

**COPY**

THIS AGREEMENT, made and entered into this the day and date set forth opposite each signature of the parties hereto, by and between the CITY OF CENTRAL CITY, a body politic, party of the First Part, the WATER COMMISSION OF THE CITY OF CENTRAL CITY, an agency of said City, party of the Second Part, the MUHLENBERG COUNTY WATER DISTRICT, duly created and existing under KRS Chapter 74 and KRS Chapter 106, party of the Third Part, and the MUHLENBERG COUNTY WATER DISTRICT #3, duly created and existing under KRS Chapter 74 and KRS Chapter 106, party of the Fourth Part,

**RECEIVED**

AUG 15 1994

PUBLIC SERVICE COMMISSION

**W I T N E S S E T H :**

WHEREAS, party of the First Part made and entered into Water Purchase Agreements with party of the Third Part and party of the Fourth Part by instruments dated September 9, 1981, whereby party of the Second Part would supply water to party of the Third Part and party of the Fourth Part under and by virtue of the terms and provisions thereof; and

WHEREAS, party of the First Part did on September 22, 1988, give notice to party of the Third Part and party of the Fourth Part of an increase for purchased water which would equal 13.29% of the existing rate of 89.1 cents per thousand gallons with the new rate, being \$1.0094 per thousand gallons, to be effective October 1, 1988, a copy of such Notice being appended hereto as EXHIBIT "A"; and

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

SEP 09 1994

WHEREAS, upon objection to said increase being expressed by the party of the Third Part and party of the Fourth Part, party of the First Part extended the effective said increase to January 1, 1989, as shown by unsigned copy of the minutes of the meeting of party of the First Part appended hereto as EXHIBIT "B"; and

PURSUANT TO 807 KAR 5.011, SECTION 9 (1)

BY: Jordan C. Neal  
FOR THE PUBLIC SERVICE COMMISSION

WHEREAS, the party of the Third Part and the party of the Fourth Part, in good faith, was preparing to contest the proposed increase of party of the First Part as a violation of the Contracts heretofore referenced; and

WHEREAS, each of the parties hereto is desirous to avoid litigation involving all matters pertaining to the proposed rate increase, in an amicable manner, and party of the First Part and party of the Second Part are desirous of having party of the Third Part and party of the Fourth Part waive and relinquish their respective rights to contest such proposed increase; and

NOW THEREFORE, in consideration of the mutual covenants, terms and provisions hereof, the parties do hereby covenant and agree, as follows:

1. That party of the Third Part and party of the Fourth Part agree not to contest the proposed rate increase in court or before the Public Service Commission; and

2. The proposed increase of 13.29% shall constitute a blanket increase to be borne by the customers of party of the First Part and party of the Second Part by an increase of an amount equal to 60% for all users of over 100,000 gallons per month, with the balance, if any, to be absorbed by the party of the First Part and party of the Second Part, and with said increase equal to 13.29% to be passed on to the customers of party of the Third Part and party of the Fourth Part by virtue of their respective increases in rates to their respective customers which shall be submitted for the review and approval of the Public Service Commission of Kentucky as soon as possible after the execution hereof; and this increase to Central City residents is made as a part of the concessions included in this compromise and agreement and shall not apply, as precedent, to future rate increases; and

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PURSUANT TO 807 KAR 5.011,  
SECTION 9(1)

BY: *Jordan C. Noel*  
FOR THE PUBLIC SERVICE COMMISSION

3. The rate increase as contemplated hereby shall be considered by each of the parties hereto as that increase allowable under the Contract for implementation on the 9th day of September, 1990, and, therefore, it is further fully understood and agreed by each of the parties hereto that, under the terms of such Contract, the next earliest date for a possible rate increase after the one contemplated hereby shall be on the 9th day of September, 1993, in accordance with Paragraph 5 of that


heretofore-referenced Water Purchase Contract of September 9, 1981.

4. All efforts shall be exercised by party of the Third Part and party of the Fourth Part to obtain the approval of the Public Service Commission of the proposed increase on or before January 1, 1989, which is acknowledged by all parties hereto as the effective date of such increase.

5. This instrument is executed by the respective parties in four counterparts, each to be considered as an original for all intents and purposes.

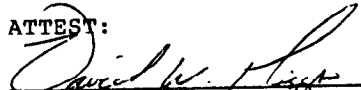
DATED: November 15, 1988.

CITY OF CENTRAL CITY  
Party of the First Part

BY:   
Hugh Sweatt

DATE: 12/2/88

ATTEST:

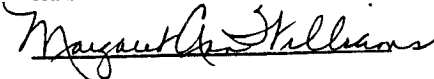


WATER COMMISSION OF CENTRAL CITY  
Party of the Second Part

BY:   
Chairman

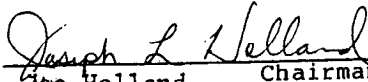
DATE: 12/2/88

ATTEST:

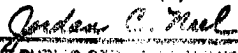


PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

MUHLENBERG COUNTY WATER DISTRICT  
Party of the Third Part

BY:   
Joe Holland Chairman

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

BY:   
FOR THE PUBLIC SERVICE COMMISSION

DATE: 11/28/88

- ATTEST:

  
James Spurlin

MUHLENBERG COUNTY WATER DISTRICT #3  
Party of the Fourth Part

BY:   
Harry Wheeldon, Chairman  
*acting*

DATE: 11-15-88

ATTEST:

