

HIGH KNOB UTILITIES, INC.
17 WINDY WAY
FRONT ROYAL, VIRGINIA 22630
WARREN COUNTY, VIRGINIA

Tariff

RATES, RULES AND REGULATIONS

FOR

Water Service in Territory

Served by High Knob Utilities, Inc.

Warren County, Virginia

Effective January 1, 2010

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I. RATE SCHEDULE

The primary purpose of the High Knob Water System is to provide water service to a subdivision known as High Knob in Warren County, Virginia.

WATER RATES

Rates are applicable to all customers in the area indicated above.

1. Service Connections:

All service connections	\$1,800.00
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2. Rates:

Bills will be rendered on a quarterly basis, in arrears. The rates for water service are as follows:

<u>Base Rate</u>	\$ 85.00
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Plus Water Usage as Follows:

1 - 13,500 gallons	\$0.00690 per gallon
13,501 - 20,000 gallons	\$0.0084 per gallon
20,000 gallons and over	\$0.0105 per gallon

If the meter should fail to register for any reason, or if the meter reader should be unable to read the meter at the scheduled meter reading date, an estimated bill will be rendered.

3. Minimum Charge:

There shall be a **minimum charge of \$85.00** for water service and no bill will be rendered for less than the minimum charge. This minimum quarterly service charge shall become effective when the water meter is installed or a Water Service Account is established.

II. RULES AND REGULATIONS

The rules and regulations as herein set forth, or as they may hereafter be revised with approval of the State Corporation Commission, shall govern the rendering of water connection thereto, and every customer upon signing an application for any service rendered by High Knob Utilities, Inc., or upon the taking of water service shall be bound thereby.

RULE NO. 1. - GENERAL

- a. The High Knob water system office is located at 17 Windy Way, Front Royal, VA 22630
- b. The utility provides water service in the following subdivision: High Knob, in Warren County.
- c. The telephone number for billing and service questions is (540) 635-6131.
- d. In case of emergency or after hours call (540) 635-6131.
- e. Any questions about service or employees of High Knob Utilities, Inc. should be made at the office of High Knob Utilities, Inc., 17 Windy Way, Front Royal, VA 22630 or in writing to the same address.
- f. No employee or agent of High Knob Utilities, Inc. shall have the right or authority to bind it by any promise agreement or representation contrary to the letter or intent of these rules and regulations.

RULE NO. 2. - DEFINITIONS

- a. A “water service connection” is the water service line connecting the High Knob water system water main or lateral to a customer’s premises. Where meters are installed it includes the meter and meter equipment
- b. “Premises” as used herein shall mean the lot or parcel of land upon which is situated a single family dwelling or community facility (which includes an office and a single apartment).
- c. “Customer” as used herein is any party who has applied for and is receiving water service at a premise.
- d. “Company” as used herein is High Knob Utilities, Inc.
- e. “Commission” as used herein is the Virginia State Corporation Commission (SCC).

RULE NO. 3. - APPLICATION FOR SERVICE

- a. Before any water service is delivered, the Company reserves the right to require the applicant to:
 1. Establish that the applicant is the owner, his duly authorized representative, or the bona fide lessee of the premises.
 2. The applicant shall make application for water service upon forms prescribed by the company.
 3. Upon approval of the application, the company shall install the service connection.
- b. Whether or not the Company initially exercises the right specified in rule 3(a) above, the applicant, by accepting water services, agrees to:
 1. Comply at any time with the right specified in rule 3(a) above.

2. Be bound by the applicable rate schedule(s) and rules and regulations that are currently on file with the Commission.
- c. Should at any time the customer not comply with this section, service may be discontinued in accordance with Rule 13 of these rules and regulations.

RULE NO. 4. - SERVICE CONNECTIONS

- a. For water service, the company shall install the service line connecting the water main or lateral to the customer's premises. Where meters are installed, it includes the meter box, the meter and other metering equipment.
- b. The company will maintain and replace all water service connections from the main in the street to the meter box.
- c. The company will make all connections to its mains and will specify the size, kind and quality of all materials entering into the service connection.
- d. The corporation cock, meter cock, meter box, and service pipe from the water main to the meter, will be furnished and installed by and shall remain the property of the company and under its sole jurisdiction. Meters will be installed on the property of the customer or on a public way adjoining his property.

RULE NO. 5. - CUSTOMER'S SERVICE PIPES

- a. The service pipe, meters, and fixtures on the customer's premise shall be accessible to the company for observation or inspection at reasonable hours.
- b. The company may specify the size, kind, and quality of the materials that shall be laid between the meter cock and the structures on the premises to be supplied.
- c. The water service pipe from the meter cock to the place of consumption shall be furnished and installed by the customer at his or her own expense and risk.
- d. The customer's service pipes 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.
- e. No fixture shall be attached to, or any branch made, in a service pipe between the meter, lot, line, and the street main.
- f. Any repairs, maintenance, replacement, or relocation necessary to the customer's water service pipe or fixtures in or upon the customer's premises shall be performed by the customer at his or her expense and risk, and in a manner approved by the company.

RULE NO. 6. - METERS AND METER INSTALLATION

- a. The company shall determine the type and size of any meter to be installed.
- b. Meters will be furnished, installed, and removed by the company and shall remain the property of the company.
- c. When damage to any meter arises out of, or is caused by, the customer's negligence or carelessness, the repair or replacement of that meter shall be paid for by the customer.
- d. The customer receiving water through a meter shall promptly notify the company of any defects in or damage to the meter or its connections.

RULE NO. 7. - METER TESTS AND TEST FEES

- a. All meters shall be accurately tested before installation. The company may at any reasonable hour remove any meter for routine tests, repairs, or replacement.
- b. The company shall, upon request of a customer, and if so desired, in his presence or that of his authorized representative, make without charge a test of accuracy of the meter in use at his premises, provided that the meter has not been tested within a period of twenty-four (24) months previous to such request. A written report of the results of the test shall be furnished to the customer.
- c. If a meter test has been conducted within the past twenty four (24) months and the customer still desires a test, the customer must pay the actual cost of the test, unless the meter is found to have an average error greater than two (2) percent, in which case the test will be at no charge to the customer. Currently the actual cost of the test is \$42.00.
- d. Whenever a test of the meter reveals it to have an average error of more than two (2) percent, the company shall bill or refund to the customer, as the case may be, such percentage of the amount of bills, covering the consumption indicated by the meter for the previous six months, as the meter was found to be in error at the time of test, unless it can be shown from the records of either party that the error found has existed for a greater or lesser period, in which case the adjustment shall cover such actual period.

RULE NO. 8. - CUSTOMER'S DEPOSITS

- a. Before providing water service, the company may require of any customer a cash deposit or other suitable guarantee to secure the performance of the customer under the terms and conditions of the company under which water is supplied. The maximum amount for any deposit shall not exceed the customer's estimated liability for one quarter of service.
- b. The deposit of each residential customer will be refunded after not more than one year of satisfactory credit has been established or after final settlement of the customer's account, whichever is first.
- c. Simple interest on the deposit will be paid at the rate determined annually by the Commission from the date of the deposit receipt to the date of the deposit refund. Credit of interest shall be made annually.
- d. Deposits for residential customers will not be held beyond a one year period during which the customer has established satisfactory credit.
- e. If the customer fails to maintain satisfactory credit with the company, it may require a deposit from the customer which will be held for a period of not more than one year, during which the customer has established satisfactory credit.

RULE NO. 9. - TERMS OF PAYMENT

- a. Bills for service shall be rendered quarterly in arrears.
- b. Each "premises" as described in Rule No. 2 shall be billed separately.

- c. 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 the account will be considered delinquent.
- d. Payments shall be made at the office of the company or such other places conveniently located as may be designated by the company.
- e. If bills are to be sent to an address other than the premise served, the company must be notified in writing by the customer of any change of address.
- f. If requested in writing by the customer, the company will send bills to and receive payments from designated agents or tenants. However, this accommodation will in no way relieve the customer or owner of the liability for all charges, and the company shall not be obligated to notify the customer or owner of the nonpayment of bill by such agents or tenants.
- g. If a bill is not paid within seven (7) days of final written notice properly given by the company to the customer of record, service may be discontinued, and where installed, the meter and service equipment may be removed by the company, and the deposit, if any, may be applied to such bill and any other arrears due by the customer.

RULE NO. 10. - LATE PAYMENT CHARGES

- a. Each public utility may charge up to one and one half percent (1-1/2%) per month on any customer charges not timely paid. Appropriate calculation of the late payment charge shall be made at the time of each successive, usual billing date, and the amount of any such charge included as a separately identified item upon the current bill. Before implementing a late payment charge program, the utility must show on its customer bill, in addition to other necessary information, the date in which the bill is delivered to the U.S. mail, or delivered to the customer's premise, together with showing the date by which payment must be received in the utility's office to avoid late payment charges. In no case shall payment for current service be considered overdue if received by the utility within twenty (20) days from the mailing date or delivered date of the bill.
- b. The late payment charge shall not be applied to any amount billed as taxes which utilities may collect on behalf of governmental units. All legal expenses incurred by the company related to payment charges shall be paid by the affected customer.

RULE NO. 11. - BAD CHECK CHARGE

- a. Each public utility subject to the jurisdiction of the commission may impose and collect a service charge for every check received in payment of a customer's account, in which a check is lawfully dishonored by the payer bank, provided, however, that the service charge shall be uniformly applied to all customers of each utility. The bad check charge shall be \$35.00.
- b. All legal expenses incurred by the company related to the collection of any bad check shall be paid by the affected customer.

RULE NO. 12. - ABATEMENTS AND REFUNDS

There shall be no abatement of the minimum rates in whole or in part, by reason of the extended absence of the customer, and no abatement shall be made for leaks for water wasted by improper or damaged service pipes or fixtures belonging to the customer, except, however, that in the case of an underground leak, adjustments may be made for fifty percent (50%) of the amount of excess in a water bill due to this cause, based on an average of the previous three (3) consecutive periodic bills, provided the customer promptly and properly repairs such leak when detected. See Water Rates, Section I, for appropriate charges.

RULE NO. 13. - DISCONTINUANCE OF WATER SERVICE

- a. No person shall turn the water on or off at any street valve, corporation cock, meter cock, or other connection, or disconnect or remove any meter cock or other connection, or disconnect or remove any meter or disturb any connection pipe or service line, without the consent of the company. Penalties provided by law for any such unauthorized action will be rigidly enforced.
- b. Water service may be discontinued by the company after ten (10) day's written notice for any of the following reasons:
 1. For willful or indifferent waste of water due to any cause.
 2. For failure to protect and maintain the service pipe or fixtures past the meter on the property of the customer in a condition satisfactory to the company.
 3. For violation of any rule or regulation of the company.
- c. Water service may be discontinued by the company after seven (7) days written notice for non-payment of any account 15 days past the due date for water service, or for any fee or charge accruing under these rules and regulations and the effective schedule of rates. The residential service of a customer shall not be terminated for non-payment of basic non-residential services such as governmental utility taxes, trash pick up, etc.
- d. The following reasons are cause for immediate discontinuance of water services:
 1. For tampering by the customer, or other with the knowledge of the customer, with any meter, connection, service pipe, meter cock, seal, or any other appliance of the company controlling or regulating the customer's water supply.
 2. For creation by the customer, or other with the knowledge of the customer, a condition that may cause damage to any meter, connection, service pipe, meter cock, seal, or any other appliance or installation of the company. The presence of such condition shall be ascertained solely by the determination of the company, subject to appeal to the board of directors. The customer shall be responsible for removing any potentially damaging condition designated by the company, subject to supervision and approval of the company. All legal expenses incurred by the company related to such condition or the removal thereof shall be paid by the affected customer.

3. 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 appliance of the company controlling or regulating the customer's water supply.
- e. Discontinuing the supply of water service to a premise for any reason shall not prevent the company from pursuing any lawful remedy by action of law or otherwise for the collection of monies due from the customer.
- f. When water service to a customer has been terminated for any of the above reasons other than temporary vacancy of the premises, it will be renewed only after the conditions, circumstances, or practices which caused the water service to be discontinued are corrected to satisfaction of the company, and upon payment of all charges due any payable by the customer in accordance with these rules and regulations and the effective schedule of rates.

RULE NO. 14. - TURN ON CHARGE

- a. When it has been necessary to discontinue water service to any premise because of a violation of these rules and regulations, or because of non-payment of any bill, a charge of \$42.00 may be made for turning on the water. This charge together with any unpaid or outstanding debts that may be due to the company must be paid before the water service will be resumed.

RULE NO. 15. - CROSS CONNECTION AND BACK SIPHONAGE

- a. No pipe or fixtures connected with the mains of the company shall also be connected with pipes or fixtures supplied with water from any other source without installation of an approved backflow prevention device.
- b. Piping systems supplying swimming pools or tanks/cisterns shall not be allowed.
- c. The plumbing on all premises supplied from the company's water system shall conform to the Commonwealth of Virginia Sanitary Code or Warren County Code – whichever may be applicable.

RULE NO. 16. - PRESSURE AND CONTINUITY OF SUPPLY

- a. The company does not guarantee a sufficient or uniform pressure, or an uninterrupted supply of water, and customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply must be assured, such as for steam boilers, domestic hot water systems, gas engines, etc.
- b. In high level sections where pressure is low the customer shall, if he desires a higher pressure than that furnished at the mains of the company, install at his own expense a tank and/or booster pump, of a type and installation approved by the company that conforms with applicable regulations and codes.
- c. Where the pressure to a customer's premise is greater than he wishes, it shall be his responsibility to install at his own expense the proper regulating device to reduce the pressure to the extent desired.
- d. The company will supply water at a minimum pressure of 20 psi.

RULE NO. 17. - INTERRUPTIONS IN THE WATER SUPPLY

- a. The company may, at any time, shut off the water in the mains in case of an 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.
- b. The company will try to give notice in advance of any work which must be done that will necessitate any interruption of the supply. Such notice is to be considered an accommodation and not a requirement on the part of the company. Property owners must so regulate their installations connected with the water supply system that damage will not occur if water is shut off without notice.
- c. 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.

RULE NO. 18. - EXTENSION OF MAINS

The company will extend its water distribution systems of mains and laterals to supply consumers, where application for service has been made, under the following terms and conditions:

- a. Where the cost of the extension does not exceed three and one-half times the estimated normal annual consumption revenue from bona fide applicants whose service pipes will be directly connected to the extension and from whom the company has received applications for this purpose, the company will install, at the company's own cost and expense, the necessary extension.
- b. Where the cost of making an extension exceeds three and one-half times the estimated normal annual consumption revenue, the applicant or applicants shall deposit with the company the excess cost of the extension and three and one-half times the estimated normal annual revenue from the applicant or applicants and other persons whose applications are received on or before the work of making the extension has begun.
- c. Any deposit so made shall remain without interest, in the possession of the company, subject to refund as follows: After the completion of the extension, when and as additional bona fide consumers are secured whose service lines are directly connected to such extension, the company will refund to the original depositor or depositors an amount equal to three and one-half times the estimated annual revenue from such additional consumers. Refund will be made from a period of ten years only from date of original deposit, and the total of such refunds will in no event exceed the amount of the original deposit. All or any part of the deposit not refunded within said ten year period shall remain the property of the company.
- d. The ownership of the extensions installed under this rule shall at all times be in the company, its successors, and assigns.
- e. The company reserves the right to determine the size of the pipe necessary in making such extension.