


ADOPTION NOTICE

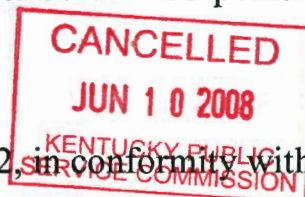
The undersigned Water Service Corporation of Kentucky hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and administrative regulations for furnishing water service in Bell County and Hickman County in the Commonwealth of Kentucky, filed with the Public Service Commission by Aqua/KWS, Inc. and Utilities of Kentucky, Inc., and in effect on the 1st day of October, 2002, the date on which the public service business of the said Aqua/KWS, Inc. and Utilities of Kentucky, Inc. was taken over by Water Service Corporation of Kentucky.

This notice is issued on the 1st day of October, 2002, in conformity with 807 KAR 5:011, Section 11 of the regulations adopted by the Public Service Commission.

WATER SERVICE CORPORATION
OF KENTUCKY

By: 
LAWRENCE SCHUMACHER,
PRESIDENT

Authorized by PSC Order dated June 14, 2002 in PSC Case No. 2002-00142



OCT 01 2002

PURSUANT TO 807 KAR 5:011
SECTION 9.11

BY: 
EXECUTIVE DIRECTOR

P.S.C. Ky. No. 1

Cancels P.S.C. Ky. No. KWS 1

AQUA/KWS, Inc.

(Formerly - Kentucky Water Service Company, Inc.)

OF
354 Waller Avenue
Lexington, Kentucky

Rates, Rules and Regulations for Furnishing

Water

AT

CANCELLED
JUN 10 2008
KENTUCKY PUBLIC
SERVICE COMMISSION

Middlesboro (Bell County) Kentucky

Clinton (Hickman County) Kentucky

Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY
KENTUCKY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 18 1992

ISSUED June 12, 1992

EFFECTIVE PURSUANT TO 807 KAR 5:011
SECTION 9(1), 1992

BY: *Shirley Walker*
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY AQUA/KWS, Inc.
(Name of Utility)

BY: *Starling S. Gregory*

Starling S. Gregory
Secretary-Treasurer



Middlesboro and Clinton
 FOR and Adjacent Territory
 P.S.C. Ky. No. 1
 Original Sheet No. 1
 Cancelling P.S.C. Ky. No. KWS 1
 Sheet No. _____

AQUA/KWS, Inc.

RULES AND REGULATIONS

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Middlesboro and Clinton
 FOR and Adjacent Territory
 P.S.C. Ky. No. 1
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AQUA/KWS, Inc.

RULES AND REGULATIONS

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BY: Sharon Helle
 PUBLIC SERVICE COMMISSION MANAGER

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Middlesboro and Clinton
For : and Adjacent Territory

P. S.C. KY. No. 1

Original Sheet No. 3

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SECTION 9 (1)

BY: Jordan C. Noel
FOR THE PUBLIC SERVICE COMMISSION

Date of Issue: May 16, 1996
Month Day Year

Date Effective: May 20, 1996
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Issued By: Bob Williams General Manager P.O. Box 22317, Lexington, KY 40522
Title Address

Middlesboro and Clinton
FOR and Adjacent Territory
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AQUA/KWS, Inc.

RULES AND REGULATIONS

TERRITORY TO WHICH RULES, REGULATIONS AND SERVICE CLASSIFICATIONS APPLY:

The Rules, Regulations, and Service Classifications contained in this tariff apply in the following:

City of Middlesboro and contiguous territory in Bell County, Kentucky
City of Clinton and contiguous territory in Hickman County, Kentucky

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FOR and Adjacent Territory
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Original Sheet No. 5
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AQUA/KWS, Inc.

RULES AND REGULATIONS

DEFINITIONS

DEFINITIONS APPLICABLE TO RULES AND REGULATIONS:

- (a) "Customer" shall mean any person, firm, corporation or municipality supplied by water service pursuant to these Rules and Regulations.
- (b) "Bona fide prospective customer" shall mean any owner or lessee who is to be the occupant of an existing developed premises having a curb line abutting on that part of a street or public highway in which there is, or is to be, located a distribution main of the Company, who shall file a signed application for a new street service connection and for water service to such premises to be occupied.
- (c) "Company" shall mean the AQUA/KWS, Inc. acting through its officers, managers, or other duly authorized employees or agents.
- (d) "Street service connections" shall mean a pipe with appurtenances used to conduct water from a distribution main of the Company to the curb line of the premises.
- (e) "Premises" shall mean and include:
 - (1) a building under one roof and occupied as one business or residence and served through one street service connection; or
 - (2) a combination of buildings in common ownership in one common enclosure or on a single tract of land not crossed by public streets, roads, or ways and occupied by one family or business and served through one street connection or through more than one such connection if in the exclusive discretion of the Company, multiple connections are advisable in providing service; or
 - (3) one side of a double house having a solid vertical partition wall or each unit of a series of what are commonly known as row houses, each unit being occupied by one family or business and each served through one street service connection, or

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BY: Gregory H. Helle
PUBLIC SERVICE COMMISSION MANAGER

Middlesboro and Clinton
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AQUA/KWS, Inc.

RULES AND REGULATIONS

DEFINITIONS Cont'd.

- (4) a building having a number of apartments or offices and using halls and means of entrance in common, and served through one street service connection; or
- (5) a building previously erected as a single family residence served through one street service connection and subsequently converted into apartments or offices or a combination of such, with two or more separate halls and means of entrance not used in common, and where separate water supply plumbing would not be practicable; or
- (6) each residential or business single occupancy unit, served through one street service connection, in a building which is not a premises otherwise defined in these Rules.
- (7) Rates are based on single family residences or multi-family units and are not applicable to other single family residences or multi-family units. Where two or more residences or multi-family units are served through one street connection the Company may allow service to be taken through one meter if the segregation of plumbing on customer's premises would involve undue expense to the customer, but in this event the unit blocks and minimum bills of rate would be multiplied by such number of residences or units.

PROVIDED: They are located on lots having curb line abutting on that part of a street or public highway in which there is, or is to be, located a distribution main of the Company extending for at least one-half of the frontage of the lot on said street or highway.

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BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

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Lexington, Kentucky

Middlesboro and Clinton
FOR and Adjacent Territory
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AQUA/KWS, Inc.

RULES AND REGULATIONS

1. RULES AND REGULATIONS GOVERNING RENDERING OF SERVICE:

- (a) The Rules and Regulations in their entirety as hereinafter set forth or as they may hereafter be altered or amended in a regular and legal manner shall govern the rendering of water service and every customer upon signing of an application for water service or upon the taking of water service will be bound thereby.
- (b) Except fire and special temporary services, all service will be rendered on a meter basis. Residential, commercial, industrial and municipal service is only regularly available for single premises as "premises" is defined in these Rules. When the interests of other customers would not be jeopardized or prejudiced, the Company's President or a Vice President may, by writing, authorize service at regular rates to governmental or political corporations, districts, or authorities not qualifying as "premises" under these Rules. In special cases, for good cause shown, the Public Service Commission may permit deviations from this regulation.

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P.S.C. Ky. No. 1
Original Sheet No. 8
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AQUA/KWS, Inc.

RULES AND REGULATIONS

2. APPLICATIONS FOR WATER SERVICE

(a) New Street Service Connection

Upon written application by the owner, or his properly authorized agent, on forms furnished by the Company, for the immediate and continuous supply of water to premises having a curb line abutting on that part of a public street or highway in which a distribution main of the Company is located, the Company will install, own and maintain the street service connection to such premises. The Company shall determine the size of all street service connections.

(b) Existing Street Service Connection

When any person, firm or corporation, not theretofore taking water service from the Company, applies for water service, the application shall be in writing on forms supplied by the Company. When such application is accepted by the Company, it shall constitute a contract between the applicant and the Company for service at the premises named in the application and at any other premises at which the named applicant may be securing service unless a separate application for service to such other premises shall have been accepted by the Company.

Any change in the location of the contracting customer to any other premises will require notification of the Company by the Customer. The obligation of the customer to the Company under the existing contract will continue in full force and effect at the new location, premises or address.

The Company shall have the right to discontinue the supply of water to any premises if the owner or occupant does not have a contract for such service with the Company. Within twenty-four (24) hours after such termination, the Company shall send written notification to the Customer of the reason or reasons for the termination of service.

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ISSUED BY Starling S. Gregory
Starling S. Gregory
Name of Officer

Secretary-Treasurer
Title

Lexington, Kentucky
Address

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
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AQUA/KWS, Inc.

RULES AND REGULATIONS

3. USE OF WATER IN ACCORDANCE WITH APPLICATION:

No person or persons, corporation or partnership receiving water service from the Company will be permitted to use water for any other purposes than that for which they shall have contracted to pay as shown by their application, nor shall they supply water in any way to any other party or parties without a written permit from the President or a Vice President of the Company. An accepted application for water service to any premises shall constitute a license to the applicant to take and receive a supply of water for said premises but only for the uses specified in such applications and the supply shall not be used except for the premises specified in the application.

4. SPECIAL APPLICATIONS FOR WATER SERVICE:

- (a) Water for transient, temporary or special services must be specially applied for.
- (b) Water for building or construction purposes, when not furnished on an application for regular metered service, will be supplied under special application.

5. CUSTOMER'S LIABILITY FOR CHARGES:

A customer who has made application for water service to any premises shall be held liable for all water service furnished to such premises. Any Customer desiring service terminated or changed from one address to another shall give the Company three (3) working days' notice in person, in writing, or by telephone.

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Middlesboro and Clinton
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AQUA/KWS, Inc.

RULES AND REGULATIONS

6. STREET SERVICE CONNECTIONS:

- (a) The Company will make all connections to its mains and will specify the size, kind and quality of all materials entering into the street service connections.
- (b) The corporation cock, meter box and the street service pipe from the street main to the curb line or meter box shall be furnished and installed by and shall be the property of the Company and under its sole control and jurisdiction.
- (c) Where a street service connection is already laid to the curb line, or meter box, the Customer shall connect with the street service connection as laid.
- (d) The meter box shall be set in sidewalk or just inside customer's property on a level with the grade of the sidewalk or yard and shall be kept accessible at all times.
- (e) The street service connection from the main to and including the meter box will be maintained by the Company at its expense.

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KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

7. CUSTOMER'S SERVICE PIPES:

- (a) The Company will specify the size, kind and quality of the materials which shall be laid between the curb line and the structures on the premises to be supplied.
- (b) The service pipe from the meter box to the place of consumption shall be furnished and installed by the Customer at his expense and risk.
- (c) The Customer's service pipe and all connections and fixtures attached thereto shall be subject to the inspection and approval of the Company before the water will be turned on.
- (d) The service pipe shall be laid below the frost line at all points and shall be placed on firm and continuous earth so as to give unyielding and permanent support, and shall be installed in a trench at least two feet in a horizontal direction from any other trench wherein are laid gas pipe, sewer pipe, or other facilities, public or private, unless specifically authorized and approved by the Company.
- (e) The Customer shall install a stop and waste cock of a type approved by the Company on the service pipe immediately inside the foundation wall of the building supplied, and to be located so as to be easily accessible to the occupants and to provide proper drainage for all of the pipes in the building.
- (f) The Customer shall make all changes in his portion of the service pipe required on account of changes of grade, relocation of mains or other causes.
- (g) No fixtures shall be attached to or any branch made in the service pipe between the meter and the street main.
- (h) Each premises shall be supplied through an independent service pipe from a separate meter box and the applicant for service shall be solely responsible for all water used on and in said premises.

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RULES AND REGULATIONS

PUBLIC SERVICE COMMISSION
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Name of Officer Title Address
PUBLIC SERVICE COMMISSION MANAGER

7/92

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
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AQUA/KWS, Inc.

- (i) When more than one premises is supplied through a single service pipe, any violation of the Rules and Regulations of the Company with reference to either or any of the said buildings or premises shall be deemed a violation as to all and the water service shall be discontinued after the Customer has been given at least ten (10) days written termination notice and reasonable opportunity allowed for each premises to attach their pipes to separately controlled service connections.
- (j) Any repairs or maintenance necessary on the Customer's service pipe or on any pipe or fixture in or upon the Customer's premises shall be performed by the Customer at his expense and risk.
- (k) In those instances where the Customer requires water pressure which differs from the standard pressure provided by the Company he shall be required to install and maintain at his own expense the necessary equipment to provide the desired pressure. Such equipment and the installation thereof to be approved by the Company. In no event, however, shall the pressure at the Customer's service pipe under normal conditions fall below thirty (30) psig nor shall the static pressure exceed 150 psig.

8. PLUMBING WORK MUST BE APPROVED BY COMPANY:

All plumbing work done in connection with the Company's water mains or appurtenances shall be submitted for the inspection of the Company, and no underground work shall be covered up until inspected and approved by the Company. Whenever the Company determines that a job of plumbing is obviously defective, although not in direct violation of these Rules and Regulations, the Company will insist upon its being corrected before the water will be turned on.

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Middlesboro and Clinton
FOR and Adjacent Territory
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Original Sheet No. 13
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

9. METERS AND METER INSTALLATIONS:

- (a) The Company shall specify the kind and size of meter to be installed.
- (b) Meters will be furnished, installed, and removed by the Company and shall remain its property.
- (c) Each premises shall have a separate meter and the applicant for service shall be solely responsible for all water used on and in said buildings or premises.
- (d) Meters will be maintained by the Company at its expense insofar as ordinary wear is concerned, but damage due to hot water, freezing (as a result of Customer's unauthorized removal of meter cover) or other external causes arising out of or caused by the Customer's negligence or carelessness shall be paid for by the Customer.

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AQUA/KWS, Inc.

RULES AND REGULATIONS

10. METER TESTS AND TEST FEES:

- (a) All meters are accurately tested before installation and are also periodically tested in accordance with the Public Service Commission's regulations. The Company may at any time remove any meter for periodic tests or for repairs or replacement and may, at its option and expense, test any meter when the Company has reason to believe that it is registering inaccurately.
- (b) The Company shall make a test of the accuracy of any meter upon written request of the Customer, provided the Customer does not request such test more frequently than once in twelve months. For such request test, the fee as established herein shall be paid in advance by the complainant but should the said meter be found, upon said test, to be more than two (2) percent incorrect to the prejudice of the Customer, the fee so charged shall be returned to the complainant.
- (c) For test of meters made upon request of the Customer and performed by the Company, the following fees shall be paid:

Outlet 1-inch or less
 Outlet 2-inches and over 1-inch
 Outlet 3-inches and over 2-inches
 Outlet 4-inches and over 3-inches
 Outlets greater than 4-inches as per special fee
 fixed by Public Service Commission.

\$15.00
 Cost of Test
 Cost of Test
 Cost of Test

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- (d) In addition to the request tests of meters performed by the Company, the Customer may, upon formal written application to the Public Service Commission accompanied by payment of the fees as set forth, have a test conducted by the Company in the presence of an employee of the Commission, or by an employee of the Commission. Should the meter be found, upon said test, to be more than two (2) percent incorrect to the prejudice of the Customer, the total cost of such test shall be assumed by the Company and the amount of the fee paid shall be returned to the Customer.
- (e) For test of meters made upon complaint of the Customer and performed by the Public Service Commission, the charges therefore shall be in conformity with the rules and charges prescribed by the Commission.

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 Starling S. Gregory Title
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 BY [Signature]
 PUBLIC SERVICE COMMISSION MANAGER

7/92

Middlesboro and Clinton
FOR and Adjacent Territory
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KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

11, 12, & 13. PUBLIC FIRE HYDRANTS (Including Private Fire Hydrants) and
(Fire Hydrants in Unincorporated Areas)

Fire Protection Generally

1. On or after the effective date (June 7, 1992) of administrative regulation 807 KAR 5:066 Section 10(2)(b), fire hydrants may be installed by a Utility only if:
 - a. A professional engineer with a Kentucky registration has certified that the system can provide a minimum fire flow of 250 gallons per minute; and
 - b. The system supporting this flow has the capability of providing this flow for a period of not less than two (2) hours plus consumption at the maximum daily rate.
2. The location, installation, and the responsibility for maintenance of fire hydrants, public and private fire protection facilities, connecting mains, and their ownership may be subject to negotiation between the Utility and the applicant. Fire hydrants and public and private fire protection facilities shall be installed as required by the Utility and if owned by the Utility shall be subject to any conditions the Public Service Commission may impose, based upon the compensation received for this service.

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7/15/2008

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BY: [Signature]
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Name of Officer Title Address

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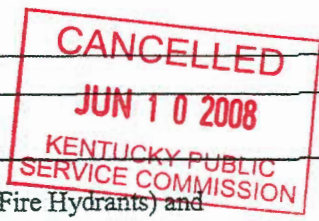
FOR Middlesboro, Clinton and surrounding area
Community, Town or City

P.S.C. KY. NO. 3

Revising SHEET NO. 18, 19, 19a
CANCELLING P.S.C. KY. NO. 2

(Name of Utility)
Water Service Corporation of KY

CONTENTS



11, 12, & 13. PUBLIC FIRE HYDRANTS (including Private Fire Hydrants) and
(Fire Hydrants in Unincorporated Areas)

Fire Protection Generally

1. On or after the effective date (June 7, 1992) of administrative regulation 807 KAR 5:066 Section 10(2)0). fire hydrants may be installed by a Utility only if:
 - a. A professional engineer with a Kentucky registration has certified that the system can provide a minimum free flow of 250 gallons per minute; and
 - b. The system supporting this ti.)w has the capability of providing this flow for a period of not less than two (2) hours plus consumption at the maximum daily rate.
2. The location, installation, and the responsibility for maintenance of fire hydrants, public and private fire protection facilities, connecting mains, and their ownership may be subject to negotiation between the Utility and the applicant. Fire hydrants and public and private fire protection facilities shall be installed as required by the Utility and if owned by the Utility shall by subject to any conditions the Public Service Commission may impose, based upon the compensation received for this service.

Fire Departments Any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district ("User") may withdraw water from the utility's water distribution system for the purpose of fighting fires or training firefighters at no charge on the condition that it maintains estimates of the amount of water used for fire protection and training during the calendar month and reports the amount of this water usage to the utility no later than the 15th day of the following calendar month.

NT

DATE OF ISSUE June 10, 2008
Month / Date / Year

DATE EFFECTIVE July 15, 2008
Month / Date / Year

ISSUED BY John Hoy
(Signature of Officer)

TITLE Chief Regulatory Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2007-00325 DATED 2/28/07

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/15/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By Stephanie Rumber
Executive Director

FOR Middlesboro, Clinton and surrounding area _____

Community, Town or City

P.S.C. KY. NO. 3 _____

Revising SHEET NO. 18, 19, 19a

CANCELLING P.S.C. KY. NO. 2 _____

(Name of Utility)
Water Service Corporation of KY

CONTENTS

Any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district that withdraws water from the utility's water distribution system for fire protection or training purposes and fails to submit the required report on water usage in a timely manner shall be assessed the cost of this water.

A non-reporting user's usage shall be presumed to be 0.3 percent of the utility's total water sales for the calendar month. A non-reporting user may present evidence of its actual usage to rebut the presumed usage. The utility shall consider this evidence and may adjust the presumed usage amount accordingly.

The non-reporting user shall be billed for this usage at the lowest usage block rate regardless of customer classification that the utility charges.

A. Non-reporting user shall also be assessed a penalty of \$20.00 for each failure to submit a report in a timely manner

B. 14, DISCONTINUANCE OF WATER SERVICE:

(a) Service rendered under any application, contract or agreement may be discontinued by the Company after proper notification in accordance with 807 KAR 5:006, Section 14 for any of the following reasons:

I) For willful or indifferent waste of water.

CANCELLED
JUN 10 2008
KENTUCKY PUBLIC
SERVICE COMMISSION

DATE OF ISSUE June 10, 2008
Month / Date / Year
DATE EFFECTIVE July 15, 2008
Month / Date / Year
ISSUED BY John Hoy
(Signature of Officer)
TITLE Chief Regulatory Officer
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2007-00325 DATED 2/28/07

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/15/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)
By Stephanie Hunter
Executive Director

FOR Middlesboro, Clinton and surrounding area _____

Community, Town or City

P.S.C. KY. NO. 3 _____

Revising SHEET NO. 18, 19, 19a

CANCELLING P.S.C. KY. NO. 2 _____

(Name of Utility)
Water Service Corporation of KY

CONTENTS

- (2) For failure to protect the meter and its connections from injury or damage, or for failure to protect and maintain the service pipe or fixtures on the property of the Customer in a condition satisfactory to the Company.
- (3) For molesting or tampering by the Customer, or others with the knowledge of the Customer, with any meter, connections, service pipe, seal or any other appliance of the Company controlling or regulating the Customer's water supply.
- (4) For failure to provide the Company's- employees free and reasonable access to the premises supplied or for obstructing the way of ingress to the meter or other appliances controlling or regulating the Customer's water supply.
- (5) For non-payment of any account for water service, or for meter or service maintenance or for any other fee or charge accruing under the contract
- (6) In case of vacancy of the premises unless the owner requests that water be left on

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ISSUED BY John Hoy
(Signature of Officer)

TITLE Chief Regulatory Officer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2007-00325 DATED 2/28/07

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/15/2008
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By Stephanie Rumber
Executive Director

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 19
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

14. DISCONTINUANCE OF WATER SERVICE:

- (a) Service rendered under any application, contract or agreement may be discontinued by the Company after proper notification in accordance with 807 KAR 5:006, Section 14 for any of the following reasons:
 - (1) For willful or indifferent waste of water.
 - (2) For failure to protect the meter and its connections from injury or damage, or for failure to protect and maintain the service pipe or fixtures on the property of the Customer in a condition satisfactory to the Company.
 - (3) For molesting or tampering by the Customer, or others with the knowledge of the Customer, with any meter, connections, service pipe, seal or any other appliance of the Company controlling or regulating the Customer's water supply.
 - (4) For failure to provide the Company's employees free and reasonable access to the premises supplied or for obstructing the way of ingress to the meter or other appliances controlling or regulating the Customer's water supply.
 - (5) For non-payment of any account for water service, or for meter or service maintenance, or for any other fee or charge accruing under the contract.
 - (6) In case of vacancy of the premises unless the owner requests that water be left on and pays a minimum monthly bill.
 - (7) For violation of any rule or regulation of the Company.
- (b) The water service will be discontinued to any premises on account of temporary vacancy upon request of the Customer, without in any way affecting the agreement in force, after the payment of all charges and fees due as provided for in the rates, rules and regulations of the Company.
- (c) Discontinuing the supply of water to any premises for any reason shall prevent the Company from pursuing lawful remedies by action of KENTUCKY otherwise for the collection of moneys due from the Customer. EFFECTIVE

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7/15/2008

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DATE OF ISSUE June 12 1992 DATE EFFECTIVE June 15 1992
Month Day Year Month Year
ISSUED BY Starling S. Gregory Secretary-Treasurer Lexington, Kentucky
Name of Officer Title Address
7/92
AUG 18 1992
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SECTION 9 (1)
BY Sharon Helle
PUBLIC SERVICE COMMISSION MANAGER

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 20
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

15. RENEWAL OF WATER SERVICE AFTER DISCONTINUANCE:

When water service to any premises has been terminated for any reason other than temporary vacancy, it will be renewed after the acceptance of a new application and when the conditions, circumstances or practices which caused the water service to be discontinued are corrected to the satisfaction of the Company, and upon the payment of all charges due and payable by the Customer in accordance with the rates, rules and regulations. The Company will then reconnect existing service within twenty-four (24) hours, and shall install and connect new service within seventy-two (72) hours.

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BY [Signature]
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY Starling S. Gregory Secretary-Treasurer Lexington, Kentucky
Name of Officer Title Address

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Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 21
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

16. TURN-ON CHARGE

- (a) When it has been necessary to discontinue water service to any premises because of a violation of the Rules and Regulations or on account of the non-payment of any bill; a charge will be made to cover the expense of turning on the water, and this charge together with any arrears that may be due the Company for charges against the Customer must be paid before the water will again be turned on.
- (b) If at the time of such discontinuance of service, the Customer does not have a deposit with the Company, the Company may require a deposit as a guarantee of the payment of future bills before the water will be turned on.

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BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE June 12 1992 DATE EFFECTIVE June 15 1992
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Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 22
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

17. BILLS FOR WATER SERVICE:

- (a) Customers are responsible for furnishing the Company with their correct address. Failure to receive bills will not be considered an excuse for non-payment nor permit an extension of the date when th account would be considered delinquent.
- (b) All bills will be sent to the address entered in the application unless the Company is notified in writing by the Customer of any change of address.
- (c) If requested in writing by the Customer, the Company will send bills to and will receive payments from agents or tenants. However, this accomodation will in no way relieve the Customer of the liability for all water charges and the Company shall not be obligated to notify the Customer of the non-payment of water bills by such agents or tenants.
- (d) Payments shall be made at the office of the Company or at such other places conveniently located as may be designated by the Company.
- (e) The Company will not be bound by bills rendered under mistake of fact and to the quantity of service rendered.
- (f) The use of water by the same Customer in different premises or localities will not be combined, and each installation shall stand by itself.

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Middlesboro and Clinton
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P.S.C. Ky. No. 1
Original Sheet No. 23
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

18. TERMS OF PAYMENT:

- (a) Special charges shall be payable upon demand.
- (b) Bills for metered service shall be rendered monthly and are due and payable when rendered.
- (c) Bills for private fire service shall be rendered monthly in advance and are due and payable when rendered.
- (d) If a bill is not paid within ten days after its due date, the Company may discontinue the water service. The Company will give at least five (5) days notice before termination for nonpayment and that service will not be terminated before 20 days after the mailing date of the original bill.

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Middlesboro and Clinton
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P.S.C. Ky. No. 1
Original Sheet No. 24
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

19. ABATEMENTS AND REFUNDS:

- (a) There shall be no abatement of the minimum rates due to the extended absence of the Customer without proper notice having been given to the Company. No abatement shall be made for leaks or for water wasted by improper or damaged service pipes or fixtures belonging to the Customer.
- (b) If test results on a Customer's meter show an average error greater than two percent (2%) fast or slow, or if a Customer has been incorrectly billed for any other reason, except in an instance where a Company has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a Customer, the Company shall immediately determine the period during which the error has existed, and shall recompute and adjust the Customer's bill to either provide a refund to the Customer or collect an additional amount of revenue from the underbilled Customer. The account adjustment shall be performed according to 807 KAR 5:006 Section 10(2) with corrected billing or refund as directed therein.

20. BOILER AND ENGINE WATER SUPPLY:

The Company does not guarantee a sufficient or uniform pressure, or an uninterrupted supply of water, and Customers are cautioned to provide a sufficient storage of water where an absolutely uninterrupted supply must be assured; such as for steam boilers, hot water systems, gas engines, etc.

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Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 25
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

21. INTERRUPTIONS IN WATER SUPPLY:

The Company may at any time shut off the water in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes, or for other reasons, and may restrict the use of water to reserve a sufficient supply for public fire service or other emergencies whenever the public welfare may require it.

22. LIABILITY OF COMPANY:

- (a) The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the service, but it cannot and does not guarantee that such will not occur.
- (b) The Company shall in no event be liable for any damage or inconvenience caused by reason of any break, leak or defect in the Customer's service pipe or fixtures.

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Month Day Year

ISSUED BY Starling S. Gregory Secretary-Treasurer Lexington, Kentucky
Name of Officer Title Address

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

7/92

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 26
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

23. CROSS CONNECTIONS AND INTERCONNECTIONS:

- (a) A cross-connection is any pipe, valve, or other arrangement or device connecting the pipelines of the Company or facilities directly or indirectly connected therewith to and with pipes of fixtures supplied with water from any source other than the lines of the Company directly connected.
- (b) An interconnection is a plumbing arrangement, other than a cross-connection, by which continuation might be admitted or drawn into the distribution system of the Company, or into lines connected therewith, used for the conveyance of potable water.
- (c) No cross-connection or interconnection will be made by Customer without the approval of the State Health Department and the Company.

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SECTION 9 (1)

DATE OF ISSUE June 12 1992 DATE EFFECTIVE JUNE 15 1992
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ISSUED BY Starling S. Gregory Secretary-Treasurer Lexington, Kentucky
Name of Officer Title Address

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AQUA/KWS, Inc.

RULES AND REGULATIONS

24. GENERAL

- (a) The service pipes, meters and fixtures on the Customer's premises shall at all reasonable hours be accessible to the Company for observation or inspection.
- (b) No person shall turn the water on or off at any street valve, corporation cock, meter or other street connections, or disconnect or remove any meter without the consent of the Company. Penalties provided by law for any such action will be rigidly enforced.
- (c) Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any service rendered to its Customers except as covered in these Rates, Rules and Regulations.
- (d) No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement of representation contrary to the letter or intent of these Rules and Regulations.
- (e) Any complaint against the service or employees of the Company should be made at the office of the Company and preferably in writing. If a complaint either written, in person or by telephone is not resolved, the Company shall advise the complainant of his right to file a complaint with the Public Service Commission and provide him/her with their address and telephone number.

25. APPROVAL OF THE RULES AND REGULATIONS:

All Rules and Regulations of the Company are subject to the approval of the Public Service Commission of the State of Kentucky and if any part thereof should be adjudged to be in violation of any rule or order made by the Commission, then that particular part shall be ineffective but without in any way affecting the other portions thereof.

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PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 18 1992

DATE OF ISSUE June 12 1992 DATE EFFECTIVE June 1992
Month Day Year Month Day Year
ISSUED BY Starling S. Gregory Secretary-Treasurer BY: Charles S. [Signature]
Starling S. Gregory Title PUBLIC SERVICE COMMISSION MANAGER
Name of Officer Lexington, Kentucky Address

7/92

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 28
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

26. MAIN EXTENSIONS:

- (a) The Company will extend existing distribution mains a distance of fifty (50) feet for each bona fide prospective customer, making application for service connection and water service therefrom for a period of one year or more under these Rules and Regulations. Such extensions will be made without cost to such customer(s).
- (b) When an extension greater than fifty (50) feet in length for each bona fide prospective customer is required or requested such extension will be made under the terms of an "Extension Deposit Agreement" as hereinafter set forth. The Company shall have the exclusive right to determine the type and size of mains to be installed and of the related facilities required to render adequate service.
- (c) In determining the length of any extension required pursuant hereto the terminal point of such extension shall, in all cases, be at that point in the curb line of the last lot on which is located a premises to be served which is equidistant from the side property lines of said lot.
- (d) Before water lines are laid in new subdivisions, the subdivider shall furnish the Water Company with a plat (or plan) or the subdivision approved by the City-County Planning and Zoning Commission, and the plat (or plan) shall have been recorded in the County Court.

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KENTUCKY PUBLIC
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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 18 1992

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

DATE OF ISSUE June 12 1992
Month Day Year

DATE EFFECTIVE JUN 10 1992
Month Day Year

BY: Shawn Hester
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY Starling S. Gregory Secretary-Treasurer Lexington, Kentucky
Name of Officer Title Address

7/92

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 29
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

27. FORM OF EXTENSION AGREEMENT:

THIS CONTRACT made and entered into this the _____ day of _____ by and between AQUA/KWS, Inc., a Kentucky Corporation, hereinafter referred to as the Company, and _____, hereinafter referred to as the Customer.

W I T N E S S E T H

WHEREAS, Customer desires water service be made available to _____ which is located on the _____ as shown on the attached print and marked Exhibit A, and

WHEREAS, the Company is willing to make this water main extension from their existing main located on the _____, as shown on the attached Exhibit A.

NOW, therefore for and in consideration of the above premises the mutual agreement and benefits herein contained, parties hereto agree as follows:

1. The Company agrees that it will secure the necessary material and install the main extensions hereinafter described and shown on the attached print and marked Exhibit A.

2. The amount and size of pipe and fittings required are as follows:

3. It is further agreed that for each customer connected to this main extension the Company will refund to the Customer a sum equivalent to the cost of 50' of this extension, or _____ per customer connected to said extension.

4. This contract applies only to customers connected to above size pipe, and shown on attached plan, Exhibit A.

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
KENTUCKY PUBLIC SERVICE COMMISSION

AUG 18 1992

DATE OF ISSUE June 12 1992 DATE EFFECTIVE JUNE 10 1992
Month Day Year Month Day Year
ISSUED BY Starling S. Gregory Secretary-Treasurer BY: James J. Miller
Starling S. Gregory Title Lexington, Kentucky
Name of Officer Address
PUBLIC SERVICE COMMISSION MANAGER

7/9

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 30
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

5. Such refund to Customer shall be made in December of each year for water customers connected to this water main extension, but in no event shall the refund be extended beyond ten (10) years from the date of this contract, and in the event that the total amount deposited by the Customer with Company is not refunded under the terms specified hereinbefore within said ten (10) years period the Company shall not be required to pay or refund the difference between the total amount of refund and the total amount deposited by Customer, any balance remaining in its hands shall belong to the Company.

6. The Company shall not be required to pay interest on the deposit or any part of unpaid balance thereof.

7. Nothing in this agreement shall give the Customer any right, title or interest in the ownership or operation of this water main extension or facilities to be installed by Company, as herein provided.

IN WITNESS WHEREOF the parties hereto have executed this agreement this day and year written above.

WITNESS:

AQUA/KWS, Inc.

WITNESS:

CUSTOMER:

CANCELLED
JUN 1 0 2008
KENTUCKY PUBLIC
SERVICE COMMISSION

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 18 1992

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

BY: Glenn Hallett
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE June 12 1992
Month Day Year

DATE EFFECTIVE June 15 1992
Month Day Year

ISSUED BY Starling S. Gregory Secretary-Treasurer Lexington, Kentucky
Starling S. Gregory Title Address
Name of Officer

7/92

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P.S.C. Ky. No. 1
Original Sheet No. 31
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AQUA/KWS, Inc.

RULES AND REGULATIONS

28. SERVICE CHARGES:

The following charges will be made by the Company to cover the cost incurred in reconnecting the meter or service when the Customer's service has been disconnected:

- (a) For non-payment of bills. \$20.00
- (b) For violation of the Company's Rules and Regulations after the Customer has qualified for and requested that the service be reconnected. \$20.00
- (c) At his request and at any time subsequently within 12 months is reconnected at the same location. \$20.00

These charges are to be paid by customer before or at the time service is reconnected.

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EFFECTIVE

AUG 18 1992

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

BY: Cheryl Falter
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE June 12 1992 DATE EFFECTIVE June 15 1992
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ISSUED BY Starling S. Gregory Secretary-Treasurer Lexington, Kentucky
Name of Officer Title Address

7/92

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 32
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

29. CUSTOMER'S DEPOSITS:

The Company may require a minimum cash deposit or other guarantee to secure payment of bills. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460¹, will be paid annually either by refund or credit to the Customer's bill, except that no refund or credit will be made if the Customer's bill is delinquent on the anniversary date of the deposit.

The deposit may be waived upon a Customer's showing of satisfactory credit or payment history, and required deposits will be returned after one (1) year if the Customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. The Company may require a deposit in addition to the initial deposit if the Customer's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit, any principal amounts, and any interest earned and owing will be credited to the final bill with any remainder refunded to the Customer.

In determining whether a deposit will be required or waived, the following criteria will be considered:

1. Previous payment history with the Company. If the Customer has no previous history with the Company, statements from other utilities, banks, etc. may be presented by the Customer as evidence of good credit.
2. Whether the customer has an established income or line or credit.
3. Length of time the customer has resided or been located in the area.
4. Whether the customer owns property in the area.
5. Whether the customer has filed bankruptcy proceedings within the last seven years.
6. Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

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PUBLIC SERVICE COMMISSION
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 Name of Officer Title Address

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Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 33
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

If a deposit is held longer than 18 months, the deposit will be recalculated at the Customer's request based on the Customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential Customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the Customer's bill. No refund will be made if the Customer's bill is delinquent at the time of the recalculation.

Equal Deposits

All residential, small business and small commercial customers will pay equal deposits in the amount of \$40.00. This amount does not exceed the average bill of residential customers served by the Company and is equal to 2/12 of the average annual bill. [3/12 where bills are rendered bimonthly or 4/12 where bills are rendered quarterly.]

Calculated Deposits

Large Business/Commercial or Industrial Customer's deposits shall be based upon actual usage of the Customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar Customers and premises in the system. The deposit amount shall not exceed 2/12 of the Customer's actual or estimated annual bill where bills are rendered monthly, 3/12 where bills are rendered bimonthly, or 4/12 where bills are rendered quarterly.

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PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 18 1992

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

DATE OF ISSUE June 12 1992 DATE EFFECTIVE June 15 1992
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ISSUED BY Starling S. Gregory Secretary-Treasurer Lexington, Kentucky
Name of Officer Title Address

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

7/92

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 34
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

30. CUSTOMER BILL OF RIGHTS

As a residential Customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
- You have the right to be present at any routine utility inspection of your service condition.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment.
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official.
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance of the service has been corrected.
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility (Call Toll Free 1-800-772-4636.)

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Starling S. Gregory Title Lexington, Kentucky Address
Name of Officer

7/9-r

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 35
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

CONTRACT FOR WATER SERVICE

DATE _____

NAME _____ ADDRESS _____

PHONE _____

SOCIAL SECURITY OF OTHER I.D. NO. _____

Application for water service is accepted by and between the undersigned and the _____ with the following stipulations and agreements:

1. Public Service Commission rules and regulations as set forth in 807 KAR 5 and Kentucky Department for Natural Resources, Division of Water standards and laws must be observed and adhered to, and may be viewed upon request by the applicant.
2. The applicant agrees to pay a \$ _____ meter deposit, which will be refunded with interest when the applicant ceases to be a water customer and all accounts are paid in full.
3. One household may be served by one meter. The Company reserves the right to terminate service at the meter if addition of other houses or mobile homes is suspected.
4. Company employees, possessing proper identification have right of egress and ingress for meter reading, maintenance and repair activities as they are warranted.
5. Water bills are due to be paid between the first and the tenth of each month at the Company office. If not paid by the tenth, a ten percent penalty is added to the amount due. If not paid in full by the twentieth, service is subject for disconnection. An additional meter deposit may be required and a service charge must be paid before service may be restored.
6. The water customer is responsible for water service lines from the meter to the dwelling. Installation, repair, and water loss are the responsibility of the Customer.

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Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 36
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KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

7. Customer service lines and connections must be inspected by Company personnel to insure against cross-connections and inadequate materials for drinking water.
8. Customer service lines shall be of at least 3/4 inch pipe or larger, and shall be at least 160 pounds pressure with 200 psi preferred. Service line shall be buried at least 24 inches to prevent freezing.
9. No galvanized fittings may be used on Customer lines.
10. A cut-off valve outside the meter box must be installed on the Customer's service line for the Customer's use.
11. A check valve to prevent back flow in case of water outage must be installed in Customer's service line.
12. A plumbing inspection permit from the local Health Department must be shown before installation of a meter.
13. The Company agrees to supply potable water with adequate pressure to the Customer meter. If water must be off for a planned outage Customers will be notified. In case of emergency water line repair or unforeseen water outage, the Company will restore service as soon as possible.
14. Upon fulfilling contract terms and desiring to discontinue water service, the Customer must give written notice in person or via telephone pursuant to 807 KAR 5:006 Section 12(1) of discontinuance at the Company office at least three days prior to the date on which disconnection is desired. If such notice is not given, the customer will remain liable for water used and service rendered to the premises by the Company until said notice is received by the Company office.

CONTRACT APPROVED BY:

Applicant/Customer

Company Representative

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SECTION 9

ISSUED BY Starling S. Gregory Secretary-Treasurer
Starling S. Gregory Title
Name of Officer

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER
Lexington, Kentucky Address

7/92

Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 38
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

RULES AND REGULATIONS

MONITORING OF CUSTOMER USAGE

At least once annually the Company will monitor the usage of each Customer according to the following procedure:

- (1) The Customer's annual usage for the most recent 12-month period will be compared with the annual usage for the 12 months immediately preceding that period.
- (2) If the annual usage for the two periods are substantially the same or if any difference is known to be attributed to unique circumstances, such as unusual weather conditions, common to all Customers, no further review will be done.
- (3) If the annual usages differ by twenty (20) percent or more and cannot be attributed to a readily identified common cause, the Company will compare the Customer's monthly usage records for the 12-month period with the monthly usage for the same months of the preceding year.
- (4) If the cause for the usage deviation cannot be determined from analysis of the Customer's meter reading and billing records, the Company will contact the Customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume, or known leaks in the Customer's service line.
- (5) Where the deviation is not otherwise explained, the Company will test the Customer's meter to determine whether it shows an average error greater than 2 percent fast or slow.
- (6) The Company will notify the Customers of the investigation, its findings, and any refunds or backbilling in accordance with 807 KAR 5:006, Section 10(4) and (5).

In addition to the annual monitoring, the Company will immediately investigate usage deviations brought to its attention as a result of its on-going meter reading or billing process or customer inquiry.

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Middlesboro and Clinton
FOR and Adjacent Territory
P.S.C. Ky. No. 1
Original Sheet No. 39
Cancelling P.S.C. Ky. No. KWS 1
KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

CLASSIFICATION OF SERVICE

SCHEDULE OF SPECIAL SERVICE CHARGES

The following charges for special services shall be made:

1. Service Reconnection Charge. A charge of \$20.00 shall be made for all service reconnections made during regular working hours, except that there shall be no connection charges made for service on the original installation of facilities.
2. Meter Reading Recheck Charge. A charge of \$20.00 shall be made for a trip to recheck a meter reading when the Customer requests the meter to be rechecked for a correct reading and meter was not misread.
3. Meter Test. Upon request and payment of \$15.00 the Customer may have his meter tested provided request by the Customer is not more frequent than once each twelve months. If such test shows the meter to be more than two percent fast, a refund of \$15.00 charge shall be made and bill adjusted accordingly. If the periodic testing requirement of 807 KAR 5:006 has not been met for the meter tested, no charge will be made for the test regardless of results of the test.
4. PSC Meter Test Complaint. Any Customer of the Company may request a meter test by written application to the Kentucky Public Service Commission.

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Middlesboro and Clinton
 FOR and Adjacent Territory
 P.S.C. Ky. No. 1
Original Sheet No. 40
 Cancelling P.S.C. Ky. No. KWS 1
 KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

CLASSIFICATION OF SERVICE

WATER RATES

Applicable:

This rate is applicable within the City limits of Middlesboro, Kentucky and vicinity served by AQUA/KWS, Inc.

Availability of Service:

Available for General Domestic, Commercial and Industrial service to Customers on existing mains or secondary lines of the Company's water distribution system.

Rate (Net):

<u>Consumption Block</u>	<u>Rate</u>
First 1,000 gallons per month	\$5.60 minimum
Next 9,000 gallons per month	2.25 per 1,000 gallons
Next 15,000 gallons per month	2.05 per 1,000 gallons
Next 25,000 gallons per month	1.95 per 1,000 gallons
Next 50,000 gallons per month	1.75 per 1,000 gallons
Over 100,000 gallons per month	1.60 per 1,000 gallons

<u>Minimum Monthly Charge</u>	<u>Gallons Allowed</u>
5/8" or 3/4" meter	\$ 5.60 - 1,000/month
1" or 1-1/4" meter	16.85 - 6,000/month
1-1/2" meter	32.00 - 13,000/month
2" meter	49.22 - 21,400/month
3" meter	137.55 - 68,400/month
4" meter	236.85 - 127,500/month
6" meter	483.25 - 281,500/month

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An additional surcharge of \$0.5930 per 1,000 gallons/month shall be added and shown separately, on all Middlesboro billings. Service will be supplied under Company's General Rules and Regulations.

PUBLIC SERVICE COMMISSION
 OF KENTUCKY
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 BY: [Signature]
 PUBLIC SERVICE COMMISSION MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 89-340 and 90-067 dated October 10, 1990.

7/9

Middlesboro and Clinton
 FOR and Adjacent Territory
 P.S.C. Ky. No. 1
 Original Sheet No. 41
 Cancelling P.S.C. Ky. No. KWS 1
 KY Water Service Sheet Nos. 3-24

AQUA/KWS, Inc.

CLASSIFICATION OF SERVICE

WATER RATES

Applicable:

This rate is applicable within the City limits of Clinton, Kentucky and vicinity served by AQUA/KWS, Inc.

Availability of Service:

Available for General Domestic, Commercial and Industrial service to Customers on existing mains or secondary lines of the Company's water distribution system.

Rate (Net):

<u>Consumption Block</u>	<u>Rate</u>
First 1,000 gallons per month	\$7.50 minimum
Next 9,000 gallons per month	4.25 per 1,000 gallons
Next 15,000 gallons per month	3.90 per 1,000 gallons
Next 25,000 gallons per month	3.55 per 1,000 gallons
Next 50,000 gallons per month	3.15 per 1,000 gallons
Over 100,000 gallons per month	2.75 per 1,000 gallons

<u>Minimum Monthly Charge</u>	<u>Gallons Allowed</u>
5/8" or 3/4" meter	\$ 7.50 - 1,000/month
1" or 1-1/4" meter	25.78 - 5,300/month
1-1/2" meter	50.43 - 11,200/month
2" meter	75.39 - 17,600/month
3" meter	217.89 - 57,900/month
4" meter	369.75 - 100,700/month
6" meter	764.38 - 250,500/month

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Service will be supplied under Company's General Rules and Regulations.

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 BY: Shawn Deller
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7/9-

Middlesboro and Clinton
For: and Adjacent Territory

P. S. C. KY. No. 1

Aqua/KWS Sheet No. 42

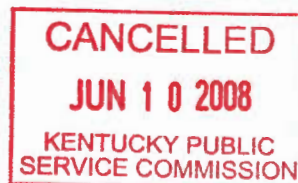
AQUA/KWS, Inc.

RULES AND REGULATIONS

CUSTOMER COMPLAINTS

Complaints may be made to the System Manager whose decision may be appealed to the Aqua/KWS, Inc. General Manager. Such appeal shall be in writing within ten (10) days of the date of the decision by the Manager. Stating the nature of the complaint and supporting evidence. Decisions by the General Manager shall be in conjunction with the Aqua/KWS, Inc. Board of Directors, as needed. These decisions may be brought before the Public Service Commission in accordance with 807 KAR 5:006, Section 9.

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SECTION 9(1)

BY: Jordan C. Keel
FOR THE PUBLIC SERVICE COMMISSION

Date of Issue: May 16, 1996
Month Day Year

Date Effective: May 20, 1996
Month Day Year

Issued By: W. Wilhoir General Manager P.O. Box 22317 Lexington, KY 40522
Name Title Address

WATER SHORTAGE RESPONSE PLAN
Kentucky Water Service Company, Inc.
Clinton, Kentucky

This Water Shortage Response Plan is adopted pursuant to the recommendations of the Kentucky Public Service Commission and the Commission's Model Water Shortage Response Plan, as herein modified, which was transmitted to all jurisdictional water utilities by letter from the Commission dated July 12, 1988.

Section 1. Purpose. The purpose of this Plan is to provide for the declaration of official phases of water supply shortages and the implementation of voluntary and mandatory water conservation measures throughout the area served by Kentucky Water Service in the event a shortage is declared.

Section 2. Definitions. These terms are applicable only for this Plan unless specifically noted.

- (a) "Customer" shall mean any person or entity using water for any purpose from the Kentucky Water Service water distribution system and for which either a regular charge is made or, in the case of bulk sales, a cash charge is made at the site of delivery.
- (b) "Raw Water Supplies" shall mean all water potentially available to persons in the Kentucky Water Service.
- (c) "Treated Water" shall mean water that has been introduced by the Kentucky Water Service Company into its water distribution system, including water offered for sale. Uses of treated water are classified as follows:

Essential Water Uses (Class 1):

The following uses of water, listed by site or user type, are essential.

Domestic:

- water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standard of hygiene and sanitation.

Health Care Facilities:

- patient care and rehabilitation, including related filling and operation of swimming pools.

Water Hauling:

- sales for domestic use where not reasonably available elsewhere.

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SECTION 9(1),
BY: _____
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Public Use:

- firefighting,
- health and public protection purposes, if specifically approved by health officials.

Socially or Economically Important Uses (Class 2):

The following uses of water, listed by site or user type, are socially or economically important.

Domestic:

- personal, in-house water use including kitchen, bathroom and laundry.

Water Hauling:

- non-domestic, when other sources are not reasonably available elsewhere.

Commercial and Civic Use:

- commercial car and truck washes.
- laundromats.
- restaurants, clubs, and eating places.
- schools, churches, motels/hotels, and similar commercial establishments.

Outdoor Non-Commercial Watering:

- minimal watering of vegetable gardens.
- minimal watering of trees where necessary to preserve them.

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

- agricultural irrigation for the production of food and fiber or the maintenance of livestock.
- watering by arboretums and public gardens of national, state, regional, or community significance where necessary to preserve specimens.
- watering by commercial nurseries at a minimum level necessary to maintain stock.

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BY: [Signature]
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- watering at a minimum rate necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation.
- watering of woody plants where necessary to preserve them.
- minimal watering of golf course greens.

Recreational:

- operation of municipal swimming pools and residential pools that serve more than 25 dwelling units.

Air Conditioning:

- refilling for startup at the beginning of the cooling season.
- makeup of water during the cooling season.
- refilling specifically approved by health officials where the system has been drained for health protection or repair services.

Non-Essential Uses (Class 3):

Any waste of water, as defined herein, is non-essential. The following uses of water, listed by site or user type, are non-essential.

Public Use:

- use of fire hydrants (excluding Class 1 and Class 2 uses), including use of sprinkler caps, testing fire apparatus, and fire department drills.
- flushing of sewers and hydrants except as needed to ensure public health and safety as approved by health officials.

Commercial and Civic Use:

- serving water in restaurants, clubs, or eating places, except by customer request.
- failure to repair a controllable leak.
- increasing water levels in scenic and recreational ponds and lakes, except for the minimum amount required to support fish and wildlife.

Ornamental Purposes:

- fountains, reflecting pools, and artificial waterfalls.

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Outdoor Non-Commercial Watering:

- use of water for dirt control or compaction.
- watering of annual or non-woody plants, lawns, parks, golf course fairways, playing fields, and other recreational areas.
- washing sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surface areas.
- washing down buildings or structures for purposes other than immediate fire protection.
- flushing gutters or permitting water to run or accumulate in any gutter or street.

Outdoor Commercial or Public Watering:

- expanding nursery facilities, placing new irrigated agricultural land in production, or planting of landscaping except when required by a site design review process.
- use of water for dirt control or compaction.
- watering of lawns, parks, golf course fairways, playing fields, and other recreational areas.
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas.
- washing down buildings or structures for purposes other than immediate fire protection.
- flushing gutters or permitting water to run or accumulate in any gutter or street.

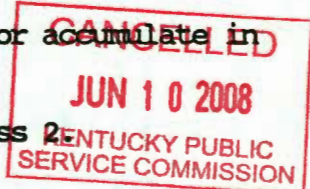
Recreational uses other than those specified in Class 2

Non-commercial washing of motor and other vehicles.

Air Conditioning (see also Class 2 purposes):

- refilling cooling towers after draining.

- (d) "Base Entitlement" shall mean the monthly usage for a customer during the same month of the preceding calendar year or the average per customer usage for each class of service during the same month of the preceding year.
- (e) "Curtailed Entitlement" shall mean the monthly usage for a customer after any curtailment percentage has been applied.
- (f) "Curtailment" shall mean the reduction in entitlement by some percentage to meet anticipated water shortages.



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SECTION 9(1)

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(g) Water Shortage Response Phases:

"Advisory" shall mean that conditions exist which indicate the potential for serious raw or treated water supply shortages.

"Alert" shall mean the raw or treated water supplies are consistently below seasonal averages, and if they continue to decline, may not be adequate to meet normal needs.

"Emergency" shall mean that raw or treated water supplies are below the level necessary to meet normal needs and that serious shortages exist in the area.

(h) "Rationing" shall mean that procedures must be established to provide for the equitable distribution of critically-limited raw or treated water supplies, in order to balance demand and limited available supplies, and to assure that sufficient water is available to preserve public health and safety.

Section 3. Applicability. The provisions of this Plan shall apply to all retail and wholesale customers of the Kentucky Water Service Company. When implemented, this Plan becomes Kentucky Water Service's Water Shortage Response Regulation.

Section 4. Entitlements. Entitlements shall be established for each customer by adjusting the base entitlement to reflect any known change in usage pattern.

Section 5. Determination of Water Shortage. Water supply and usage shall be monitored on a continuous basis. Unrestricted demand shall be projected from past records and adjusted for changes such as new developments and weather conditions on a regular basis. (Note: A sample calculation page is attached as Appendix A to assist in determining overall water levels. It is important that accurate water measurements be used.) Water shortages generally occur for two reasons: a reduction in available supplies or a system failure. Each of these has a distinct influence on the nature and duration of the conservation program implemented. Official declaration of a water shortage stage and implementation of the measures necessary to curtail water use shall be approved by the President of Kentucky Water Service Company, Inc.

Section 6. Term of Water Shortage Declaration. Any water shortage declaration shall remain in effect until water supplies and service conditions have returned to normal. A final determination as to terminating a water shortage declaration shall be made by the President of Kentucky Water Service Company.



JAN 13 1989

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

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

Section 7. Water Shortage Stage, Criteria, Conservation, and Curtailment Measures.

A. Advisory Stage:

- (1) Criteria: A water advisory shall be declared when the amount of treated water or raw water available for treatment is projected to be no more than 15 percent above demand, or there are periods of low water pressure in one or more areas of the distribution system due to system failure or inadequacies or the State Division of Water issues a Water Shortage Watch which includes the areas from which the Kentucky Water Service draws water.
- (2) Conservation and Curtailment Measures:
 - (a) Declare a Water Shortage Advisory.
 - (b) Provide proper notice to all customers and to all local news media.
 - (c) Eliminate all water leaks.
 - (d) Request voluntary conservation of all non-essential (Class 3) water use.
 - (e) Request wholesale customers also issue request for voluntary conservation by their customers of all non-essential (Class 3) water use.

B. Alert Stage:

- (1) Criteria: A water alert shall be declared when the amount of treated water available is projected to be no more than 10 percent above demand, and raw water supplies are consistently below seasonal averages and if they continue to declines, may not be adequate to meet normal needs.
- (2) Conservation and Curtailment Measures:
 - (a) Declare a Water Shortage Alert.
 - (b) Provide proper notice to all customers and to all local news media.
 - (c) Eliminate all water leaks.
 - (d) Prohibit all non-essential (Class 3) water uses.
 - (e) Curtail entitlements to all customers by the same percentage as the projected shortage.
 - (f) Begin billing all customer water usage in excess of curtailed entitlement at the normal rate plus an excess usage charge of \$7.50 per 1,000 gallons.

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SECTION 9(1)
BY: [Signature]
COMMISSION MANAGER

C. Emergency Stage:

1. Criteria: A Water Emergency shall be declared when the amount of treated water available is projected to be no more than 5 percent above demand, and there are periods of no water in one or more areas of the distribution system due to low water supply or raw water supplies below the level necessary to meet normal needs.
2. Conservation and Curtailment Measures:
 - (a) Declare a Water Shortage Emergency.
 - (b) Provide proper notice to all customers and to all local news media.
 - (c) Eliminate all water leaks.
 - (d) Prohibit all Class 3 uses of water.
 - (e) Prohibit all Class 2 uses of water except Domestic uses for kitchens, bathrooms, and laundries.
 - (f) Curtail all commercial and industrial entitlements (except Health Care Facilities) by 100%.
 - (g) Curtail Residential entitlements by the same percentage as the projected shortage.
 - (h) Curtail entitlements to all wholesale customers by the same percentage as the projected shortage.
 - (i) Begin billing all customer water usage in excess of curtailed entitlement at the normal rate plus an excess usage charge of \$8.50 per 1,000 gallons.

D. Rationing Stage:

1. Criteria: Treated water available is below demand and raw water supplies are no more than 3 percent above the level necessary to meet essential needs, and in the opinion of the President and/or Manager of Kentucky Water Service, mandatory rationing is required to insure adequate water is available to maintain public health and safety.
2. Conservation and Curtailment Measures:
 - (a) Declare Water Shortage Rationing.
 - (b) Provide proper notice to all customers and to all local news media.
 - (c) Eliminate all water leaks.
 - (d) Prohibit all Class 3 and Class 2 uses of water.

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

BY: *[Signature]*
PUBLIC SERVICE COMMISSION MEMBER

- (e) Curtail all commercial and industrial entitlement (except Health Care Facilities) by 100%.
- (f) Curtail all residential and wholesale entitlements by the same percentage as the projected shortage.
- (g) Implement service interruptions to portions of system in accordance with approved published schedule. The schedule shall be provided to all local media.
- (h) Begin billing customer water usage in excess of curtailment entitlement at the normal rate plus an excess usage charge of \$9.50 per 1,000 gallons.

Section 8. Enforcement of Water Restriction. Any person who violates the provisions of this Plan, who fails to carry out the duties and responsibilities imposed by this Plan, or who impedes or interferes with any action undertaken or ordered pursuant to this Plan shall be subject to the following:

- (a) If the utility official charged with implementation and enforcement of this Plan learns of any violation of any water use restriction imposed, a written notice of the violation shall be affixed to the property where the violation occurred and mailed to the customer of record. Said notice shall describe the violation and order that it be corrected, cured, or abated immediately or within 48 hours.
- (b) The notice will inform the customer of his or her right to appeal by requesting a hearing before the utility's designee. If a hearing is requested by the customer, he or she shall be given full opportunity to be heard before termination. The governing body shall make findings of fact and decide whether service should continue or terminate.
- (c) Any customer whose water service is terminated for violating provisions of this water curtailment plan shall be subject to the approved reconnection fee prior to reconnection of service.
- (d) Any residential or non-residential water customer who exceeds the allotments established pursuant to this water shortage response plan will be subject to excess-use charges.
 - (1) "Excess-use charges" will be collected based on the amount by which a customer's use exceeds the water allotments established pursuant to this Water Shortage Response Plan.
 - (2) Any monies collected through excess-use charges shall not be accounted for as income, but shall be placed in a reserve account that is dedicated to addressing water shortage problems and water conservation initiatives.
 - (3) However, the excess usage charge billing provisions of this Plan shall not be put in effect if a county or city ordinance containing penalty provisions is in effect to assist enforcement of this Plan.

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Section 9. Request for Exception.

- (a) Exception to water use restrictions: If compliance with any curtailment measure authorized herein would cause a customer to bear extraordinary hardship, that individual or entity may apply to the Kentucky Water Service Company for an exception. For these purposes, "extraordinary hardship" shall be defined as a condition which may threaten health and safety, or cause property or economic losses, each of which must be shown to be substantially more severe than the sacrifices borne by other users. If extraordinary hardship is found to exist, then an exception shall be granted and a written waiver issued to the customer. If an appeal is made, water service shall be continued until a decision is announced. Any person aggrieved by the decision may file a complaint with the Public Service Commission.
- (b) Exception to curtailment surcharge: Exceptions to excess use charges shall not be considered or granted.

Section 10. Severability. If any provision of this Plan is declared invalid by the courts, the remainder of the Plan and its applicability to other persons and circumstances shall not be affected by that declaration.

Section 11. Effective Date. This Plan shall take effect immediately upon approval by the Public Service Commission.

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SECTION 9

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

APPENDIX A
Kentucky Water Service Company, Inc.
Clinton, Kentucky

PROJECTED DEMAND WORKSHEET FOR _____
 _____ (Month) _____ (Year)

The information below would be used to estimate projected demand for one (1) month.

Calculations will be done at the beginning of each month.

Average use in _____ for the past 5 years: _____
 (Last Month)
 Average use in _____ for 2 years ago: _____
 (Last Month)
 Average use in _____ for 1 year ago: _____
 (Last Month)
 Average use in _____ for current year: _____
 (Last Month)
 Average use in _____ for the past 5 years: _____
 (This Month)
 Average use in _____ for 2 years ago: _____
 (This Month)
 Average use in _____ for 1 year ago: _____
 (This Month)

Usage Notes: _____

Weather Notes: _____

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Average projected use for _____

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Without conservation measures: _____ gpd
 With advisory conservation measures (_____ reduction) _____ gpd
 With alert conservation measures (More than _____ reduction) _____ gpd
 With emergency conservation measures (More than _____ reduction) _____ gpd
 With rationing conservation measures (More than _____ reduction) _____ gpd

JAN 13 1999
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 BY: Chris Miller _____ gpd
 PUBLIC SERVICE COMMISSION MANAGER

WATER SHORTAGE RESPONSE PLAN RECEIVED

Water Service Corporation of Kentucky Middlesboro, KY JUL 20 2005
(Name of Utility) PUBLIC SERVICE COMMISSION

Section 1. **Purpose.** The purpose of this Plan is to provide for the declaration of official phases of water supply shortages and the implementation of voluntary and mandatory water conservation measures throughout the Utility's service area in the event a shortage is declared.

Section 2. **Definitions.** These terms are applicable only for this Plan unless specifically noted.

- A. "Customer" shall mean any person or entity using water for any purpose from the Utility's water distribution system and for which either a regular charge is made or, in the case of bulk sales, a cash charge is made at the site of delivery.
- B. "Raw Water Supplies" shall mean all water potentially available to persons in the Utility's service area.
- C. "Treated Water" shall mean water that has been introduced by the Utility into its water distribution system, including water offered for sale. Uses of treated water are classified as follows:

Class 1 -- Essential Water Uses:

The following uses of water, listed by site or user type, are essential.

Domestic:

- water necessary to sustain human life and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.


Health Care Facilities:

- patient care and rehabilitation, including related filling and operation of swimming pools.

Water Hauling:

- sales of domestic use where not reasonably available elsewhere.

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Public Use:

- firefighting,
- health and public protection purposes, if specifically approved by health officials.

Class 2 -- Socially or Economically Important Uses:

The following uses of water, listed by site or user type, are socially or economically important.

Domestic:

- personal, in-house water use including kitchen, bathroom and laundry.

Water Hauling:

- non-domestic, when other sources are not reasonably available elsewhere.

Commercial and Civic Use:

- commercial car and truck washes,
- laundromats,
- restaurants, clubs and eating places,
- schools, churches, motels/hotels and similar commercial establishments.

Outdoor Non-Commercial Watering:


- minimal watering of vegetable gardens,
- minimal watering of trees where necessary to preserve them.

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

- agricultural irrigation for the production of food and fiber or the maintenance of livestock,

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- watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens,
- watering by commercial nurseries at a minimum level necessary to maintain stock,
- watering at a minimum rate necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation,
- watering of woody plants where necessary to preserve them,
- minimal watering of golf course greens.

Recreational:

- operation of municipal swimming pools and residential pools that serve more than 25 dwelling units.

Air Conditioning:

- refilling for startup at the beginning of the cooling season,
- makeup of water during the cooling season,
- refilling specifically approved by health officials where the system has been drained for health protection or repair services.

Class 3 -- Non-Essential Uses:


Any waste of water, as defined herein, is non-essential. The following uses of water, listed by site or user type, are non-essential.

Public Use:

- use of fire hydrants (excluding Class 1 and Class 2 uses), including use of sprinkler caps, testing fire apparatus and fire department drills.
- flushing of sewers and hydrants except as needed to ensure public health and safety as approved by health officials.

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Commercial and Civic Use:

- serving water in restaurants, clubs, or eating places, except by customer request,
- failure to repair a controllable leak,
- increasing water levels in scenic and recreational ponds and lakes, except for the minimum amount required to support fish and wildlife.

Ornamental Purposes:

- of fountains, reflecting pools and artificial waterfalls.

Outdoor Non-Commercial Watering:

- use of water for dirt control or compaction,
- watering of annual or non-woody plants, lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

Outdoor Commercial or Public Watering:

- expanding nursery facilities, placing new irrigated agricultural land in production, or planting of landscaping except when required by a site design review process,
- use of water for dirt control or compaction,
- watering of lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing down buildings or structures for purposes other than immediate fire protection,

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- flushing gutters or permitting water to run or accumulate in any gutter or street.

Recreational uses other than those specified in Class 2.

Non-commercial washing of motor and other vehicles.

Air Conditioning (see also Class 2 purposes):

- refilling cooling towers after draining.

- D. "Base Entitlement" shall mean the monthly usage for a customer during the same month of the preceding calendar year or the average per customer usage for each class of service during the same month of the preceding year.
- E. "Curtailed Entitlement" shall mean the monthly usage for a customer after any curtailment percentage has been applied.
- F. "Curtailment" shall mean the reduction in entitlement by some percentage to meet anticipated water shortages.
- G. Water Shortage Response Phases:

"Advisory" shall mean that conditions exist which indicate the potential for serious raw or treated water supply shortages.

"Alert" shall mean the raw or treated water supplies are consistently below seasonal averages, and if they continue to decline, may not be adequate to meet normal needs.


"Emergency" shall mean that raw or treated water supplies are below the level necessary to meet normal needs and that serious shortages exist in the area.

"Rationing" shall mean that procedures must be established to provide for the equitable distribution of critically-limited raw or treated water supplies, in order to balance demand and limited available supplies, and to assure that sufficient water is available to preserve public health and safety.

Section 3. Applicability. The provisions of this Plan shall apply to all retail and wholesale customers of the Utility. When implemented, this Plan becomes the Utility's Water Shortage Response Regulation.

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Section 4. **Entitlements.** Entitlements shall be established for each customer by adjusting the base entitlement to reflect any known change in usage pattern.

Section 5. **Determination of Water Shortage.** Water supply and usage shall be monitored on a continuous basis. Unrestricted demand shall be projected from past records and adjusted for changes such as new developments and weather conditions on a regular basis. (Note: A sample calculation page is attached as Appendix A to assist in determining overall water levels. It is important that accurate water measurements be used.) Water shortages generally occur for two reasons, a reduction in available supplies or a system failure. Each of these has a distinct influence on the nature and duration of the conservation program implemented. Official declaration of a water shortage stage and implementation of the measures necessary to curtail water use shall be approved by the Utility's board, manager, or commissioners.

Section 6. **Term of Water Shortage Declaration.** Any water shortage declaration shall remain in effect until water supplies of service conditions have returned to normal. A final determination as to terminating a water shortage declaration shall be made by the Utility's board, manager, or commissioners.

Section 7. **Water Shortage State, Criteria, Conservation and Curtailment Measures.**

A. Advisory Stage:

1. ***Criteria.*** A water advisory shall be declared when the amount of treated water or raw water available for treatment is projected to be up to 15 percent above demand, or there are periods of low water pressure in one or more areas of the distribution system due to system failure or inadequacies or the State Division of Water issues a Water shortage Watch that includes the areas from which the Utility draws water. (Note: Additional conditions may be added based on local conditions.)

2. ***Conservation and Curtailment Measures:***

(a) Declare a Water Shortage Advisory.

(b) Provide proper notice to all customers and to all local news media.

(c) Eliminate all water leaks.

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- (d) Request voluntary conservation of all non-essential (Class 3) water use.
- (e) Request wholesale customers also issue request for voluntary conservation by their customers of all non-essential (Class 3) water use.

B. Alert Stage:

1. *Criteria:* A water alert shall be declared when the amount of treated water available is projected to be up to 10 percent above demand, or raw water supplies are consistently below seasonal averages and if they continue to decline, may not be adequate to meet normal needs. (Note: Additional conditions may be added based on local conditions.)
2. *Conservation and Curtailment Measures:*
 - (a) Declare Water Shortage Alert.
 - (b) Provide proper notice to all customers and to all local news media.
 - (c) Eliminate all water leaks.
 - (d) Prohibit all non-essential Class 3 uses of water.
 - (e) Curtail entitlements to all customers by the same percentage as the projected shortage.
 - (f) Begin billing all customer water usage in excess of curtailed entitlement at the normal rate plus an excess usage charge of \$10.00 per thousand gallons.

C. Emergency Stage:

1. *Criteria.* A Water Emergency Stage shall be declared when the amount of treated water available is projected to be up to 5 percent above demand, or there are periods of no water in one or more areas of the distribution system due to low water supply or raw water supplies below the level necessary to meet normal needs. (Note: Additional conditions may be added based on local conditions.)

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2. *Conservation and Curtailment Measures:*

- (a) Declare Water Shortage Emergency.
- (b) Provide proper notice to all customers and to all local news media.
- (c) Eliminate all water leaks.
- (d) Prohibit all Class 3 uses of water.
- (e) Prohibit all Class 2 uses of water except domestic uses for kitchens, bathrooms and laundries.
- (f) Curtail all commercial and industrial entitlements (except health care facilities) by 100 percent.
- (g) Curtail residential entitlements by the same percentage as the projected shortage.
- (h) Curtail entitlements to all wholesale customers by the same percentage as the projected shortage.
- (i) Begin billing all customer water usage in excess of curtailed entitlement at the normal rate plus an excess usage charge of \$20.00 per 1,000 gallons.

D. *Rationing Stage:*


- 1. *Criteria:* Treated water available is greater than 1 percent above demand or raw water supplies are below the level necessary to meet essential needs, and in the opinion of the Utility, mandatory rationing is required to ensure adequate water is available to maintain public health and safety.

2. *Conservation and Curtailment Measures:*

- (a) Declare Water Shortage Rationing.
- (b) Provide proper notice to all customers and to all local news media.
- (c) Eliminate all water leaks.
- (d) Prohibit all Class 3 and Class 2 users of water

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- (e) Curtail all commercial and industrial entitlement (except health care facilities) by 100 percent.
- (f) Curtail all residential and wholesale entitlements by the same percentage as the projected shortage.
- (g) Implement service interruptions to portions of system in accordance with approved published schedule. The schedule shall be provided to all local media.
- (h) Begin billing customer water usage in excess of curtailment entitlement at the normal rate plus an excess usage charge of \$25.00 per 1,000 gallons.

Section 8. **Enforcement of Water Restriction.** Any person who violates the provisions of this Plan, who fails to carry out the duties and responsibilities imposed by this Plan, or who impedes or interferes with any action undertaken or ordered pursuant to this Plan shall be subject to the following:

- A. If the utility official charged with implementation and enforcement of this Plan learns of any violation of any water use restriction imposed, a written notice of the violation occurred and mailed to the customer of record. Said notice shall describe the violation and order that it be corrected, cured, or abated immediately or within 48 hours.
- B. The notice will inform the customer of his or her right to appeal by requesting a hearing before the utility's designee. If a hearing is requested by the customer, he or she shall be given full opportunity to be heard before termination. The governing body shall make findings of fact and decide whether service should continue or terminate.
- C. Any customer whose water service is terminated for violating provisions of this water curtailment Plan shall be subject to the approved reconnection fee prior to reconnection of service.
- D. The excess usage charge billing provisions of this Plan shall not be put in effect if a county or city ordinance containing penalty provisions is in effect to assist enforcement of this Plan.

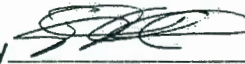
Section 9. **Request for Exception:**

- A. *Exception to Water Use Restrictions:* If compliance with any curtailment measure authorized herein would cause a customer to bear extraordinary hardship, that individual or entity may apply to the Utility for an exception. For these purposes, "extraordinary hardship" shall be defined as:
 - PSRB 100-2008-01
 - SECTION 9 (1)

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By  Executive Director

condition that may threaten health and safety, or cause property or economic losses, each of which must be shown to be substantially more severe than the sacrifices borne by other users. If extraordinary hardship is found to exist, then an exception shall be granted and a written waiver issued to the customer. If an appeal is made water service shall be continued until a decision is announced. Any person aggrieved by the decision may file a complaint with the Public Service Commission.

B. *Exception to Curtailment Surcharge:* Exceptions to excess use charges shall not be considered or granted.

Section 10. **Severability.** If any provision of this Plan is declared invalid by the courts, the remainder of the Plan and its applicability to other persons and circumstances shall not be affected by that declaration.

Section 11. **Effective Date.** This Plan shall take effect immediately upon approval by the Public Service Commission.

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SECTION 9 (1)

By 
Executive Director

APPENDIX A

Water Service Corporation of Kentucky Middlesboro, Ky.
(Name of Utility)

PROJECTED DEMAND WORKSHEET FOR June, 2005
(Month) (Year)

The information below would be used to estimate projected demand for one (1) month.

Calculations will be done at the beginning of each month.

Average use in <u>June</u> for the past 5 years: (Last Month)	<u>1,342,331</u>	gpd
Average use in <u>June</u> for 2 years ago: (Last Month)	<u>1,322,129</u>	gpd
Average use in <u>June</u> for 1 year ago: (Last Month)	<u>1,259,398</u>	gpd
Average use in <u>June</u> for current year: (Last Month)	<u>1,347,487</u>	gpd
Average use in <u>July</u> for the past 5 years: (This Month)	<u>1,368,215</u>	gpd
Average use in <u>July</u> for 2 years ago: (This Month)	<u>1,385,317</u>	gpd
Average use in <u>July</u> for 1 year ago: (This Month)	<u>1,373,504</u>	gpd

Usage Notes: June, 2004 wet early Summer and late Spring made water usage average close to 90,000 gallons day less than normal consumption.

Weather Notes: _____

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Average projected use for July, 2005:

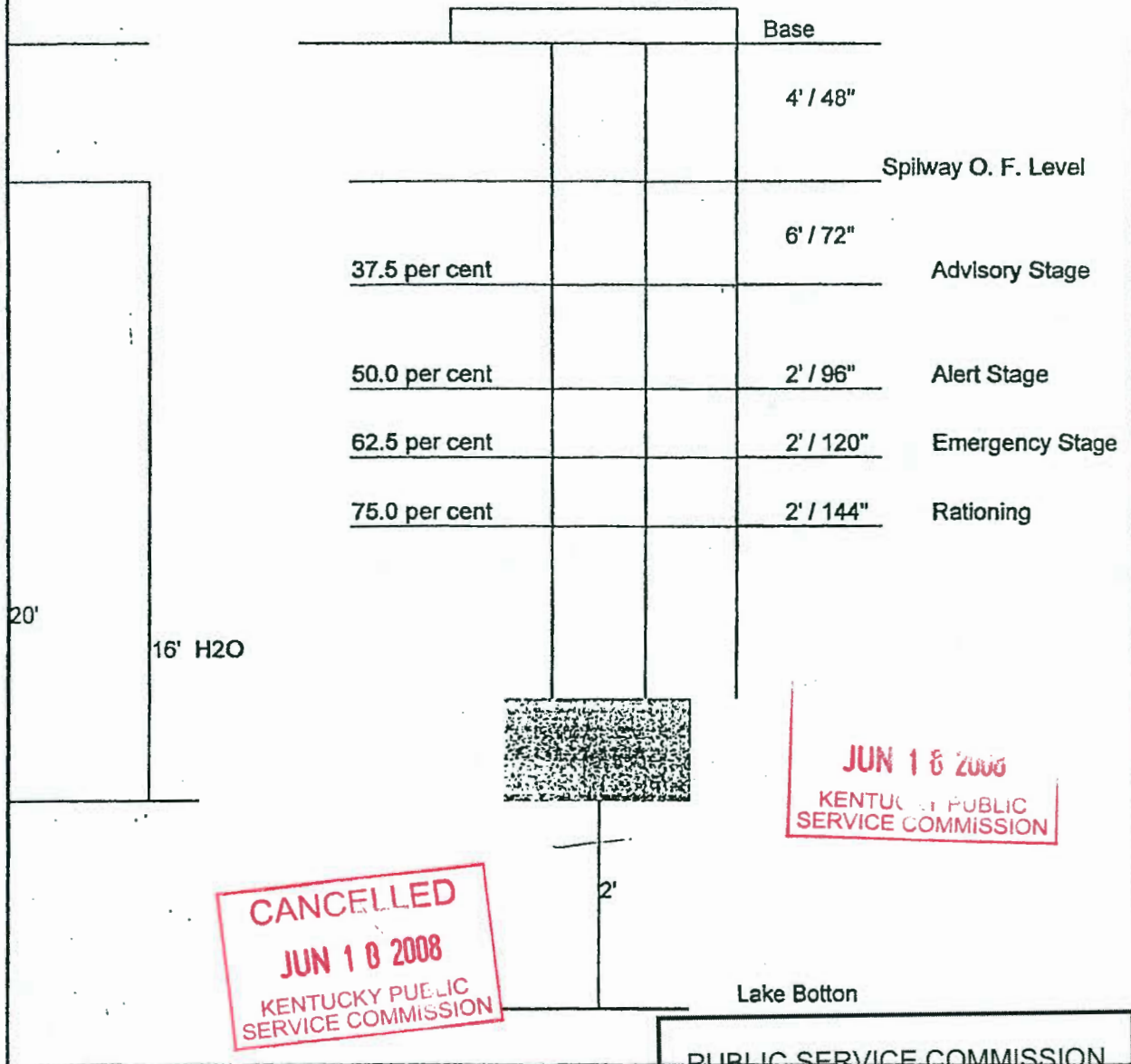
Without conservation measures:	<u>1,350,000</u>	gpd
With advisory conservation measures (15% reduction)	<u>1,147,500</u>	gpd
With alert conservation measures 10% (More than 15% reduction)	<u>945,000</u>	gpd
With emergency conservation measures 5% (More than 25% reduction)	<u>931,500</u>	gpd
With rationing conservation measures 1% (More than 31% reduction)		

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APPENDIX B

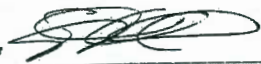
FERN LAKE EAST PUMP



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