

BILLING SERVICES AGREEMENT

This Billing Services Agreement made and entered into this 1st day of July, 2010, by and between Graves County Water District, Party of the First Part, (hereinafter referred to as “GCWD”) and Purchase Public Service Corporation, Party of the Second Part, (hereinafter referred to as “PPSC”).

WITNESSETH:

WHEREAS, PPSC provides waste water services for Thomas Country Estates, Highland Club Estates, and Holifield Heights in Graves County, Kentucky, and,

WHEREAS, GCWD provides water for Thomas Country Estates, Highland Club Estates and Holifield Heights, and,

WHEREAS, to date **PPSC** and **GCWD** bill separately for these services provided and in the interest of cost economy **PPSC** desires for its waste water charges to be included on the water bills presently being sent by **GCWD**, and,

WHEREAS, GCWD wishes to provide these billing services for **PPSC** on the terms and conditions set forth herein.

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained the parties hereto hereby agree as follows:

1. **Services provided by GCWD:**

- a. Beginning on the 1st day of July, 2010 **GCWD** agrees to include the monthly flat rate waste water charges of **PPSC** for its customers in Thomas Country Estates, Highland Club Estates and Holifield Heights.
- b. **GCWD** will mail its bill (which shall include the monthly flat rate waste water charges of **PPSC**) on or about the first working day of each month. Payments will be considered late and assessed a 10% penalty if paid past the 10th of each month. The penalty charges shall be prorated between **GCWD** and **PPSC** according to their respective charges. All revenues

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PUBLIC SERVICE COMMISSION**
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EXECUTIVE DIRECTOR
TARIFF BRANCH

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collected by **GCWD** on behalf of **PPSC** for waste water charges shall be paid by **GCWD** to **PPSC** on a monthly basis.

- c. **GCWD** will discontinue water service for non-payment by the 25th of each month and disconnects will be scheduled on or about the 25th of each month. A disconnect notice will be sent out by **GCWD** in accordance with the Public Service Commission requirements prior to any disconnection.
- d. In the event a bill remains unpaid after the 10th day of the month then **GCWD** shall send a disconnect notice to the customer. The parties agree that the cost this disconnect notice to **GCWD** is \$2.00 and **PPSC** agrees to pay to **GCWD** one-half (½) of this cost (\$1.00) by reduction of the revenues paid to **PPSC** by **GCWD** as set forth in 1(l) below.
- e. If a customers bill remains unpaid by the 25th of the month **GCWD** will disconnect the customer's water service on or about the 25th of each month.
- f. The parties agree that the disconnect/reconnect costs of a customers' service is \$25.00. In the event of a disconnect of water services by **GCWD**, **PPSC** will pay to **GCWD** one-half (½) of the disconnect fees (\$12.50) by reduction of the revenues paid to **PPSC** by **GCWD** as set forth in 1(l) below. **GCWD** shall charge the customer \$25.00 to reconnect the water service and when this is paid by the customer, **GCWD** will pay to **PPSC** one-half (½) (\$12.50) of the reconnection fee, only if there has been a reduction in the revenues pursuant to 1(l) below.
- g. In the event a customers delinquent account is turned over to a collection agency, then **PPSC** agrees to be responsible for one-half (½) of the collection fee which shall be reduced from its revenues to be paid under 1(l) below.
- h. **GCWD** shall generate reports on a timely basis so that **PPSC** will have the necessary information which can be submitted to the Public Service Commission on an annual basis.
- i. **GCWD** will charge all new **PPSC** sewer customers a \$40.00 deposit after July 1, 2010. **GCWD** shall pay interest on all deposits as set forth in (j) below.
- j. **GCWD** will pay interest on customer deposits one time per year. This interest payment will be applied to the customers billing in the form of a credit.

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- k. **GCWD** will charge a \$25.00 returned check fee. Expenses and revenue from this process will be shared equally between **GCWD** and **PPSC**.
- l. At the end of each month, **GCWD** will pay **PPSC** an amount based on the number of customers charged with the **PPSC'S** approved flat rate. In December of each year, **GCWD** will account for the notice fees, the disconnect/reconnect fees, and the returned check fees as set forth above for non-paying customers and shall reduce the December payment by this amount accordingly as set forth above.
- m. When service is terminated for non payment, service will be restored only after a \$25.00 reconnect fee plus the customer's bill is paid. For service to be restored after normal business hours the \$25.00 reconnect fee, customer's bill and a \$75.00 overtime charge must be paid. The overtime charges to a customer shall not be subject to the reimbursement/repayment provisions to **PPSC** of this agreement. For purposes of this section the water/sewer bill will be treated as one bill and service will not be restored for partial payment.

2. **PPSC Responsibilities:**

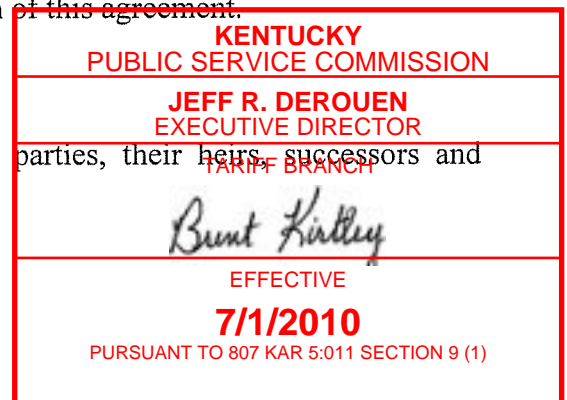
- a. **PPSC** agrees to pay **GCWD** for the services referred to above the following:
 - i. \$500.00 for a setup fee for billing services
 - ii. \$150.00 per month for billing services
- b. **PPSC** agrees to provide any and all new customer information to **GCWD** for billing purposes.
- c. **PPSC** shall be responsible for collecting all balances on accounts prior to the effective date of this agreement.

3. **Termination:**

Either party may terminate this agreement with 60 days written notice to the other at their address at that time. Should either party terminate this agreement with 60 days written notice all billing information will be provided to **PPSC** by **GCWD** and **GCWD** shall be compensated for any and all work completed prior to the termination within 60 days of the termination of this agreement.

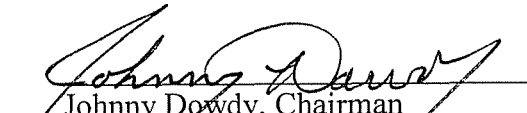
4. **Succession:**

This agreement shall be binding upon the parties, their heirs, successors and assigns.

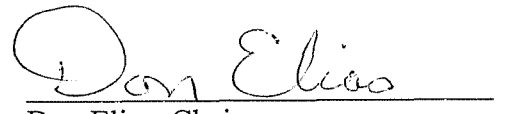


IN WITNESS WHEREOF, the parties have here and to set their hands this the day and date first above written.

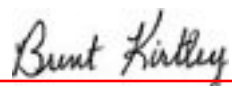
GCWD


Johnny Dowdy, Chairman
Graves County Water District

PPSC


Don Elias, Chairman
Purchase Public Service Corporation

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