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R.S.C. RATES & RESEARCH DIV.

AMENDMENT NO. 3 TO THE CONTRACT FOR PURCHASE OF TREATED WATER BETWEEN CITY OF SOMERSET, KENTUCKY AND BARNESBURG WATER ASSOCIATION, INC.

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PUBLIC SERVICE COMMISSION

THIS AMENDMENT made and entered into this 15th day of September, 1993, by and between the CITY OF SOMERSET and the BARNESBURG WATER ASSOCIATION, INC.,

For and in consideration of the mutual promises herein contained, the parties hereto do agree as follows:

1. The City of Somerset is the successor in interest to Kentucky Water Service Company, Inc., by way of the asset purchase of the Kentucky Water Service Company, Inc., by the City of Somerset in a contract dated the 23rd day of December, 1985.

2. The City of Somerset agrees to sell and the Barnesburg Water Association, Inc. agrees to buy all its treated water from the City of Somerset for the term hereof.

3. Water Association has obtained a loan commitment in the amount of \$165,100.00 from Farmers Home Administration, a facility of the U.S. Department of Agriculture, to be evidenced by Promissory Note secured by Mortgage on plant facilities and pledge of certain revenues to the Farmers Home Administration payable over a period of forty (40) years from the date of said note. Contract shall be in effect for forty (40) years from date of said Promissory Note.

4. The water will continue to be furnished at all existing locations. All the suppliers users will proportionately share any incurred shortages.

5. The City of Somerset shall own and operate all facilities leading to and including the Master Meter, and the Barnesburg Water Association, Inc., shall own and operate all facilities on the discharge side of the Master Meter.

6. The City of Somerset documents to Barnesburg Water Association, Inc. that it has an adequate supply and treatment facilities available to meet the needs of both Barnesburg and Somerset's customers for the foreseeable future in Pulaski County.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011, SECTION 2(1)

BY: [Signature] FOR THE PUBLIC SERVICE COMMISSION

This document does not in any way other than the terms set out herein, amend, repeal, or affect any of the terms, conditions and provisions of said Contract for Purchase of Treated Water of the 12th day of June, 1991.

IN WITNESS WHEREOF, the parties hereto acting under authority of their retrospective governing bodies, have caused this Amendment Number 3 of the Contract to Purchase Treated Water to be duly executed this 15<sup>th</sup> day of September, 1993.

ATTEST:

*David H. [Signature]*  
CITY CLERK

SELLER:

CITY OF SOMERSET, KENTUCKY

*Smith [Signature]*  
MAYOR

ATTEST:

*Christ [Signature]*  
SECRETARY

PURCHASER:

BARNESBURG WATER ASSOCIATION, INC.

*L. D. Ball*  
PRESIDENT

This Contract Amendment is approved on behalf of the Farmers Home Administration this the \_\_\_\_\_ day of \_\_\_\_\_, 1993.

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

SEP 22 1994

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY: *[Signature]*  
FOR THE PUBLIC SERVICE COMMISSION