| Freight | | | | F.O.B. | | | | Ship Date | | | |
| PREPAID | | | | DESTINATION | | | | 12/19/2008 | | | |
| Ship From | | | | Sales Amount | | | | Unit Price | | | |
| CPS-DEBORD | | | | | | | | | | | |
| Line No. | Ordered | Shipped | Back Ordered | Product No. | Description | Unit Price | Per | Sales Amount | | | |
| 1 | 12 | 12 | | 210540 | 15 FORD A31 MTR BX CVR | 70.63 | EA | 847.56 | | | |
| | | | | | STATE SALES TAX - KENTUCKY | | | 50.85 | | | |
| <p># 40073 898.41 1-15-09</p> | | | | | | <p>+6% Tax 72.75</p> | | | | | |
| | | | | | | | | Invoice Amount | | 898.41 | |

SERVICE CHARGES BASED ON LEGAL RATE, OR 1.5% PER MONTH ARE ASSESSED ON OVERDUE AMOUNTS.
S-28-1222/28

REMIT TO: DEPT. 3147 P.O. BOX 2153 BIRMINGHAM, AL. 35287-3147

TERMS AND CONDITIONS ARE LISTED ON REVERSE SIDE

THE C.I. THORNBURG CO., INC.
HUNTINGTON BRANCH
4034 ALTIZER AVENUE
HUNTINGTON, WV 25705

Bid To:

Ship To:

Acct #1557
SOUTH SHORE WATER WORKS INC
809 MAIN ST
PO BOX 485
SOUTH SHORE, KY 41175
Phone # : 606-932-3531

SOUTH SHORE WATER WORKS INC
809 MAIN ST
PO BOX 485
SOUTH SHORE, KY 41175

--Bid-Date---Expr-Date--Writer--Terms-----Ship Via-----
11/10/09 01/09/10 UNDMAR NET 30 DAYS ASH/IRON.OUR TR
--Purchase Order #-----CTNS / WT----Picker----Loader-----Delivered By-----
1" METER SETTING

***** Shipping Instructions *****

* DO NOT PUT CAUSTIC SODA DRUMS ON A *
* PALLET FOR SHIPPING *

Bid-Qty--

Unit Price Ext Price

| | | | |
|-----|--|---------|--------|
| 1 | 24"x30" BLK/WHITE PVC METER BOX | 80.00ea | 80.00 |
| 1 | 24"x18" CI ADAPTER RING | 60.00ea | 60.00 |
| 1 | 18" VESTAL RMC-18L w/SN NON-REC CI METER BOX RING & COVER w/SMALL NUT 32-023 | 49.00ea | 49.00 |
| 1 | 4"x1"CC AYM 3891 HINGED BRASS SERVICE SADDLE for IPS PVC PIPE | 24.68ea | 24.68 |
| 1 | 1" AYM 4701-22 CCxPJ(CTS) CORP STOP | 30.03ea | 30.03 |
| 1 | 1" AYM 14-4 IRON YOKE BAR | 18.65ea | 18.65 |
| 1 | 1" AYM 4602Y ANGEL YOKE VALVE FLARE (1x04) | 25.00ea | 25.00 |
| 1 | 1"x90 AYM 4779Y-22 YOKE ELL CTS PACK JOINT (1x04) | 22.00ea | 22.00 |
| 1 | 1"x12" STD BRASS NIPPLE | 19.16ea | 19.16 |
| 1 | 1"x90 125# BRASS THREADED ELL | 6.02ea | 6.02 |
| 500 | 3/4"x500' CTS 200# PE3408 ENDOPOLY HIGH DENSITY POLYETHYLENE TUBING | 0.22ft | 110.00 |
| 500 | 1"x500' CTS 200# PE3408 ENDOPOLY HIGH DENSITY POLYETHYLENE TUBING | 0.33ft | 165.00 |

| | |
|------------|--------|
| BID TOTAL | 609.54 |
| Sales tax | 36.57 |
| Bid Amount | 646.11 |

23
w/6% Tax

Extras not listed or spelled out are not included in pricing.
We reserve the right to correct clerical errors.

.. Reprint .. Reprint .. Reprint .. Reprint ..

Cost Documation 1 Inch Tap

Run Date 11/10/09

HD SUPPLY WATERWORKS, LTD.

SOUTH SHORE WATER COMPANY
PO BOX 485
SOUTH SHORE KY 41175
Telephone: 606-932-3531

HDSWW - LEXINGTON KY
2141 Christian Rd
Lexington KY 40509
Telephone: 859-253-3464
Fax: 859-253-0848

11/10/09 Bid ID: 2272905 RJW-11-10-09

Page 1

| Line | Quantity | Sell Per | Description | Net Price | Extended Price |
|------|----------|----------|--|-------------------|----------------|
| 10 | 1 | EA | 1X10 3/4 M70 BRZ GAL CIB | 130.13 | 130.13 |
| 20 | 1 | EA | H14234 EXP CONN F/1 MTR SIZE <i>wheel</i> | 21.59 | 21.59 |
| | | | | Subtotal: | 151.72 |
| | | | | Tax: | .00 |
| | | | | Bid Total: | 151.72 |

w/ 6% Sales Tax

| | |
|-----|-----------|
| 137 | <u>99</u> |
| 20 | <u>89</u> |

THE C.I. THORNBURG CO., INC.
HUNTINGTON BRANCH
4034 ALTIZER AVENUE
HUNTINGTON, WV 25705

Bid To:

Ship To:

Acct #1557
SOUTH SHORE WATER WORKS INC
809 MAIN ST
PO BOX 485
SOUTH SHORE, KY 41175
Phone # : 606-932-3531

SOUTH SHORE WATER WORKS INC
809 MAIN ST
PO BOX 485
SOUTH SHORE, KY 41175

--Bid-Date---Expr-Date--Writer--Terms-----Ship Via-----
11/10/09 01/09/10 UNDMAR NET 30 DAYS ASH/IRON.OUR TR
--Purchase Order #-----CTNS / WT----Picker----Loader-----Delivered By-----
1" METER SETTING

***** Shipping Instructions *****
* DO NOT PUT CAUSTIC SODA DRUMS ON A *
* PALLET FOR SHIPPING *

| Bid-Qty-- | | Unit Price | Ext Price |
|-----------|--|------------|-----------|
| 1 | 24"x30" BLK/WHITE PVC METER BOX | 80.00ea | 80.00 |
| 1 | 24"x18" CI ADAPTER RING | 60.00ea | 60.00 |
| 1 | 18" VESTAL RMC-18L w/SN NON-REC CI METER BOX RING & COVER w/SMALL NUT 32-023 | 49.00ea | 49.00 |
| 1 | 4"x1"CC AYM 3891 HINGED BRASS SERVICE SADDLE for IPS PVC PIPE | 24.68ea | 24.68 |
| 1 | 1" AYM 4701-22 CCxPJ(CTS) CORP STOP | 30.03ea | 30.03 |
| 1 | 1" AYM 14-4 IRON YOKE BAR | 18.65ea | 18.65 |
| 1 | 1" AYM 4602Y ANGEL YOKE VALVE FLARE (1x04) | 25.00ea | 25.00 |
| 1 | 1"x90 AYM 4779Y-22 YOKE ELL CTS PACK JOINT (1x04) | 22.00ea | 22.00 |
| 1 | 1"x12" STD BRASS NIPPLE | 19.16ea | 19.16 |
| 1 | 1"x90 125# BRASS THREADED ELL | 6.02ea | 6.02 |
| 500 | 3/4"x500' CTS 200# PE3408 ENDOPOLY HIGH DENSITY POLYETHYLENE TUBING | 0.22ft | 110.00 |
| 500 | 1"x500' CTS 200# PE3408 ENDOPOLY HIGH DENSITY POLYETHYLENE TUBING | 0.33ft | 165.00 |

| | |
|------------|--------|
| BID TOTAL | 609.54 |
| Sales tax | 36.57 |
| Bid Amount | 646.11 |

6% Sales tax added per Item on cost justification

Extras not listed or spelled out are not included in pricing.
We reserve the right to correct clerical errors.

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NOTICE OF APPLICATION TO ADJUST RATES

Notice is hereby given that The South Shore Water Works Co. has filed an Application for Adjustment of Non-Recurring Charges with Public Service Commission of Kentucky. By this application, The South Shore Water Works Co. seeks Public Service Commission approval for an increase in its non-recurring charges effective January 15, 2010.

The South Shore Water Works Co. Existing and Proposed Non-Recurring Charges

| <u>Charge</u> | <u>Existing</u> | <u>Proposed</u> | <u>Change</u> |
|--------------------------|-----------------|-----------------|---------------|
| New Account | \$5.00 | \$10.50 | 110% |
| Return Check | \$15.00 | \$21.50 | 43% |
| Duplicate Bill | NA | \$0.65 | New |
| Service Charges | | | |
| Regular Business | \$10.00 | \$25.50 | 155% |
| Request from 4:15-4:30 | NA | \$31.50 | New |
| Emergency | \$13.70 | \$53.50 | 290% |
| Reconnect Charges | | | |
| Regular Business | \$25.00 | \$41.50 | 66% |
| Request from 4:15-4:30 | NA | \$47.50 | New |
| Emergency | \$32.50 | \$72.00 | 122% |
| Meter Recheck Charge | \$10.00 | \$22.00 | 120% |
| Requested Meter Test | \$25.00 | \$79.00 | 216% |
| Broken Valve | | | |
| Regular Business | NA | \$203.00 | New |
| Emergency | NA | \$237.50 | New |
| Stolen Water Meter | NA | \$370.00 | New |
| Transfer Charge | \$10.00 | NA | Cancel |
| Late Penalty | 10% | 10% | No Change |
| Tap Fees | | | |
| 5/8 Inch | \$400.00 | \$945.00 | 136% |
| 1 Inch | \$510.00 | \$1,195.00 | 134% |
| Over 1 Inch | Actual Cost | Actual Cost | No Change |

The rates contained in this notice are the rates proposed by The South Shore Water Works Co. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic, or person may, by motion within thirty (30) days after publication of this rate change, request leave to intervene; and the motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, Post Office Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of

the application and testimony by contacting The South Shore Water Works Co, 809 Main Street, P.O. Box 485, South Shore, Kentucky 41175 (telephone number 606-932-3531). A copy of the application and testimony shall be available for public inspection at The South Shore Water Works Co.'s offices, 809 Main Street, P.O. Box 485, South Shore, Kentucky 41175 (telephone number 606-932-3531).

This notice is provided pursuant to Section 8 of 807 KAR 5:011 – Tariffs.