October 1, 2010

KENTUCKY PUBLIC SERVICE COMMISSION

Mountain Water District (Name of Utility)

FOR	Entire Service Area
	Community, Town or City
P.S.C. KY. NO.	2
ORIGINAL SHEET NO. 5	
ORIGINAL SHEET NO. 5	
CANCELLING P.S.C. KY. NO. 1	
SHEET NO	

RULES AND REGULATIONS

This schedule of Rules and Regulations governs the furnishing of sewage service by the Mountain Water District, hereinafter referred to as the DISTRICT and applies to all service rendered from the DISTRICT. No employee or individual Director of the DISTRICT is permitted to make any exception to Rates, Rules or Regulations. All Rules and Regulations are to be in effect so long as they are not in conflict with Public Service Commission Rules and Regulations. The DISTRICT is further subject to all Rules and Regulations of the Public Service Commission even though not contained herein.

REVISIONS

These Rules and Regulations may be revised, amended, supplemented or otherwise changed from time to time subject to approval of the Public Service Commission, and shall have the same force as the present Rules and Regulations.

SERVICE AREA

The DISTRICT furnishes sewage service to all of Pike County, Kentucky with the exception of the City of Pikeville and the City of Elkhorn service areas.

AVAILABILITY

Sewer service is available to any domestic consumer within the DISTRICT area. Those wastewater treatment plants not owned by the DISTRICT but lying within Pike County shall not be the responsibility of the DISTRICT unless agreed upon by both parties.

MAINTENANCE

The DISTRICT may at any time deemed necessary, suspend sewer service to any consumer or consumers for the purpose of making repairs, changes or improvements upon any part of its system. The DISTRICT shall give reasonable notice of such suspension of service to consumers.

DATE OF ISSUE	October 13, 2009	
	Month / Date / Year	PUBLIC SERVICE COMMISSION
DATE EFFECTIVE	October 13, 2009	OF KENTUCKY
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ISSUED BY	6 6 2 -	10/13/2009
ISSUED BY Khar		PURSUANT TO 807 KAR 5:011
	(Signature of Officer)	SECTION 9 (1)
TITLE	Chairperson	0
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BY AUTHORITY OF ORDER OF	THE PUBLIC SERVICE COMMISSION	By Ill Wally
		Executive Director
IN CASE NO	DATED	III - EXCOUNT DITCOLO

October 1, 2010

KENTUCKY PUBLIC SERVICE COMMISSION

Mountain Water District
(Name of Utility)

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CANCELLING P.S.C. KY. NO. 1	
SHEET NO	

RULES AND REGULATIONS

The DISTRICT shall be responsible for the maintenance of that portion of the service lateral installed by the DISTRICT and the consumer shall be responsible for the maintenance of that portion thereof installed by the consumer on gravity systems. On pressurized systems, the customer shall be responsible for that portion of sewer lateral beyond the grinder station. The District shall be responsible for the maintenance and replacement of all grinder pump equipment used in connection with its pressurized sewer system with the exception of malfunctions caused by abuse on the part of the customer, including, but not limited to, subjecting the system to excessive amounts of grease. For a more comprehensive list of disapproved items, please visit the following webpage: www.mountainwaterdistrictky.com/links.php.

BILLING, COLLECTION, PENALTIES

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 user's agreement unless 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.

Bills for sewer 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 20th day after the date of issue. On all accounts not paid in full by the next billing date, an additional charge of 10 percent of the unpaid portion will be made. Payments may be made in the form of cash, check, credit/debit card, or online at www.mountainwaterdistrictky.com. Customers choosing to pay by credit or debit card shall be charged \$0.25 per transaction plus 2.27% of the amount to be paid.

All bills not paid on or before the past due date shall be deemed delinquent. Any delinquent bill will appear as added to next month's balance. Included on the bill will be a statement indicating that if the previous balance is not paid in full on or before the next past due date, it is the intent of the District to discontinue service as of the date provided. However, if, prior to discontinuance of service, there is delivered to the District or its employee empowered to discontinue service, a written certificate signed by a physician, registered nurse, or a public health officer that, in the opinion of the certifier, discontinuance of service will aggravate an existing illness or infirmity at the affected premises, services shall not be discontinued until the affected resident can make other living

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TITLE	Chairperson	1100
BY AUTHORITY OF ORDER OF T	THE PUBLIC SERVICE COMMISSION	By Ill Maeur
IN CASE NO. <u>2008-00508</u>	DATED 10/13/2009	// I)

October 1, 2010

KENTUCKY PUBLIC SERVICE COMMISSION

Mountain Water District
(Name of Utility)

FOR	Entire Service Area Community, Town or City
P.S.C. KY. NO.	2
ORIGINAL SHE	ET NO
CANCELLING P.S.C. KY. NO. 1	
SHEET NO	

RULES AND REGULATIONS

arrangements or until thirty (30) days elapse from the time of the District's receipt of said certification, whichever occurs first.

SUBSTANCES NOT TO BE DISCHARGED INTO SEWERS

No substances shall be placed or discharged into the sanitary sewer system which will create a combustible, gaseous, explosive or flammable condition in such sewer system nor shall any substances or objects be placed or discharged into the sewer system which will not dissolve and which will thus create an obstruction and clogging within the system. No petroleum products shall be placed or discharged into the sewer system.

No swimming pool, storm water or surface drain shall be connected with the sanitary sewer system nor shall any pool, storm or surface water be otherwise introduced into the sewer system.

SEWER FAILURE

The DISTRICT is responsible for sewer failure only when in control of the DISTRICT employees. No consumer is paid damages for equipment unless such damages are specifically found to be caused by an act of negligence on the part of the DISTRICT or its employees.

PROTECTION BY CONSUMER

Consumer shall protect the equipment of the DISTRICT on his/her premises and shall not interfere with DISTRICT property or permit interference except by duly authorized representative of the DISTRICT.

NOTICE OF TROUBLE

Consumer shall give immediate notice to the DISTRICT of any irregularities or unsatisfactory service and of any defects known to consumer.

When a customer or applicant refuses or neglects to provide reasonable access to the premises for the purpose of installation, operation, maintenance or removal of DISTRICT property, the DISTRICT may

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ISSUED BY Mana	(Şignature of Officer)	PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
TITLE	Chairperson	MOR
BY AUTHORITY OF ORDER OF THE IN CASE NO 2008-00508	HE PUBLIC SERVICE COMMISSION DATED 10/13/2009	By Executive Director
		

October 1, 2010

KENTUCKY PUBLIC SERVICE COMMISSION

Mountain Water District
(Name of Utility)

FOR	Entire Service Area Community, Town or City	
P.S.C. KY. NO.	2	
ORIGINAL SHEET NO. 8		
CANCELLING P.S.C. KY. NO. 1		
SHEET NO.		

RULES AND REGULATIONS

discontinue or refuse service only after the customer or applicant shall have been given at least fifteen (15) days written notice of such intention.

The DISTRICT shall not be required to furnish service to any applicant when such applicant is indebted to the DISTRICT for service furnished until such applicant shall have paid such indebtedness.

The DISTRICT may refuse or discontinue service to a customer or applicant if the customer or applicant does not comply with state, municipal or other codes, rules and regulations applying to such service.

1. For Nonpayment of Bills

The DISTRICT shall not discontinue service to any customer for nonpayment of bills (including delayed charges) without first having made a reasonable effort to induce the customer to pay same.

The customer shall be given at least five (5) days written notice, but the cut-off shall not be affected before twenty (20) days after the mailing date of the original bill. Such termination notice shall be exclusive of and separate from any bill. The termination notice shall include notification to the customer in writing of the existence of local, state and federal programs providing for the payment of DISTRICT bills under certain conditions and of the offices to contact for such possible assistance. If prior to discontinuance of service, there is delivered to the DISTRICT office payment of the amount in arrears, then discontinuance of service shall not be made.

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IN CASE NO. ___

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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10/13/2009
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By Executive Director

October 1, 2010

KENTUCKY PUBLIC SERVICE COMMISSION

Mountain Water District (Name of Utility)

FOR Entire Service Area Community, Town or City	
P.S.C. KY. NO2	
ORIGINAL SHEET NO. 9	
CANCELLING P.S.C. KY. NO. 1	
SHEET NO.	

RULES AND REGULATIONS

2. For Fraudulent or Illegal Use of Service

When the DISTRICT has discovered evidence that by fraudulent or illegal means a customer has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. The DISTRICT shall not be required to restore service until the customer has complied with all rules of the DISTRICT and regulations of the COMMISION and the DISTRICT has been reimbursed for the estimated amount of the service rendered and the cost to the DISTRICT incurred by reason of the fraudulent use.

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

PUBLIC SERVICE COMMISSION OF KENTUCKY **EFFECTIVE** 10/13/2009 **PURSUANT TO 807 KAR 5:011**

SECTION 9 (1)