

FOR NORTH NELSON WATER DISTRICT  
P.S.C. KY. NO. 1  
TARIFF TITLE SHEET  
CANCELING P.S.C. KY. NO. N/A

LOUISVILLE WATER COMPANY, A MUNICIPAL CORPORATION  
OWNED BY THE CITY OF LOUISVILLE

OF

550 SOUTH THIRD STREET. LOUISVILLE, KENTUCKY 40202

RATES, RULES AND REGULATIONS FOR FURNISHING  
WATER ON A WHOLESALE BASIS TO  
NORTH NELSON WATER DISTRICT

AT

MASTER METER LOCATED ON CEDAR GROVE ROAD NEAR THE INTERSECTION WITH  
BROWINGTON ROAD, BULLITT COUNTY, KENTUCKY

FILED WITH THE PUBLIC SERVICE COMMISSION  
OF KENTUCKY

ISSUED 3-12-2004

EFFECTIVE 3-12-2004

ISSUED BY LOUISVILLE WATER COMPANY

BY Robert K. Miller  
ROBERT K. MILLER

VICE PRESIDENT AND TREASURER

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

APR 13 2004

PURSUANT TO 89A KAR 5.015  
SECTION 6.01

BY Chambers  
EXECUTIVE DIRECTOR

LOUISVILLE WATER COMPANY  
550 SOUTH THIRD STREET  
LOUISVILLE, KY 40202

P.S.C KY. NO. 1  
ORIGINAL SHEET NO. 1  
CANCELING P.S.C. KY. N/A  
SHEET NO. N/A

CHECK LIST

THE TITLE PAGE AND PAGES 1 THROUGH 8 INCLUSIVE ARE EFFECTIVE AS OF THE DATE SHOWN THEREON. ORIGINAL AND REVISED PAGES AS NAMED BELOW CONTAIN ALL CHANGES FROM THE ORIGINAL TARIFF THAT ARE IN EFFECT ON THE DATE THEREOF.

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DATE OF ISSUE 3-12-2004 DATE EFFECTIVE 3-12-2004  
ISSUED BY: Robert K Miller VICE PRESIDENT AND TREASURER  
ROBERT K. MILLER

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

APR 13 2004

PURSUANT TO KYR KAR 5.031  
SECTION 8 (1)

BY Charles R. [Signature]  
EXECUTIVE DIRECTOR



LOUISVILLE WATER COMPANY  
 550 SOUTH THIRD STREET  
 LOUISVILLE, KY 40202

P.S.C KY. NO. 1  
 ORIGINAL SHEET NO. 3  
 CANCELING P.S.C. KY. N/A  
 SHEET NO. N/A

1. **Quantity and Quality of Water to be Supplied**

Louisville Water Company ("LWC") will furnish water to North Nelson Water District ("NNWD") at a maximum rate of 300 gallons per minute through the master meter located on Cedar Grove Road near the intersection with Browington Road. Water furnished shall be treated water meeting applicable water quality standards of the Kentucky Natural Resources and Environmental Protection Cabinet.

2. **Pressure at Point of Delivery**

LWC's water pressure at the initial point of delivery to NNWD will be sufficiently high to provide water service at a hydraulic grade adequate to operate the existing NNWD elevated storage tank with an 886 feet mean sea level overflow. If a greater pressure at the initial point of delivery is required by NNWD, the costs of providing that greater pressure shall be borne by NNWD. Emergency failures of pressure or failures of supply due to main breaks, power failure, flood, fires and use of water to fight fires, labor unrest, earthquake, tornado or other extraordinary circumstance shall excuse LWC from any failure to comply with this paragraph for such reasonable period of time as may be necessary to resolve the situation.

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ISSUED BY: Robert K. Miller VICE PRESIDENT AND TREASURER  
 ROBERT K. MILLER

PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 EXECUTIVE

APR 7 2004

PURSUANT TO KY KAR 001  
 SECTION 9.01

BY Chancellor D. [Signature]  
 EXECUTIVE DIRECTOR

FOR NORTH NELSON WATER DISTRICT

LOUISVILLE WATER COMPANY  
 550 SOUTH THIRD STREET  
 LOUISVILLE, KY 40202

P.S.C. KY. NO.	<u>1</u>
ORIGINAL SHEET NO.	<u>4</u>
CANCELING P.S.C. KY.	<u>N/A</u>
SHEET NO.	<u>N/A</u>

3. **Metering**

There is currently at the initial point of delivery a four (4) inch master meter in a meter vault. LWC will test this master meter when requested to do so by NNWD (not more than once every twelve months), and LWC will test this master meter in its sole discretion at any time LWC chooses to do so. A meter registering not more than two (2) per cent above or below the test result shall be deemed to be accurate. A reading of the meter determined by test results to be inaccurate (registering more than two per cent above or below the test result) shall cause billings for six months previous to such test to be adjusted by the percentage of inaccuracy found by such test. If the meter shall fail to register usage for any period, the amount of water furnished during such period shall be considered to be the same as the amount of water furnished during the corresponding period immediately prior to the failure, unless the parties agree to determine the amount of water furnished by some other method. NNWD's designated agent shall have access to the meter at reasonable times for the purpose of verifying the meter's readings.

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ISSUED BY: Robert K. Miller VICE PRESIDENT AND TREASURER  
 ROBERT K. MILLER

PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 EFFECTIVE

APR 13 2004

PURSUANT TO 897 KAR 5.011  
 SECTION 5 (1)

BY Charles L. Dyer  
 EXECUTIVE DIRECTOR

LOUISVILLE WATER COMPANY  
 550 SOUTH THIRD STREET  
 LOUISVILLE, KY 40202

P.S.C KY. NO. 1  
 ORIGINAL SHEET NO. 5  
 CANCELING P.S.C. KY. N/A  
 SHEET NO. N/A

#### 4. Rates and Payments

LWC agrees to charge LWC's wholesale rate identified in Rule 6.03 of the Board of Water Works Rules and Regulations of \$1.16 plus \$.19 elevated service area surcharge for a total of \$1.35 per thousand gallons of water, plus a flat monthly service charge of \$135.00 per month. This wholesale rate will increase, effective May 1, 2004, to \$1.27 plus \$.22 elevated service area surcharge for a total of \$1.49 per thousand gallons of water, plus a flat monthly service charge of \$142.50 per month. The parties acknowledge that LWC's wholesale water rate may be adjusted annually by the Board of Water Works. The parties further acknowledge that LWC currently forecasts an increase of approximately seven cents (\$.07) per thousand gallons of water for 2005 wholesale water rate, as well as periodic increases in the elevated service area surcharge. NNWD and LWC acknowledge the LWC wholesale rate is determined by LWC's rate-making methodology, and that LWC's rate-making methodology is a reasonable basis for the annual rate adjustments both NNWD and LWC expect during the term of this wholesale water contract. That methodology requires that the wholesale rate be determined by allocating the following components:

- a) Operating Expenses;
- b) Depreciation Expenses;
- c) Return on Plant Investment;

Less expenses common to only retail customers.

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ISSUED BY: Robert K. Miller

ROBERT K. MILLER

VICE PRESIDENT AND TREASURER  
 PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 EFFECTIVE

APR 13 2004

PURSUANT TO 807 KAR 5.011  
 SECTION 9.01

BY Charles W. Dyer  
 EXECUTIVE DIRECTOR

FOR NORTH NELSON WATER DISTRICT

LOUISVILLE WATER COMPANY  
550 SOUTH THIRD STREET  
LOUISVILLE, KY 40202

P.S.C KY. NO. 1  
ORIGINAL SHEET NO. 6  
CANCELING P.S.C. KY. N/A  
SHEET NO. N/A

5. **North Nelson Water District Warranties**

NNWD provides the following warranties:

- a) NNWD will not sell water provided under the terms of this Agreement to any person or entity acquiring water for the purpose of resale without prior written consent from LWC, with such prior written consent not to be unreasonably withheld by LWC.
- b) NNWD will not permit "cross connection" wherein LWC's treated water is mixed with water from any other source, and NNWD shall separate LWC water from such other water by either atmospheric gap or LWC approved backflow prevention device.

6. **Louisville Water Company Warranties**

LWC provides the following warranties:

- a) LWC will reserve for the term of this Agreement the water treatment capacity necessary to meet LWC's obligations under this Agreement.
- b) LWC will communicate with NNWD as soon as LWC becomes aware of an event within LWC's system that will result in interruption of service to NNWD, and, further, that LWC will restore full service to NNWD as soon as reasonably possible. In the event of an extended shortage of water, or, in the event that the overall supply of water available from LWC is diminished over an extended period of time, water service to NNWD shall be reduced or diminished in the same ratio or proportion as the water service to LWC's other customers within the same customer class (excepting health service related customers ).

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ISSUED BY: Robert K. Miller  
ROBERT K. MILLER

VICE PRESIDENT AND TREASURER

APR 17 2004

PURSUANT TO KRS KAR 5007  
SECTION 9.03

BY: Charles B. ...  
EXECUTIVE DIRECTOR

LOUISVILLE WATER COMPANY  
 550 SOUTH THIRD STREET  
 LOUISVILLE, KY 40202

P.S.C KY. NO. 1  
 ORIGINAL SHEET NO. 7  
 CANCELING P.S.C. KY. N/A  
 SHEET NO. N/A

**7. Term, Modification and Termination of Agreement**

This Agreement shall be effective upon acceptance of this contract by the Kentucky Public Service Commission (and at that point, this agreement shall supersede any and all previous wholesale water purchase agreements between the parties), and run for forty (40) years, with this Agreement subject to the termination rights of the parties as set out herein. Either party may terminate this Agreement with twelve (12) months advance written notice to the other party with the notices to be provided to the addresses set out in paragraph 9 of this Agreement in the event of any of the following:

a) For NNWD to terminate:

- 1) Failure of LWC to meet water delivery requirements stated herein (except for failures related to the temporary interruptions described at 6 (b), above);
- 2) Failure of LWC to meet water quality requirements of the Natural Resources and Environmental Protection Cabinet of Kentucky (except for failures related to the temporary interruptions described at 6 (b), above);

b) For LWC to terminate:

- 1) Failure of NNWD to pay within thirty (30) days of due date for monthly wholesale water service described in this Agreement;
- 2) Revocation of NNWD's authority to operate a water system by one or more governmental authorities having jurisdiction over such matters;
- 3) Failure of NNWD to meet water quality requirements of the Natural Resources and Environmental Protection Cabinet of Kentucky;

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ISSUED BY: Robert K. Miller  
 ROBERT K. MILLER

VICE PRESIDENT AND TREASURER

APR 11 2004

PURSUANT TO 807 KAR 5.011  
 SECTION 9.01

BY Charles D. ...  
 EXECUTIVE DIRECTOR



LOUISVILLE WATER COMPANY  
550 SOUTH THIRD STREET  
LOUISVILLE, KY 40202

P.S.C KY. NO. 1  
ORIGINAL SHEET NO. 8  
CANCELING P.S.C. KY. N/A  
SHEET NO. N/A

**Term, Modification and Termination of Agreement (continued)**

Provided, however, that termination shall not relieve either NNWD or LWC from any obligation incurred prior to the notice of termination.

This Agreement may be modified by means of an "addendum" or "amendment" signed by both parties and approved by the necessary regulatory authorities, including the Kentucky Public Service Commission.

**8. Miscellaneous Matters**

LWC shall file this Agreement and related tariff information with and as required by the Kentucky Public Service Commission. NNWD shall obtain any other approvals required for its purchase of water contemplated by this Agreement, with LWC to provide any and all cooperation necessary to obtain any such approvals. The Parties acknowledge that Board of Water Works Rules and Regulations Section 1.16 governing payments and charges applies to this Agreement.

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ROBERT K. MILLER      PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

APR 11 2004

PURSUANT TO 807 KAR 5.011  
SECTION 9 (1)

BY Charles L. Dean  
EXECUTIVE DIRECTOR