

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:** )  
 )  
**NOTICE OF ADJUSTMENT OF THE RATES OF** ) **CASE NO. 2004-00103**  
**KENTUCKY-AMERICAN WATER COMPANY** )  
**EFFECTIVE ON AND AFTER MAY 30, 2004** )

**NOTICE**

Notice is hereby given that Kentucky-American Water Company, in conformity with the Commission's Order dated December 2, 2004, has filed with the Public Service Commission its tariffs reflecting the proposed rates, charges, classifications and services set forth in its Application, Statement and Notice and placed in effect for service rendered on and after December 1, 2004.

A copy of the tariff changes is attached hereto.

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BY: *Lindsey Ingram, Jr.*  
Lindsey W. Ingram, Jr.  
Lindsey W. Ingram III

ATTORNEYS FOR  
KENTUCKY AMERICAN WATER

**CERTIFICATION**

This is to certify that a true and accurate copy of the foregoing has been electronically transmitted to the Public Service Commission on December 17, 2004; that the Public Service Commission and other parties participating by electronic means have been notified of such electronic transmission; that, on December 17, 2004, the original and one (1) copy in paper medium will be hand-delivered to the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; and that on December 17, 2004, one (1) copy in paper medium will be served upon the following via U.S. Mail:

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STOLL, KEENON & PARK, LLP

By *Lindy Ingram Jr.*

ATTORNEYS FOR  
KENTUCKY AMERICAN WATER

P.S.C. KY. No. 6

COVER SHEET AND ORIGINAL SHEETS:

Nos. 1, 2, 5 through 19, 20.1, 21, 24.1, 26, 29 through 49,  
49.4, 50.1, 50.2, 51, 54, 58, 58.1, 58.2, 58.3, 58.4, 59, 61, 62, 63,  
64, and 64a;

First Revised Sheet Nos. 3.1, 4, 24, 25, 28, 49.1, 49.2, 49.3, 52.1 56,  
57, 60 and 65;

Second Revised Sheet Nos. 22, 23, 27, and 55;

Fourth Revised Sheet Nos. 28.1 and 28.2;

Fifth Revised Sheet Nos. 20, 55.1

Eighth Revised Sheet No. 3;

Nineteenth Revised Sheet No. 53;

Twenty-First Revised Sheet No. 52;

Twenty-Fifth Revised Sheet No. 50

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**KENTUCKY-AMERICAN WATER COMPANY**

**2300 RICHMOND ROAD, LEXINGTON, KENTUCKY**

**FOR SERVICE IN KENTUCKY COUNTIES OF**

**BOURBON, CLARK, FAYETTE, GALLATIN, GRANT, HARRISON,**

**JESSAMINE, OWEN, SCOTT AND WOODFORD**

**FILED WITH THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

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**ISSUED:** December 17, 2004

**EFFECTIVE:** December 1, 2004

**ISSUED BY:**

  
Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

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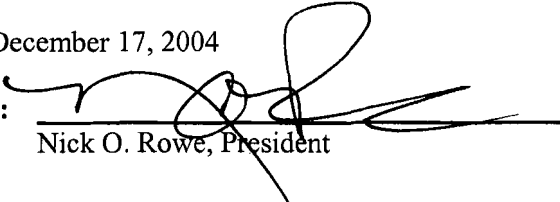
<u>Rule Number</u>	<u>Title</u>	<u>Sheet No.</u>
34.	Rules and Regulations for furnishing Sewer Service at Rockwell Village Mobile Homepark	49.1
	Rules and Regulations for furnishing Sewer Service at Rockwell Village Mobile Homepark (Continued)	49.2
	Rules and Regulations for furnishing Sewer Service at Rockwell Village Mobile Homepark – Late Charges	49.3
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(N) Indicates new tariff and/or test

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(N) Indicates new tariff and/or text

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**CLASSIFICATION OF SERVICE**  
**SERVICE CLASSIFICATION NO. 1**

**Applicable**

(T) Applicable to all customers in the Central Division in Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford County, Kentucky.

**Availability of Service**

Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other Public Authority metered service.

**Meter Rates**

The following shall be the rates for consumption, in addition to the service charges provided for herein;

	<b>Customer Category</b>	<b>Rate Per 1,000 Gallons All Consumption</b>	<b>Rate Per 100 Cubic Feet All Consumption</b>
(I)	Residential	\$2.57634	\$1.93225
(I)	Commercial	2.38560	1.78920
(I)	Industrial	1.94663	1.45997
(I)	Municipal & Other		
(I)	Public Authority	2.28525	1.71394
(I)	Sales for Resale	2.28525	1.71394

**Service Charges**

All metered general water service customers shall pay a service charge based on the size of meter installed. The service charge will not entitle the customer to any water.

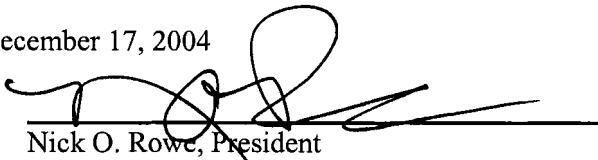
	<b>Size of Meter</b>	<b>Service Charge Per Month</b>
(I)	5/8"	\$8.43
(I)	3/4"	12.65
(I)	1"	21.08
(I)	1-1/2"	42.14
(I)	2"	67.43
(I)	3"	126.43
(I)	4"	210.72
(I)	6"	421.43
(I)	8"	674.29

- (I) Indicates Increase
- (T) Indicates Text Change

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**CLASSIFICATION OF SERVICE**  
**SERVICE CLASSIFICATION NO. 1**

(N) **Applicable**

(N) Applicable to all customers in the Company's Northern Division formerly served by the Tri-Village Water District.

(N) **Availability of Service**

(N) Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other Public Authority metered Service.

(N) **Monthly Water Rates**

(N) The following shall be the rates for water consumption.

**Rate Per 1,000 Gallons**

(I)	First	2,000 gallons	\$27.21 minimum bill
(I)	Next	4,000 gallons	8.72 per 1,000 gallons
(I)	Next	4,000 gallons	8.56 per 1,000 gallons
(I)	Next	10,000 gallons	8.38 per 1,000 gallons
(I)	Over	20,000 gallons	8.05 per 1,000 gallons

**Rate Per 100 Cubic Feet**

(I)	First	2.67 100 cubic feet	\$27.21 minimum bill
(I)	Next	5.33 100 cubic feet	6.54 per 100 cubic feet
(I)	Next	5.33 100 cubic feet	6.42 per 100 cubic feet
(I)	Next	13.33 100 cubic feet	6.285 per 100 cubic feet
(I)	Over	26.66 100 cubic feet	6.0375 per 100 cubic feet

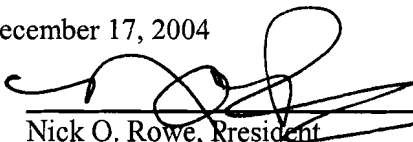
(N) Indicates new rate and/or text

(I) Indicates increase

**ISSUED:** December 17, 2004

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**CLASSIFICATION OF SERVICE**  
**SERVICE CLASSIFICATION NO. 1**

- (N) **Applicable**
- (N) Applicable to all customers in the Company's Northern Division formerly served by the Elk Lake Shores Subdivision.

- (N) **Availability of Service**
- (N) Available for Residential, Commercial, Industrial, Sales for Resale, Municipal and All Other Public Authority metered Service.

**Monthly Water Rates**

- (N) The following shall be the rates for water consumption.

**5/8 inch x 3/4 inch metered**

- (I) First 2,000 gallons \$29.74 minimum bill
- (I) Next 2,000 gallons 3.34 per 1,000 gallons
- (I) Over 4,000 gallons 2.41 per 1,000 gallons

- (I) First 2.67 100 cubic feet \$29.74 minimum bill
- (I) Next 2.67 100 cubic feet 2.505 per 100 cubic feet
- (I) Over 5.34 100 cubic feet 1.8075 per 100 cubic feet

All meters shall be read to the nearest one hundred (100) gallons each month.

- (I) The monthly bill for a customer served by a 5/8" x 3/4" meter shall be \$29.74 for metered usages of zero (0) to two thousand (2,000) gallons or 2.67 100 cubic feet. The additional charge for usage in excess of two thousand gallons shall be computed to the nearest one hundred (100) gallons of usage on the basis of the above unit costs per one thousand (1,000) gallons.

**Size of Service Line**

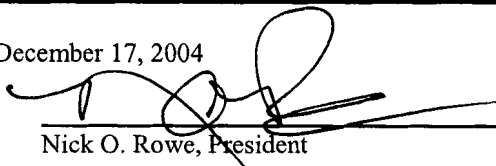
The service line of all service shall be 3/4" with 5/8" x 3/4" meter.

- (N) Indicates new rate and/or text
- (I) Indicates increase

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**CLASSIFICATION OF SERVICE**  
**SERVICE CLASSIFICATION NO. 3**

**Applicable**

(T) Applicable to all customers located in the Central Division Counties of Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford.

**Availability of Service**

Available for municipal or private fire connections used exclusively for fire protection purposes.

**Rates**

	<u>Size of Service</u>	<u>Rate Per Month</u>	<u>Rate Per Annum</u>
(I)	2" Diameter	\$ 4.61	\$ 55.32
(I)	4" Diameter	18.45	221.40
(I)	6" Diameter	41.46	497.52
(I)	8" Diameter	73.70	884.40
(I)	10" Diameter	115.16	1,381.92
(I)	12" Diameter	165.86	1,990.32
(I)	14" Diameter	225.79	2,709.48
(I)	16" Diameter	294.83	3,537.96

**Special Provisions**

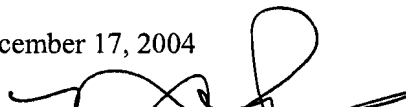
No charge shall be made for water used in extinguishing accidental fires or for Underwriters' tests, and water shall not be drawn from a private fire service connection for any other purpose.

(T) Indicates text change  
(I) Indicates increase

**ISSUED:** December 17, 2004

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**ISSUED BY:**

  
\_\_\_\_\_  
Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

Implemented pursuant to KRS 278.190 in Case 2004-00103

**TAPPING FEES**

**Applicable**

- (T) Applicable to the entire Service Territory of Kentucky-American Water Company excluding the
- (T) Northern Division formerly served by the Tri-Village Water District and Elk Lake Shores Subdivision.

**Availability of Service**

Available for residential, commercial, industrial, other public authority and sales for resale customers.

**Tapping (Connection) Fees**

**Size of Meter Connected**

(I)	5/8-Inch	\$ 510.00
(I)	1-Inch	945.00
(I)	2-Inch	4,250.00
(I)	Service larger than 2"	Actual Cost

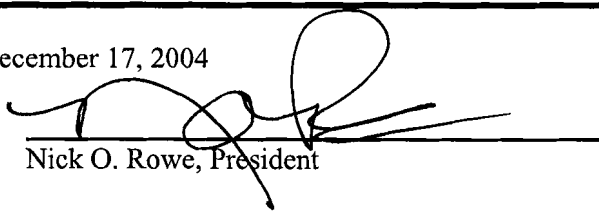
For services greater than 2", a cost-adjustable deposit is required upon application. The tapping fee will be required upon application for all services installed on or after the effective date of this tariff, except in cases where a complete application for service (including plumbing inspection) is on file with the Company prior to the effective date of this tariff.

- (T) Indicates text change
- (I) Indicates increase

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Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

Implemented pursuant to KRS 278.190 in Case 2004-00103

**CLASSIFICATION OF SERVICE**  
**SERVICE CLASSIFICATION NO. 4**

**Applicable**

- (T) Applicable to all customers in the Central Division in Bourbon, Clark, Fayette, Harrison, Jessamine, Scott and Woodford County, Kentucky.
- (T)

**Availability of Service**

Available for municipal or private fire connections used exclusively for fire protection purposes.

**Rates For Public Fire Service**

	<b><u>Rate Per Month</u></b>	<b><u>Rate Per Annum</u></b>
(I) For each public fire hydrant contracted for or ordered by Urban County, County, State or Federal Governmental Agencies or Institutions.	\$27.63	\$331.56

**Rates For Private Service**


(I) For each private fire hydrant contracted for by Industries or Private Institutions	\$41.46	\$497.52
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- (T) Indicates Change in Text
- (I) Indicates Increase

ISSUED: December 17, 2004

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\_\_\_\_\_  
Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

Implemented pursuant to KRS 278.190 in Case 2004-00103

**CUSTOMER SPECIFIC TARIFF CHARGES**

**Applicable**

- (N) Applicable to customers in the Company’s Northern Division formerly served by the Tri-Village Water District.

**TAPPING FEES**

**Size of Meter Connected**

	5/8-Inch	\$ 530.00
(N)	1-Inch	945.00
(N)	2-Inch	4,250.00
(N)	Service larger than 2”	Actual Cost

For services greater than 2”, a cost-adjustable deposit is required upon application. The tapping fee will be required upon application for all services installed on or after the effective date of this tariff, except in cases where a complete application for service (including plumbing inspection) is on file with the Company prior to the effective date of this tariff.

	Service Run	\$23 ** (refer below)
(I)	Collection of Delinquent Bill	\$33
(R)	Reconnection Charge	\$29
(D)	Meter Test Request	\$10
	Deposit for New Service	\$40
	Returned Check Charge	\$10

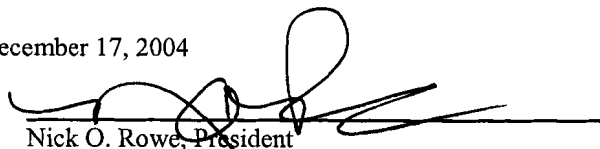
\*\* This applies anytime the service men come to remove the meter for non-payment of the bill and the customer pays while they are there or tells them that they will come to the office to pay the bill.

- (N) Indicates new rate and/or text
- (I) Indicates increase
- (R) Indicates reduction
- (D) Indicates discontinued rate

ISSUED: December 17, 2004

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Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

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**CUSTOMER SPECIFIC TARIFF CHARGES**

**Applicable**

- (T) Applicable to customers in the Company's Northern Division formerly served by the Elk Lake Shores Subdivision.

**SERVICE RUN**

The cost of a service run shall be \$40.00. This applies anytime the service men come to remove the meter for non-payment of the bill and the customer pays while they are there or tells them that they will come to the office to pay the bill.

**PENALTY CLAUSE**

The rates, as listed, are net and all bills will be rendered in the net amount. A penalty of 10% shall be added to the bill if payment is not received by the 15<sup>th</sup> of the month. A penalty will be assessed only once on any bill for rendered service.

**RETURNED CHECK FEE**

Customer will be charged \$10.00 on any returned checks.

**RECONNECTION CHARGE**

A Reconnection Charge of \$40.00 shall be made by the Company to cover the cost incurred for reconnecting the meter or service when the customer's service has been disconnected at his request, or for any other reason, as set forth in these Regulations.

**METER REMOVAL CHARGE**

A Meter Removal Charge of \$56.00 shall be made when the customer's service has been disconnected at his request, or for any other reason, as set forth in these Regulations.

(T) Indicates new rate and/or text

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Nick O. Rowe, President

2300 Richmond Road, Lexington, KY 40502

Implemented pursuant to KRS 278.190 in Case 2004-00103

**NEW ACCOUNT SET UP**

**ACTIVATION FEE**

**Applicable**

- (N) Applicable to all customers who request a new account or a change in ownership of an existing account.
- (N)

**Availability of Service**

- (N) Available for all customers.

**Rate**

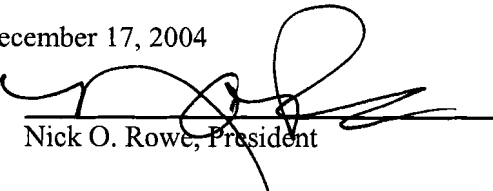
- (N) An activation fee of Twenty-four (\$24.00) Dollars shall be charged to set up a new account or change an existing account. The activation fee covers the cost of meter reading and record change.

(N) Indicates new rate and/or text

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2300 Richmond Road, Lexington, KY 40502

Implemented pursuant to KRS 278.190 in Case 2004-00103

**LOW INCOME WATER DISCOUNT**

**Applicable**

- (N) Applicable to all residential customers whose household annual income is annually certified
- (N) by the state or federal government or an independent organization acceptable to Kentucky-
- (N) American Water Company as being equal to or below the federally-defined poverty level.

**Availability of Service**

- (N) Available for Residential customers.

**Rate**

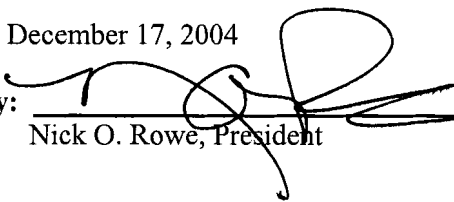
- (N) The service charge on Sheet No. 50 and the minimum bill on Sheets 50.1 and 50.2 for the
- (N) low income residential customer shall be discounted twenty-five percent (25%).

(N) Indicates new tariff and/or text

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**Issued:** December 17, 2004

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2300 Richmond Road, Lexington, KY 40502  
Address

**CHARGES FOR METER INSTALLATIONS**

**Applicable**

- (N) Applicable to customers in the Company's Northern Division formerly served by the Elk Lake Shores Subdivision.

The following prices as listed, includes the meter, meter vault, meter yoke where required, any necessary valve required, and the service line of the required size running to the customer's property line.

5/8" x 3/4" Meter Installation                      \$360.00

Large Meters    Actual cost of installation

- (T) Each customer must fill-out and sign the Meter Application furnished by Kentucky-American Water  
(T) Company and pay the connection fee in advance. There are no exceptions to this requirement.

**NEW ACCOUNT SET UP**

- (D) A Service Fee of \$40.00 shall be charged to set up a new account when there is a change in ownership or tenancy. This will cover the cost of meter reading and customer setup.

- (T) Indicates change in text  
(D) Indicates discontinued rate

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(N) **EMERGENCY PRICING TARIFF**

(N) The Emergency Pricing Tariff shall be in effect during the time when the Company is in the Water Shortage Rationing Phase of its Demand Management Plan as on file with the Commission.

(N) Applicable

Applicable to Residential, Commercial, Industrial, Other Public Authority, and Sales for Resale customers in the Central Division (Bourbon, Clark, Harrison, Fayette, Jessamine, Scott and Woodford Counties) of Kentucky-American Water Company. On an individual customer basis, base usage for hospitals and other health care facilities will be established that will not endanger the health of patients or residents and may differ from base usage calculated using methodologies set forth below.

(N) Availability of Service

Available for Residential, Commercial, Industrial, Other Public Authority, and Sales for Resale customers.

Rates

(N) Residential

1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
2. Base period shall be the immediately preceding non-drought Fall/Winter (November-April) period where at least three (3) billing periods within the Fall/Winter averaging period exist. In cases where there are less than three (3) billing periods with consumption for the account at the current premises within the Fall/Winter averaging period, three (3) or more billing periods with consumption at the account's previous premises during the Fall/Winter averaging period will be used. If three (3) or more billing periods of consumption at the account's previous premises during the Fall/Winter averaging period do not exist, three (3) or more billing

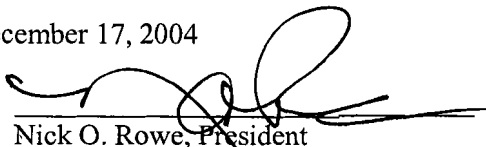
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periods with consumption at the current premises (previous resident) during the Fall/Winter averaging period will be used. If three (3) or more billing periods of consumption at the current premises (previous resident) during the Fall/Winter averaging period do not exist, the account's accumulated eligible actual usage will be used to establish the base period usage

3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
4. On an individual customer basis, usage exceeding base usage by up to twenty-five percent (25%) will be billed at five (5) times the regular tariff rate.
5. On an individual customer basis, usage exceeding twenty-five percent (25%) above base usage will be billed at ten (10) times the regular tariff rate.
6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
7. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for three (3) consecutive meter readings may be subject to disconnection of service with a forty-eight hour (48-hour) notice for which regular reconnection fees will apply.
8. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

(N) Commercial

1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
2. Base period shall be the immediately preceding non-drought twelve-month (12-Month) period where at least six (6) billing periods with consumption exist. In cases where there are less than six (6) billing periods with consumption for the account at the current premises, six (6) or more billing periods with consumption at the current premises (previous resident) will be used. If six (6) or more billing periods with consumption at the current premises (previous resident) do not exist, the account's accumulated eligible actual usage will be used to establish the base period usage.
3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
4. On an individual customer basis, usage exceeding base usage by up to fifteen percent (15%) will be billed at five (5) times the regular tariff rate.
5. On an individual customer basis, usage exceeding fifteen percent (15%) above base usage will be billed at ten (10) times the regular tariff rate.

(N) Indicates new tariff and/or text

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6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
  7. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for three (3) consecutive meter readings may be subject to disconnection of service with a forty-eight hour (48-hour) notice for which regular reconnection fees will apply.
  8. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

(N) Industrial

1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
2. Base period shall be the immediately preceding non-drought Spring/Summer (May-October) period where at least three (3) billing periods with consumption exist. Consideration will be given, when appropriate, to significant increases in industrial output or other design changes. In cases where there are less than three (3) billing periods with consumption for the account at the current premises within the Spring/Summer averaging period, three (3) or more billing periods with consumption from the account's previous premises during the Spring/Summer period will be used. If three (3) or more billing periods with consumption at the account's previous premises during the Spring/Summer period do not exist, three (3) or more billing periods with consumption at the current premises (previous resident) during the Spring/Summer averaging period will be used. If three (3) or more billing periods with consumption at the current premises (previous resident) during the Spring/Summer averaging period do not exist, the account's accumulated eligible actual usage will be used to establish the base period usage.
3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
4. On an individual customer basis, usage exceeding base usage by up to fifteen percent (15%) above base usage will be billed at five (5) times the regular tariff rate.
5. On an individual customer basis, usage exceeding fifteen percent (15%) above base usage will be billed at ten (10) times the regular tariff rate.
6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
7. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for three (3) consecutive meter readings may be subject to disconnection of service with a forty-eight hour (48-hour) notice for which regular reconnection fees will apply.

(N) Indicates new tariff and/or text

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EFFECTIVE: December 1, 2004

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Nick O. Rowe, President

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- 8. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

(N) Other Public Authority

- 1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.
- 2. Base period shall be the immediately preceding non-drought twelve-month (12-Month) period where at least six (6) billing periods with consumption exist. In cases where there are less than six (6) billing periods with consumption for the account at the current premises, six (6) or more billing periods with consumption at the current premises (previous resident) will be used. If six (6) or more billing periods with consumption at the current premises (previous resident) do not exist, the account's accumulated eligible actual usage will be used to establish the base period usage.
- 3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
- 4. On an individual customer basis, usage exceeding base usage by up to fifteen percent (15%) above base usage will be billed at five (5) times the regular tariff rate.
- 5. On an individual customer basis, usage exceeding fifteen percent (15%) above the base usage will be billed at ten (10) times the regular tariff rate.
- 6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
- 7. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for three (3) consecutive meter readings may be subject to disconnection of service with a forty-eight hour (48-hour) notice for which regular reconnection fees will apply.
- 8. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

(N) Sales for Resale

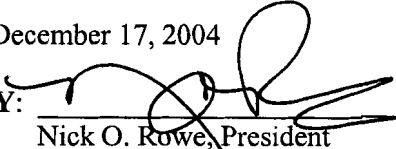
- 1. On an individual customer basis, base usage will be calculated as the average of monthly base period usage.

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2. Base period shall be the immediately preceding non-drought twelve-month (12-Month) period where at least six (6) billing periods with consumption exist. In cases where there are less than six (6) billing periods with consumption for the account at the current premises, six (6) or more billing periods with consumption at the current premises (previous resident) will be used. If six (6) or more billing periods with consumption at the current premises (previous resident) do not exist, the account's accumulated eligible actual usage will be used to establish the base period usage.
  3. On an individual customer basis, usage less than or equal to base usage will be billed at the regular tariff rate.
  4. On an individual customer basis, usage exceeding base usage by up to fifteen percent (15%) above base usage will be billed at five (5) times the regular tariff rate.
  5. On an individual customer basis, usage exceeding fifteen percent (15%) above base usage will be billed at ten (10) times the regular tariff rate.
  6. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for two (2) consecutive meter readings shall receive personal communication regarding usage.
  7. On an individual customer basis, usage exceeding base usage by fifty percent (50%) or more for three (3) consecutive meter readings may be subject to disconnection of service with a forty-eight hour (48-hour) notice for which regular reconnection fees will apply.
  8. Base usage may be reduced periodically by an amount equal to the then current projected shortage percentage if emergency or drought conditions persist or if the necessary level of demand reduction is not achieved.

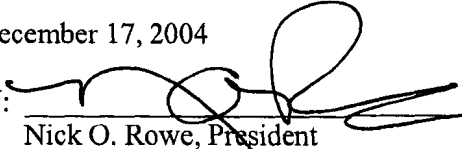
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