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300 WEST VINE STREET | SUITE 2100 | LEXINGTON, KENTUCKY 40507-1801  
(859) 231-3000 PHONE | (859) 253-1093 FAX | WWW.SKP.COM

LINDSEY W. INGRAM, JR.  
859-231-3033  
ingramjr@skp.com

July 29, 2003

Mr. Thomas Dorman  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

RE: Kentucky-American Water Company

Dear Tom:

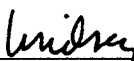
Pursuant to the requirement of 807 KAR 5:011, Section 13, I enclose the original and five (5) copies of the following agreements:

1. Amendment to a Water Purchase Agreement between Winchester Municipal Utilities Commission and Kentucky-American Water Company entered into April 17, 2003, and
2. An Agreement between East Clark County Water District, Inc. and Kentucky-American Water Company dated July 29, 2003.

I enclose a self-addressed, stamped envelope and ask that you return an accepted copy of each of the above-mentioned agreements to me at your earliest convenience.

Very truly yours,

STOLL, KEENON & PARK, LLP

By   
Lindsey Ingram, Jr.

/s/  
312\C:\work\lwi\kawc\general\781 Dorman.doc

Mr. Tom Dorman  
July 29, 2003  
Page 2

bcc w/o encs.: Roy W. Mundy II  
Nick O. Rowe  
Herbert A. Miller, Jr.  
Coleman D Bush  
Linda C. Bridwell

**THIS AGREEMENT**, made and entered into this the 29<sup>th</sup> day of July, 2003, by and between East Clark County Water District, Inc., hereinafter referred to as "Customer," and KENTUCKY-AMERICAN WATER COMPANY, a Kentucky corporation with offices at 2300 Richmond Road, Lexington, Kentucky 40502, hereinafter referred to as "Company,"

WITNESSETH:

**WHEREAS**, Customer desires to purchase a supply of potable water from Company, and

**WHEREAS**, Company can meet the specific request of Customer,

**NOW, THEREFORE**, the parties hereto do hereby agree as follows:

1. From and after the 29<sup>th</sup> day of JULY, 2003, Customer shall have the right to purchase from Company, and Company shall be obligated to sell to Customer, an amount of potable water not to exceed 2,100 gallons in any twenty-four hour period. Customer hereby acknowledges that this quantity and flow is adequate for its present and future needs within the term of this contract, as determined and recommended by its consulting engineer.

2. Delivery of the water purchased by Customer and sold by Company shall be at point or points to be determined under the existing rules and regulations of Company as approved by the Public Service Commission of the Commonwealth of Kentucky and as the same may be changed from time to time. The total quantity of water purchased by Customer from all points shall not exceed the limitations of quantity and flow as set forth in the preceding paragraph. Company shall not be responsible for the quality of water purchased by Customer past the point or points of actual delivery as determined herein.

3. Customer acknowledges that Company will make an investment for the metering equipment and vault.

4. Customer shall pay for the quantity of water purchased by it and sold by Company at the approved and published tariffs of Company as the same may change from time to time and as approved by the Public Service Commission of the Commonwealth of Kentucky.

5. Customer must build, maintain and control such storage and transmission facilities as are necessary for it to meet any demands in excess of the quantities of water or rates of delivery herein agreed to be sold by Company. Company reserves the right to install such quantity and flow restrictive devices as will physically limit customer to the quantities and flows specified herein.

6. Customer will install, at its sole expense, appropriately approved backflow devices which Customer must certify to Company as approved and which must be inspected by a certified plumber annually and certified in writing to Company as then currently approved and property working, all at the cost of Customer.

7. In the event any type of water curtailment practice, procedure, regulation or law is utilized by Company or is imposed upon Company, Customer agrees to abide by all recommendations of Company and to institute such regulations, requirements, policies or laws as will restrict its customers in a fashion similar to all customers of the Company.

8. Company's obligation to supply water pursuant to this Agreement is solely an obligation that it shall undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the supply of water agreed to herein. Company cannot and does not guarantee, covenant or warrant that interruptions and fluctuations will not occur, or that because of emergencies due to breaks, leaks, defects, construction or necessary repair in its facilities, or caused by fires, strikes, acts of God, or other causes, there may not be periods during which the supply of water may be curtailed or interrupted. In the event of such interruptions or fluctuations, no liability of any nature shall be imposed upon Company.

9. In the event all or any part of the waterworks plant and facilities of Company which are used in meeting its obligations under this Agreement are acquired by a municipal corporation or any other entity, then and in that event Company shall be relieved of all of its obligations hereunder and, in such event, this Agreement shall be binding upon the municipality or any other entity making such acquisition.

10. It is understood and agreed between Customer and Company that Company does not, by this Agreement, undertake or contract to provide fire protection for those individuals, partnerships and corporations to whom Customer is going to sell water furnished by Company. Customer acknowledges that it is fully aware that if its customers desire fire protection or sufficient quantities of water for fire extinguishment, that it must provide the same by the construction and maintenance of appropriate facilities to render such service and protection.

11. This Agreement shall terminate twenty (20) years after the date of execution hereof. Customer shall have the right to extend this Agreement for a term of 20 years beyond the original termination date by notifying Company in writing of its decision to do so prior to six months before the termination date of this Agreement.

12. Pursuant to 807 KAR 5:011(13), Company will file a copy of this executed contract with the Public Service Commission of the Commonwealth of Kentucky.

13. Customer may pledge this contract to further secure funding made to improve the water distribution system of Customer.

14. This Agreement constitutes the entire agreement of the parties and all prior conversations and writings are merged herein.

15. This Agreement shall be construed according to the laws of the Commonwealth of Kentucky.

This Agreement has been executed by the parties hereto, by their appropriate authorized representatives, and a certified copy of the resolutions of the governing authorities of each is attached hereto, in the city of Lexington, Fayette County, Kentucky, on this the 29<sup>th</sup> day of July, 2003.

EAST CLARK COUNTY WATER DISTRICT, INC.

BY: Kred Ferris Chairman

KENTUCKY-AMERICAN WATER COMPANY

BY: [Signature]



**Paul E. Patton, Governor**

**Janie A. Miller, Secretary  
Public Protection and  
Regulation Cabinet**

**Thomas M. Dorman  
Executive Director  
Public Service Commission**

COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
211 SOWER BOULEVARD  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602-0615  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Martin J. Huelsmann  
Chairman**

**Gary W. Gillis  
Vice Chairman**

**Robert E. Spurlin  
Commissioner**

August 26, 2003

Lindsey Ingram, Jr.  
Stoll, Keenon & Park, LLP  
201 East Main Street  
Suite 1000  
Lexington, KY 40507-1380

RE: Filing No. **C 64-1009**  
Water Purchase Agreement with Winchester Municipal Utilities Commission.

Dear Mr. Ingram:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

A handwritten signature in cursive script that reads "Dennis Brent Kirtley".


Dennis Brent Kirtley  
Tariff Review Branch Manager

Enclosure  
pan



WINCHESTER MUNICIPAL UTILITIES COMMISSION  
and  
KENTUCKY AMERICAN WATER COMPANY

AMENDMENT TO WATER PURCHASE AGREEMENT

This Amendment to Water Purchase Agreement made and entered into this 17<sup>th</sup> day of ~~October~~ <sup>April</sup>, ~~2002~~ <sup>2003</sup>, by and between  WINCHESTER MUNICIPAL UTILITIES COMMISSION (hereinafter referred to as "WMU") and KENTUCKY AMERICAN WATER COMPANY (hereinafter referred to as "KAWC"),

WITNESSETH

WHEREAS, the parties have heretofore entered into a Water Purchase Agreement dated June 1, 2001 (hereinafter "Agreement"), and

WHEREAS, paragraph 5 of the Agreement specifies the quantity of water to be supplied and paragraph 12 of the Agreement specifies restriction against resale of water, and

WHEREAS, the parties are desirous of amending paragraphs 5 and 12,

NOW THEREFORE, the parties agree to amend the Agreement as follows:

1. Paragraph 5 of the Agreement is amended to provide as follows:

5. **Quantity of Water to be Supplied.** WMU hereby agrees to sell and deliver to KAWC up to 60,000 gallons per day as a peak day capacity allocation. In addition, due to the extension of service to East Clark County Water District PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE seven residential customers in the Ford area, KAWC's peak daily

AUG 30 2003

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

BY Charles H. Dorn  
EXECUTIVE DIRECTOR



capacity allocation is increased to 62,100 gallons per day.

2. Paragraph 12 of the Agreement is amended to provide as follows :

**12. Restriction Against Resale of Water by KAWC.**

KAWC shall not resell any water provided it under this Agreement outside the limits of the territory as described on Exhibits A and B attached; notwithstanding this restriction, KAWC may resell water to East Clark County Water District from the connection near the old power station at Ford, Kentucky, for provision of water to seven residential customers. Terms and conditions of such sale shall be at a rate negotiated by KAWC and East Clark County Water District. Payment of tap or other administrative fees, charges or tariffs shall be as approved by the Public Service Commission.

3. In all other respects, the Agreement shall remain in full force and effect as previously adopted.

WINCHESTER MUNICIPAL  
UTILITIES COMMISSION

By Dexter Noble  
Dexter Noble, Chairman

ATTEST:

Randa C. Yellis

KENTUCKY AMERICAN  
WATER COMPANY

By Nick Rowe  
Nick Rowe, Vice President

ATTEST:

Shirley M. Kelly, Secretary

**WINCHESTER MUNICIPAL  
UTILITIES COMMISSION  
APPROVED 4-17-03**

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 30 2003

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

BY Charles E. Brown  
EXECUTIVE DIRECTOR



**Paul E. Patton, Governor**

**Janie A. Miller, Secretary  
Public Protection and  
Regulation Cabinet**

**Thomas M. Dorman  
Executive Director  
Public Service Commission**

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**Gary W. Gillis  
Vice Chairman**

**Robert E. Spurlin  
Commissioner**

August 26, 2003

Lindsey Ingram, Jr.  
Stoll, Keenon & Park, LLP  
201 East Main Street  
Suite 1000  
Lexington, KY 40507-1380

RE: Filing No. **C 64-1008**  
Water Purchase Agreement with East Clark Water District.

Dear Mr. Ingram:

The above referenced filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

  
Dennis Brent Kirtley  
Tariff Review Branch Manager

Enclosure  
pan



**THIS AGREEMENT**, made and entered into this the 29<sup>th</sup> day of July, 2003, by and between East Clark County Water District, Inc., hereinafter referred to as "Customer," and KENTUCKY-AMERICAN WATER COMPANY, a Kentucky corporation with offices at 2300 Richmond Road, Lexington, Kentucky 40502, hereinafter referred to as "Company,"

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**WHEREAS**, Company can meet the specific request of Customer,

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PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 30 2003

PURSUANT TO 807 KAR 5:011  
SECTION 9(1)  
Rev 5/20/2003

BY Charles D. [Signature]  
EXECUTIVE DIRECTOR

4. Customer shall pay for the quantity of water purchased by it and sold by Company at the approved and published tariffs of Company as the same may change from time to time and as approved by the Public Service Commission of the Commonwealth of Kentucky.

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PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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PURSUANT TO 907 KAR 5:011  
SECTION 9 (1)

BY   
EXECUTIVE DIRECTOR

Rev 5/20/2003

9. In the event all or any part of the waterworks plant and facilities of Company which are used in meeting its obligations under this Agreement are acquired by a municipal corporation or any other entity, then and in that event Company shall be relieved of all of its obligations hereunder and, in such event, this Agreement shall be binding upon the municipality or any other entity making such acquisition.

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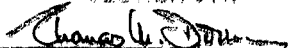
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PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 30 2003

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

BY   
EXECUTIVE DIRECTOR

This Agreement has been executed by the parties hereto, by their appropriate authorized representatives, and a certified copy of the resolutions of the governing authorities of each is attached hereto, in the city of Lexington, Fayette County, Kentucky, on this the 29<sup>th</sup> day of July, 2003.

EAST CLARK COUNTY WATER DISTRICT, INC.

BY: Kred Farris Chairman

KENTUCKY-AMERICAN WATER COMPANY

BY: [Signature]

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

AUG 30 2003

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

BY: [Signature]  
EXECUTIVE DIRECTOR