

FOR \_\_\_\_\_  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

Henry County Water District  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

RULES AND REGULATIONS

OFFSETTING IMPROVEMENT CHARGE

It is the policy of the District that development should pay to offset its hydraulic impact on the water distribution system, rather than such costs being paid by the District's customers. Development shall be defined as any previously unserved lot or lots, or other unserved tract of land, or any proposed commercial or industrial use of land. This rule shall not apply to lots in subdivisions for which the District has previously certified water availability. This rule shall apply equally to all areas of the District's service area, regardless of county.

Development shall be required to offset its hydraulic impact on the system's minimum daily water pressures by means of water line improvements to the distribution system. The cost of these offsetting improvements, per unit of peak flow in gallons per minute, shall be calculated biennially by the District's accountant and engineer as the average cost per unit of peak flow resulting from all hydraulic improvement projects evaluated during the preceding four years. These projects shall be evaluated in terms of their resultant improvement in minimum daily pressures and the increase in gallons per minute of peak flow which can be accommodated by virtue of these improvements. The total cost of these projects, divided by the total associated peak flow in gallons per minute, shall determine the charge per gallon per minute of peak flow to be paid by development. The results of this biennial calculation shall be submitted to the District's Board of Commissioners for their review and approval and to the Public Service Commission. The initial Offsetting Improvement Charge shall be in the sum of \$980.00 per gallon per minute peak flow.

Residential development shall be charged on the basis of one gallon per minute of peak flow per lot. Water service to industrial lots shall not be provided until the Offsetting Improvement Charge has been received. The District shall not certify water availability on final plats until the charge for the entire subdivision has been received. If the number of plats is revised at a later date the utility shall refund any overcollection. In addition, if the improvements paid by the

DATE OF ISSUE 09/04/2002  
Month / Date / Year

DATE EFFECTIVE 09/04/2002  
Month / Date / Year

ISSUED BY *William L. Shaw*  
(Signature of Officer)

TITLE Chairman, Henry County Water District No. 2

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

CANCELLED  
AUG 2003 PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE  
SEP 04 2002

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

BY *Charles L. Dow*  
EXECUTIVE DIRECTOR

FOR \_\_\_\_\_  
Community, Town or City

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\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RULES AND REGULATIONS

developer have the effect of restoration above previously existing pressure levels the developer shall receive an offsetting credit for such excess.

Commercial and Industrial developments shall be evaluated by a specific engineering analysis of their peak flow, to which the gallon per minute charge shall be applied. Water service to Commercial and Industrial developments shall not be provided until the charge has been received.

All developments shall require a preliminary hydraulic analysis to identify offsetting improvement projects. These projects shall be added to the database of hydraulic improvements for biennial average calculation of the offsetting improvement charge per gallon per minute of peak flow.

Offsetting improvement charges shall be placed in an escrow account and shall be used only for water line projects which improve hydraulic conditions in the distribution system. At the end of each year the District shall submit to the Public Service Commission a list of all offsetting improvement charges collected and an accounting of all expenditures from said escrow account for hydraulic improvement projects. Such projects shall be prioritized by the District on the basis of hydraulic need and cost effectiveness.

The offsetting improvement charge shall apply in cases where the proposed development would not reduce pressures below the required 30 psi state minimum. In cases where pressures would be reduced below the minimum level, the developer shall make improvements to the distribution system to the extent necessary to specifically offset the developers impact. Such improvements shall be made by the developer in lieu of the offsetting improvement charge.

DATE OF ISSUE 09/04/2002  
Month / Date / Year

DATE EFFECTIVE 09/04/2002  
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ISSUED BY *William S. Stewart*  
(Signature of Officer)

CANCELLED  
AUG 2003  
PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 04 2002

TITLE Chairman, Henry County Water District No. 2

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BY *Charles L. Dow*  
EXECUTIVE DIRECTOR

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Each year the district shall supply the Public Service Commission with a written long term plan for the use of proceeds from the offsetting improvement charge. The water main improvement plan shall identify needed improvements to maintain pressure and a ranking in order of priority given to the improvement.



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ISSUED BY *William B. Hawthorne*  
(Signature of Officer)

TITLE Chair, Henry County Water District No. 2

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SECTION 9 (1)

BY *Charles H. Jones*  
EXECUTIVE SECRETARY