

RULES, REGULATIONS AND CONDITIONS
OF
WATER SERVICE

ISSUED PURSUANT TO

44533

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

Issued By: Thomas M. Bruns, President, Aqua Indiana, Inc.
5750 Castle Creek Parkway N. Drive, Suite 314, Indianapolis, Indiana 46250

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INDIANA UTILITY
REGULATORY COMMISSION

TABLE OF CONTENTS

1. CUSTOMER SERVICE	4
1.1 Definitions	4
1.2 Application for Water Service	4
1.3 Bills and Payment for Water Service	6
1.4 Adjustment of Bills	8
1.5 Customer Deposits	9
1.6 Discontinuance of Service	12
1.7 Disconnections	15
1.8 Reconnection	17
1.9 Interruption of Service	18
1.10 Complaints and Review	18
1.11 Information to Applicants and Customers	20
1.12 Posting Rate Schedules and Rules	20
2. WATER SYSTEM OPERATION	21
2.1 Cross-Connection	21
2.2 Interruptions in Water Supply	22
2.3 Flushing Mains	23
2.4 Water Conservation	23
3. SERVICES	24
3.1 Definitions	24
3.2 Service Connections	25
3.3 Customer's Service Pipes	26
3.4 Damage to Company Property	27
4. METERS	27
4.1 Metered or un-metered	27
4.2 Determination of meter type and location	27
4.3 Meter for each premise	27
4.4 Meter location	27
4.5 Plumbing in premise	28
4.6 Company meters	28
4.7 Meter maintenance	28
4.8 Remote meter reading devices	28
4.9 Location or remote reading devices	28
4.10 Reporting meter defects	28
4.11 Tampering with meters or remotes	29
4.12 Meter relocation	29
4.13 Additional meters	29
5. FIRE SERVICE CONNECTIONS	29
5.1 Liability for private fire services	29

ISSUED PURSUANT TO

44533

2

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

5.2	Installation of private fire services	29
5.3	Private fire service restrictions	30
6.	FIRE HYDRANTS	30
6.1	Company liability and warrants	30
6.2	Installation and ownership of public fire hydrants	30
6.3	Hydrants located in public streets or right-of-way	30
6.4	Private fire hydrant ownership and maintenance	30
6.5	Fire hydrant tariffs	30
6.6	Private fire service connections	31
6.7	Use of water from fire hydrants	31
6.8	Fire service connections	31
6.9	Fire service tariffs	31
6.10	Fire service backflow preventers	31
7.	MAIN EXTENSIONS	32
7.1	Definitions	32
7.2	Free extension	35
7.3	Main extension: exception to commission approval	35
7.4	Main extension route	35
7.5	Number of lots served by main extension	36
7.6	Main extension costs	36
7.7	Cost per lot	37
7.8	Cost options	37
7.9	Total required deposit	38
7.10	Subsequent connector fee	38
7.11	Refunds	39
7.12	Basis of costs	39
7.13	Extension exception	40
7.14	Special contract	40
7.15	Prohibition exception	40
8.	WATER SYSTEM LOAN PROGRAM	41
8.1	Loan terms and conditions	41
9.	GENERAL	44
9.1	Liability of Company	44
9.2	Alterations, amendments, changes or additions	45
9.3	Authority to alter or waive Rules and Regulations	45
9.4	Agreements contrary to the Rules and Regulations	45
9.5	Incorporation by reference	45

ISSUED PURSUANT TO

44533

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

RULES, REGULATIONS AND CONDITIONS OF SERVICE

WATER

1.0 CUSTOMER SERVICE

1.1 Definitions

- 1.1.1 COMPANY means AQUA INDIANA, INC., an Indiana corporation, having its general offices at 8275 Allison Pointe Trail, Suite 375, Indianapolis, Indiana 46250, its successors and assigns, said Company being engaged in the business of rendering water service to the public.
- 1.1.2 CUSTOMER means any person, firm, corporation, association, municipality or other government agency which has agreed, orally or otherwise, to pay for water service received from the Company; provided that pursuant to certain limitations of the Rules and Regulations of the Indiana Utility Regulatory Commission, the word "customer" might be limited to mean persons who have agreed to pay for such service exclusively for residential purposes.
- 1.1.3 DISCONNECTION means the termination or discontinuance of water service.
- 1.1.4 LATE PAYMENT CHARGE means the one time penalty assessed by the Company upon all current bills at such time as they become delinquent.
- 1.1.5 COMMISSION means the Indiana Utility Regulatory Commission.
- 1.1.6 PREMISES mean a tract of land or real estate, including buildings and other appurtenances thereon.
- 1.1.7 A TAP means a fitting owned by the Company and inserted in the distribution main to which the service pipe is connected.

1.2 Application for Water Service

- 1.2.1 All applications for water service must be made on the form provided by the Company. The application for water service shall, in general, clearly outline the class, scope and type of use to be made of the service. Upon acceptance thereof, such application shall constitute a contract between the applicant as a Customer and the Company.
- 1.2.2 If, for the convenience of the applicant, an application is accepted orally, via telephone or otherwise, the taking of water service shall

ISSUED PURSUANT TO

44533

4

EFFECTIVE

JUN 30 2015

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY
REGULATORY COMMISSION

constitute a contract between the applicant and the Company, obligating the applicant as a customer to pay for, and the Company to furnish, service as specified herein and to comply with all applicable provisions of the Company's Rules and Regulations. If the application is accepted orally, the customer shall, if requested by the Company, sign a written application. A telephone application for service will not be accepted from a third party who will not be the customer.

- 1.2.3 A new application must be made upon any change in tenancy, where the tenant has contracted for the water service or by the new Owner upon any change in ownership where the Owner has contracted for such service. When more than one tenant is served through a Customer water connection, the application for the water service must be made by the Owner of the property.
- 1.2.4 No agreement for water service will be entered into by the Company with any applicant until all arrears and charges due by such applicant for water service of the same class supplied by the Company to any premises then or theretofore owned or occupied by such applicant shall have been paid.
- 1.2.5 Water service shall be rendered to all customers of Company on a nondiscriminatory basis in accordance with the rates and charges attached hereto, made a part hereof and filed with the Indiana Utility Regulatory Commission, or such rates in effect at the time such service is rendered. No change shall be made in the said rates or charges until after such charge has been approved by the Indiana Utility Regulatory Commission.
- 1.2.6 Any contractor, builder or developer shall be liable for the minimum monthly charge from time of connection until notification of occupancy, if such contractor, builder or developer fails to notify Company of such occupancy.
- 1.2.7 A customer who has applied for water service to premises shall be held liable for all water service furnished to such premises until such time as the customer notifies the Company to discontinue the customer's service or until service for a new customer is established at the premises.
- 1.2.8 Intentionally omitted.
- 1.2.9 The Company shall have the right to bill for call-out service requested by the customer or service necessitated by the customer's negligence where work after regular business hours or overtime is involved at the applicable labor, vehicle and overhead rate. Labor costs for an after-

ISSUED PURSUANT TO

44533

5

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE
JUN 30 2015
INDIANA UTILITY
REGULATORY COMMISSION

hours service call shall be as designated in the approved Tariff. In no instance will this Section supersede any fixed charges embodied in other Sections of these Rules and Regulations.

1.2.10 Intentionally omitted.

1.2.11 If for any reason service is discontinued before the expiration of one (1) month from commencement of service, a bill for at least the customer service charge for one (1) month will be rendered.

1.2.12 There shall be no abatement of the customer charge, in whole or in part, by reason of the customer's extended absence unless service has been discontinued at the customer's request and no abatement shall be made for leaks or for water wasted by improper or damaged service pipes or fixtures belonging to the customer.

1.3 Bills and Payment for Water Service

1.3.1 Billings will be made on the basis of the Company's effective rates and are due and payable at the stated rates on or before the twenty-first (21st) calendar day following the date of the postmark of the bill, or, if said twenty-first (21st) day falls on a Saturday, Sunday or legal holiday, then on the first day thereafter not a Saturday, Sunday or legal holiday. All bills for utility service not paid on or before the past due date shall be considered delinquent and subject to a late fee. In the case of lots or campsites, the Company reserves the right to file a lien against the property of anyone who is delinquent in payment of water bills.

1.3.2 Water bills will be rendered monthly to all customers of the Company and contain the following information:

1.3.2.1 The date of the bill, the time period for which the bill is rendered or the dates and readings of the water meter, if used as the basis for the water bill, at the beginning and end of the billing period,

1.3.2.2 The number and kind of units of service supplied, if based upon metered water consumption,

1.3.2.3 The billing rate code, if any,

1.3.2.4 The previous balance, if any,

1.3.2.5 The amount of the bill,

ISSUED PURSUANT TO

44533

6

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

- 1.3.2.6 The sum of the amount of the bill and the late payment charge, if any,
 - 1.3.2.7 The date on which the bill becomes delinquent and on which a late payment charge will be added to the bill,
 - 1.3.2.8 If an estimated bill of a customer whose water bill is based on metered water service, a clear and conspicuous coding or other indication identifying the bill as an estimated bill,
 - 1.3.2.9 Printed statements and/or actual figures on either side of the bill shall inform the customer of the seventeen (17) day non-penalty period,
 - 1.3.2.10 An explanation, which can be readily understood, of all the codes and/or symbols used on the bill.
- 1.3.3 Bills for water service will be mailed or delivered to the Customer's last address as shown by the records of the Company when due, but failure to receive a bill will not relieve the Customer from the obligation to pay the same.
 - 1.3.4 Where availability charges are applicable, the Company shall in its initial and final bill to any customer include such charges as prorated. For the initial bill, charges will be prorated from that date prior to the said initial billing when the customer first became responsible to pay for water service to the specific premises. For the final bill, charges will be prorated from the first day of the billing period until that date on which the customer is no longer responsible to pay for water service to the specific premises.
 - 1.3.5 A fee shall be assessed to the Customer as provided in tariffs on file with the Commission when a check for payment of the Customer's bill has been returned to the Company unpaid for whatever reason.

1.4 Adjustment of Bills

- 1.4.1 The Company shall make a test of the accuracy of registration of a meter upon written request by a customer. A second test of the customer's meter may be requested after twelve (12) months. The first and second tests of a customer's meter shall be at no cost to the customer. The customer may be required to bear the reasonable cost of any subsequent test of his or her meter if the: (a) meter was: (i) tested within the prior thirty-six (36) months at the customer's request; and (ii) found to be in compliance with the requirements of 170 I.A.C. 6-1-9; (b) test is made: (i) at the customer's request; or (ii) due to a billing

ISSUED PURSUANT TO

44533

7

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

dispute; and (iii) the meter is found to be in compliance with the requirements of 170 I.A.C. 6-1-9. If the utility requires payment from the customer, the utility shall disclose to the customer the cost of the test prior to the test being performed. A written report giving the results of the tests shall be made to the customer within ten (10) days after the test is complete, and a complete record of the test shall be kept on file in the office of the utility. Any appeal, in regard to the results of the customer's meter test, shall be filed with the Commission under 170 I.A.C. 6-1-12 within five (5) days of the date of the report.

- 1.4.2 Any customer may request the Company make a special test of the accuracy of the meter supplying water to such customer, which test will be made in accordance with the standard regulations of the Commission.
- 1.4.3 The Customer or Customer's designee has the right to witness the test but in the event the customer or designee chooses not to be present, the customer shall agree to abide by the results of the test.
- 1.4.4 The Company may at any time remove any meter for routine tests, repairs or replacement.
- 1.4.5 Whenever any test by the Company of any water meter in service or on its removal from service shall show such meter to have an average error of greater than two (2) percent on the streams prescribed by the Commission, the following provisions for the adjustment of bills shall be observed:
 - 1.4.5.1 When a meter is found to have a positive average error, i.e., is fast, in excess of (2) percent, the company shall refund or credit the customer's account with the amount in excess of that determined to be an average charge for one-half of the time elapsed since the previous test, or one (1) year, whichever period is shorter. This average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be fast. No part of a minimum service charge needs to be refunded.
 - 1.4.5.2 When a meter is stopped or has a negative average error, i.e., is slow, in excess of two (2) percent, the company may charge the customer an amount estimated to be an average charge for one-half of the time elapsed since the previous test or one (1) year, whichever period is shorter. The average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period

ISSUED PURSUANT TO

44533

8

EFFECTIVE

JUN 30 2015

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY
REGULATORY COMMISSION

for which the meter is determined to be slow or stopped. Such action may be taken only in cases where the company is not at fault for allowing the stopped or slow meter to remain in service.

- 1.4.6 In the event the customer's service is interrupted for a reason other than the act of the customer or the condition of customer controlled equipment, and the service remains interrupted for more than two (2) days after being reported or found to be out of order, appropriate adjustments or refunds shall be made to the customer.
- 1.4.7 All other billing errors, including incorrect tariff applications, may be adjusted to the known date of error or for a period of one year, whichever period is shorter.

1.5 Customer Deposits

- 1.5.1 The Company may require a reasonable deposit from the customer to secure payment of charges for services if Company determines that customer or applicant does not meet the criteria for creditworthiness set forth in the Rules and Regulations of the Commission.
- 1.5.2 The Company shall determine the creditworthiness of an applicant or customer in an equitable and nondiscriminatory method without regard to the economic character of the area (or any part thereof) where the applicant resides and shall determine the creditworthiness solely upon the credit risk of the individual without regard to the collective reputation of the area in which he lives.
- 1.5.3 Such deposit, if required, may not exceed one-sixth (1/6) of the expected annual billings for the premises served if the customer has (1) been mailed disconnect notices for two consecutive months or any three months within the preceding twelve months or (2) had service discontinued for nonpayment of bills. If the deposit required is in excess of \$70, it may be paid in equal installments over a period not to eight (8) weeks, except where the deposit is required as a result of disconnection of service for nonpayment of bills, in which case full payment of the deposit will be required prior to reconnection.
- 1.5.4 A deposit made pursuant to this Rule and held by the Company for more than twelve months will earn interest from the date of deposit to the date that it is mailed or personally delivered to the customer, or otherwise lawfully disposed of in accordance with this rule at the rate currently in effect as prescribed by the Commission.

ISSUED PURSUANT TO

44533

9

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

- 1.5.5 For each deposit, the Company will provide a written receipt and maintain a record showing: (1) the name of the customer, (2) the current address of the customer, so long as he maintains an active account with the Company in his name, (3) the amount of the deposit, (4) the date the deposit was made, and (5) a record of each transaction affecting the deposit. If a customer desires a refund of his deposit but is unable to locate his receipt and the Company's records reflect that the deposit was made and the customer is entitled to a refund, the Company will make the refund based on a written statement from the customer stating he made the deposit and requests the refund.
- 1.5.6 Satisfactory payment for a period of either nine consecutive months or ten out of any twelve consecutive months, unless said payments were late payments for any two consecutive months, will entitle the customer to a refund of his deposit, plus interest, if any. The Company will also refund the deposit plus accrued interest, if any, if the customer demonstrates his credit-worthiness by providing the Company with a written statement which establishes that he satisfies the criteria of one of the following subparagraphs:
- 1.5.6.1 The customer (a) has been a customer of any utility within the last two years, (b) owes no outstanding bills for service rendered by any utility, (c) did not have during the last twelve consecutive months that the service was provided, more than two bills which were delinquent to any utility, or, if such service has been rendered for a period of less than twelve months, did not have more than one delinquent bill in such period, and (d) within the last two years did not have a service disconnected by a utility.
- 1.5.6.2 The customer has not been a customer of a utility during the previous two years, but fulfills the requirements of any two of the following lettered clauses: (a) He has been employed by his present employer for two years or has been employed by his present employer for less than two years, but has been employed by only one other employer during the past two years, or has been employed by the present employer for less than two years and has no previous employment due to having recently graduated from a school, university, vocational program or has recently been discharged from military service, (b) He owns or is buying his home or is renting a home or an apartment and has occupied the premises for more than two years, (c) He has credit cards, charge accounts, or has been extended credit by a bank or commercial concern, unless a credit check shows that he has been in default on any such account more than twice within the last twelve months.

ISSUED PURSUANT TO

44533

10

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE
JUN 30 2015
INDIANA UTILITY
REGULATORY COMMISSION

- 1.5.7 Upon disconnection of service, the Company will apply the customer's deposit, plus accrued interest, if any, to the customer's unpaid balance and the excess, if any, of the deposit and interest over the unpaid balance will be returned to the customer. If service is terminated at the request of the customer, the Company will apply the deposit, plus accrued interest, if any, to the customer's final bill unless at the time he requests termination the customer requests that the Company refund the deposit to him directly, in which case the Company will do so within fifteen days after payment of the customer's final bill.
- 1.5.8 Any deposit made by a customer which has remained unclaimed for seven years after the Company has made diligent efforts to locate the customer or the heirs of the customer shall be presumed abandoned and, after making any lawful deductions, will be treated in accordance with the provisions of the Indiana Uniform Disposition of Unclaimed Property Act, IC 32-9-1-6.

1.6 Discontinuance of Service

- 1.6.1 Water service rendered under any application, contract or agreement may be discontinued by the Company five (5) days after delivery or eight (8) days after the mailing (whichever is earlier) of written notice for any of the following reasons:
- 1.6.1.1 Intentionally omitted.
- 1.6.1.2 For failure to protect from damage the meter, remote, wiring, service connection, service pipe or fixtures in a condition satisfactory to the Company.
- 1.6.1.3 For molesting or tampering with any meter, connections, service pipe, curb stop, seal or any other appliance of the Company used for controlling or regulating the customer's water supply.
- 1.6.1.4 Failure to provide the Company's employees free and reasonable access to the premises supplied, or for obstructing the way of ingress to the service pipes, fixtures, meters or other appliances controlling or regulating the customer's water supply.
- 1.6.1.5 For failure of the customer to make a cash deposit as provided for in section 1.5, or to pay for the same class of service rendered at a different meter point, residence, or location, provided such bill has remained unpaid for at least 45 days.

ISSUED PURSUANT TO

44533

11

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

1.6.1.6 In case of vacancy of the premises by the customer, when no one has assumed responsibility for payment of the bill for service to the premises.

1.6.1.7 Intentionally omitted.

1.6.1.8 For selling or giving water or granting privileges to anyone to use water not specifically included in the accepted application.

1.6.1.9 For material misrepresentation in an application as to the premises or property to be supplied or type of service to be supplied or failure to report a change in the type of service.

1.6.1.10 When continuation of service to the Customer creates conditions that jeopardize the integrity of the service provided to other customers.

1.6.1.11 Intentionally omitted.

1.6.2 The Company may discontinue water service immediately upon oral or written notice to a Customer, if the rendering of further service to that Customer would endanger the health and safety of the Customer or other parties or if civil authorities request the Company to discontinue service.

1.6.3 If the customer is found to have a cross-connection as defined in accordance with Sections 2.1.1 and 2.1.2, and fails or refuses to break the connection within twenty-four (24) hours after receipt of written notice to terminate the cross-connection, service shall be immediately discontinued. A definite break in the service pipe will be made, until the cross-connection has been removed or protected in an acceptable form in accordance with Section 2.1.5. The customer shall bear the entire cost of the breaking and reconnecting of the service pipe.

If the customer is determined to have a cross-connection as defined in accordance with Section 2.1.3 and fails or refuses to install approved backflow or protective devices in accordance with Section 2.1.5 and/or conduct annual testing of such devices, the Company will issue a notice to discontinue water service and may discontinue water service following a reasonable time interval not to exceed thirty (30) days for the customer to show compliance with this Rule.

1.6.4 Intentionally omitted.

ISSUED PURSUANT TO

44533

12

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

- 1.6.5 Owners or Customers requesting temporary discontinuance of water service for repairs within their property will be charged a sum equal to the costs to the Company for disconnecting and restoring service.
- 1.6.6 Discontinuance of the water service to a property or premises under the provisions of this Rule shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due.
- 1.6.7 The Company reserves the right at any time to shut off the water in the distribution mains as is necessary. This includes cooperation with civil authorities, in case of accident or emergency, for the purpose of making connections, extensions, improvements, alterations, repairs, changes, or for other proper business or utility reasons. This may also restrict the use of water to reserve a sufficient supply in its reservoirs for public fire service or other emergencies whenever the public health, safety or welfare may so require.
- 1.6.8 The temporary shutting off of water from any premises for any cause, whether for nonpayment of bills, leaking pipes, fixtures, etc., shall not entitle the customer to a reduction in the amount of the bill during the time of such temporary shut-off. The temporary shut-off of water shall not cancel a contract for water supply except at the option of the Company or upon written notice from the customer.
- 1.6.9 Restoration of service or reconnection of a Customer water connection will be made after the Customer has:
- 1.6.9.1 Paid all unpaid bills for service;
- 1.6.9.2 Paid deposit as required in accordance with 170 I.A.C. 8.5-2-3;
- 1.6.9.3 Reimbursed the Company for any labor, material and associated restoration costs involved in disconnecting and reconnecting service; and
- 1.6.9.4 Corrected any condition found in violation of any applicable provision of these Rules and Regulations.

1.7 Disconnections

- 1.7.1 The Company may postpone the disconnection of service for ten (10) days if, prior to the disconnect date specified in the disconnect notice, the customer provides the Company with a medical statement from a licensed physician or public health official which states that a disconnection would be a serious and immediate threat to the health or

ISSUED PURSUANT TO

44533

13

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE
JUN 30 2015
INDIANA UTILITY
REGULATORY COMMISSION

safety of a designated person in the household of the customer. The postponement of disconnection shall be continued for one additional ten (10) day period upon the provisions of an additional such medical statement.

1.7.2 The Company will not disconnect service to a customer: (a) Upon his failure to pay for the service rendered at a different metered point, residence or location if such bill has remained unpaid for less than forty-five (45) days; or (b) Upon his failure to pay for services to a previous occupant of the premises to be served, unless the Company has good reason to believe the customer is attempting to defraud the Company by using another name; or (c) Upon his failure to pay for a different form or class of water service.

1.7.3 The Company will not disconnect service to the customer if he shows cause for his inability to pay the full amount due (financial hardship shall constitute cause) and (a) the customer pays a reasonable portion (not to exceed \$10.00 or one tenth of the bill, whichever is less, unless the customer agrees to a greater portion) of the bill; and (b) he agrees to pay the remainder of the outstanding bill within three (3) months; and (c) he agrees to pay all undisputed future bills for service as they become due, and (d) he has not breached a similar agreement with the Company made pursuant to this rule within the past twelve (12) months. Such agreement shall be put in writing.

1.7.4 If a customer is unable to pay a bill, which is unusually large due to prior incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection or functioning of the meter, prior estimates where no actual reading was taken for over two (2) months, stopped or slow water meter, or any human or mechanical error of the Company and the customer (a) pays a reasonable portion of the bill, not to exceed an amount equal to the customer's average bill for the twelve bills immediately preceding the bill in question, and (b) agrees to pay the remainder at a reasonable rate, and (c) agrees to pay all undisputed future bills for service as they become due, then the Company shall enter into an agreement for payment over the next twelve (12) months.

1.7.4.1 The Company shall not add to the outstanding bill referred to in the preceding rule any late fee.

1.7.5 If a customer proceeds with a review pursuant to the Rules and Regulations of the Commission (Rule 16.1), the Company will disconnect only as provided by the Rules and Regulations of the Commission.

ISSUED PURSUANT TO

4 4 5 3 3

14

DATE: 4 12 9 1 2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

- 1.7.6 The Company may disconnect service only between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time.
- 1.7.7 The Company may not disconnect service for nonpayment on any day on which the Company office is closed to the public, or after 12:00 noon of the day immediately preceding any day when the Company office is not open to the public.
- 1.7.8 Except as otherwise provided by these rules, service to any residential customer may not be disconnected for a violation of any rule or regulation of the Company or for the nonpayment of a bill, except after seven (7) days prior written notice to the customer by either:
- 1.7.8.1 Mailing the notice to such residential customer at the address shown on the records of the Company, or
- 1.7.8.2 Personal delivery of the notice to the residential customer or a responsible member of his household at the address shown on the records of the Company. No disconnect notice for nonpayment may be rendered by the Company prior to the date on which the account becomes delinquent.
- 1.7.9 The language of a disconnect notice must be clear, concise and easily understandable to a layman and shall state in separately numbered large type or printed paragraphs:
- 1.7.9.1 The date of the proposed disconnection.
- 1.7.9.2 The specific actual basis and reason for the proposed disconnection.
- 1.7.9.3 The telephone number of the Company office at which the customer may call during regular business hours in order to question the proposed disconnection or seek information concerning his rights.
- 1.7.9.4 A reference to the pamphlet or the copy of the rules furnished to the customer for information as to the customer's rights.
- 1.7.10 Immediately preceding the actual disconnection of service, the employee of the Company designated to perform such function shall make a reasonable attempt to identify himself to the customer or any other responsible person then upon the premises and shall make a record thereof to be maintained for at least thirty (30) days.

ISSUED PURSUANT TO

44533

15

DATE 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

- 1.7.11 The employee shall have in his possession information sufficient to enable him to inform the customer or other responsible person of the reason for the disconnection, including the amount of any delinquent bill of the customer, and shall request from the customer any available verification that the outstanding bill has been satisfied or is currently in dispute pursuant to review under the Commission's rules. Upon the presentation of such credible evidence, service shall not be disconnected.
- 1.7.12 The employee shall not accept payment from the customer or other responsible person in order to prevent the service from being disconnected. The customer shall make payment to the Company at its office in order to prevent the service from being disconnected, and the customer shall be so informed.
- 1.7.13 When the employee has disconnected the service, he shall give a responsible person on the premises, or if no one is at home, shall leave at a conspicuous place on the premises, a notice stating that service has been disconnected and stating the address and telephone number of the Company where the customer may arrange to have the service reconnected.

1.8 Reconnection

- 1.8.1 The Company will charge a reasonable reconnection charge, not to exceed the charge approved by the Commission in the Company's filed tariffs, to compensate the Company for the cost of disconnecting and reconnecting the service. If the Company disconnects service in violation of the rules of the Commission, the service shall immediately be restored at no charge to the customer.
- 1.8.2 If the conditions, circumstances or practices which caused the disconnection have been corrected, and the payment of all delinquent and reconnection charges owed the Company by the customer and any deposit required by these rules have been made, the Company shall reconnect the service to the customer as soon as reasonably possible, but at least within one (1) working day after requested. Reconnection will occur only when a responsible person is on the premises.
- 1.8.3 Customer shall give Company access to the premises during the regular and customary business hours for the purpose of reinstalling a service, and Company shall not be required to perform such work at other than customary business hours.

ISSUED PURSUANT TO

44533

16

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

1.9 Interruption of Service

- 1.9.1 Whenever the service is intentionally interrupted for any purpose, such interruption shall, except in emergencies, be at a time during regular working hours of the Company which will cause the least inconvenience to customers. Customers who will be affected by such interruption shall, to the extent practical, be notified in advance.

1.10 Complaints and Review

- 1.10.1 Section 1.10 is intended to implement the Commission's regulations appearing at 170 I.A.C. 16. In the event of any conflict or inconsistency between the terms of those regulations and Section 1.10, the Commission's regulations shall control.
- 1.10.2 In computing any period of time specified in Section 1.10, the day of the act from which the designated period of time begins to run shall not be included. The last day of the period so computed is to be included unless it is a Saturday, Sunday, legal holiday as defined by state statute or day that the Company or Commission office in which the act is to occur is closed during regular business hours. The period of time runs until the end of the next day that is not a Saturday, Sunday, legal holiday, or day on which the applicable office is closed.
- 1.10.3 The Company shall endeavor to resolve disputes regarding any service or billing matter in accordance with Section 1.10.4. Disputes that have not been resolved by the Company may be resolved through the following process: (a) Customer may appeal Company's proposed resolution of a dispute by filing an informal complaint with Consumer Affairs in accordance with Section 1.10.5; and (b) Customer or Company may request Commission review of a Consumer Affairs decision in accordance with Section 1.10.6.
- 1.10.4. A customer may bring a dispute to the Company's attention by telephone, in writing, through the Company's website, or at the Company's business office. The Company shall take the following actions with regard to each dispute: (a) inform the customer that any portion of a bill that is undisputed must be paid by the date due stated on the bill in order to avoid disconnection of service in accordance with Section 1.10.7; (b) investigate the matter promptly and thoroughly; (c) make a good faith effort to resolve the matter; (d) advise the customer of the Company's proposed resolution by telephone, written notice mailed to the customer's billing address, e-mail, or another means reasonably calculated to reach the customer; (e) advise the customer that if he or she is not satisfied with the Company's proposed resolution, the customer may submit an informal

ISSUED PURSUANT TO

44533

17

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

complaint to Consumer Affairs within seven (7) days of the date the proposed resolution is received; (f) offer to provide the customer with the Consumer Affairs' mailing address, toll free complaint number, and local telephone number.

1.10.5 If a customer is dissatisfied with a Company's proposed resolution of a dispute, the customer may appeal the proposed resolution to Consumer Affairs by submitting an informal complaint. A complaint must be submitted under this section within seven (7) days of the date the customer receives the Company's proposed resolution. At its discretion, Consumer Affairs may waive the time limitation for good cause, including failure to receive timely notice of the Company's proposed resolution. A complaint shall be considered submitted upon receipt by Consumer Affairs. A customer may file a complaint with Consumer Affairs by telephone, in writing, or by completing a form available at the Commission's office and on the Commission's website. If a customer or Company is dissatisfied with the Consumer Affairs resolution of the informal complaint, either party may request a review by the director of Consumer Affairs or director's designee within seven (7) days of the date of receipt of the proposed resolution of the informal complaint. Notwithstanding any other provision in this Section 1.10.5, Consumer Affairs may refer a complaint to the Commission for review at any time during the review process based on the complexity of issues or circumstances involved in a complaint as determined by the director of Consumer Affairs or director's designee.

1.10.6 Either party may request Commission review of the Consumer Affairs' decision within twenty (20) days of the date of receipt of the decision of the director of Consumer Affairs' or director's designee. A request under this section must be in writing and shall be considered filed upon receipt by the Commission. Upon receiving a request for Commission review, the Commission shall provide a copy of the request to the opposing party and the Office of the Utility Consumer Counselor (OUCC) within seven (7) days from the date the review is requested. The non-requesting party and the OUCC shall be permitted to file an answer within the time frames provided in 170 I.A.C. 1-1.1-10(c). Commission review of a Consumer Affairs decision shall be reasonably limited to the matters raised in the request for review and the answer, and to a review of the Consumer Affairs record as compiled during the review conducted under Section 1.10.5, or as otherwise determined by the presiding officer.

1.10.7 If a customer receiving service has paid and continues to pay all undisputed charges, the Company shall not disconnect any service related to the disputed charges: (a) while the Company's proposed resolution is under review by Consumer Affairs or the Commission; or

ISSUED PURSUANT TO

44533

18

EFFECTIVE

JUN 30 2015

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY
REGULATORY COMMISSION

(b) sooner than ten (10) days after a decision by Consumer Affairs or the Commission. If a customer and Company cannot agree what portion of the charges in a bill is undisputed, to avoid disconnection, the customer should pay on the disputed bill an amount equal to one-twelfth (1/12) of the estimated annual billing for service to be rendered to the customer. For a customer who has been a customer for at least twelve (12) months, the estimate will be based on the customer's average bill for the twelve (12) months immediately preceding the disputed bill.

1.11 Information to Applicants and Customers

- 1.11.1 The Company will publish and distribute, without request, to all applicants for service a copy of Company rules approved by the Commission.
- 1.11.2 The Company shall supply free of charge a copy of the rate schedules applicable to the types of service available to new applicants for and existing customers of residential service, upon request by the applicant or customer.
- 1.11.3 The Company whenever it petitions the Commission for a change in any of its base rate schedules shall furnish within forty-five (45) days of such request and prior to the date of the public hearing a notice which fairly summarizes the nature and extent of the proposed changes.
- 1.11.4 The Company shall maintain up-to-date maps, plans or records of its entire distribution systems, with such other information as may be necessary to enable the Company to advise prospective customers, and others entitled to the information, as to the facilities available for serving any locality.

1.12 Posting Rate Schedules and Rules

- 1.12.1 If documents are filed with the Commission, they shall also be on file in the local office of the water company, and shall be open to the inspection of the public. The attention of the public shall be called to these files of schedules, rules and regulations, by placing a suitable placard in that part of the office open to the public.

ISSUED PURSUANT TO

44533

19

MAILED 4 29 2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

2.0 WATER SYSTEM OPERATION

2.1 Cross-Connections

- 2.1.1 A cross-connection is any connection or arrangement between the Company's pipelines (or any pipes, fixtures or other facilities directly or indirectly connected therewith) and any private source or system of water supply or non-potable source or system (including soil, waste, drainage and other piping and fixtures or hoses or other devices connected thereto on customer's premises) through which backflow can occur.
- 2.1.2 Bypass arrangements, jumper connections, removable sections, swivel or change-over devices, and other temporary or permanent devices through which, or because of which, backflow can occur, are considered to be cross-connections.
- 2.1.3 A cross-connection will be assumed to exist when: (1) additional sources of water are available on premises; (2) the customer's business involves the use of chemical compounds and the potential exists for the contamination of the water supply through inadvertent cross-connections, temporary connections or malfunctions of equipment; (3) the pressure in the customer's pipes is increased by use of booster pumps or compressed air or other means; or (4) commercial /industrial type businesses.
- 2.1.4 Connections between "Secondary Supplies" owned or used by customers, and the Company's water lines and facilities, shall meet requirements specified in 327 I.A.C. 8-10-5 and are not permitted under these Rules and Regulations. If any customer desires a connection, such customer shall have proper and detailed plans and specifications for such connection prepared and certified by a Professional Engineer, registered in the State of Indiana, and submit such plans and specifications to the Indiana Department of Environmental Management and to Company. After such approval is secured from the Indiana Department of Environmental Management and at the option of the Company, but without Company's obligation to do so, a contract, setting forth the respective obligations between such customer and the Company, may be negotiated. Company will make such inspections as are necessary to insure compliance with this rule. The cost of such inspections shall be paid by the customer.
- 2.1.5 No cross-connection will be permitted unless an acceptable form of protection against contamination by backflow into the water distribution system is provided. An acceptable form of protection is one which complies with 327 I.A.C. 8-10, promulgated by the Indiana

ISSUED PURSUANT TO

44533

20

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

Department of Environmental Management, or any successor agency, organization or rule. The required protection device or system shall be provided and installed by the customer and maintained by the customer in good working condition, and shall be subject to the inspection, testing and approval of the Company all at the customer's cost and expense before being placed in service and at one-year intervals thereafter.

- 2.1.6 Any cross-connection that violates this Rule shall be removed forthwith or corrected in a manner consistent with 327 I.A.C. 8-10, and the Company.

Failure to do so (or a failure to allow testing of a backflow protection device or system as required by Section 2.1.4) may result in immediate discontinuance of water service pursuant to Section 1.6.

2.2 Interruptions in Water Supply

- 2.2.1 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, but not limited to, for use in steam boilers, domestic hot water systems, gas or diesel engines, medical equipment or medical needs.
- 2.2.2 The Company shall make all reasonable efforts to eliminate interruption of service and, when such interruption does occur, will endeavor to re-establish service with the shortest possible delay. Whenever the service is interrupted for the purpose of working on the distribution system or the plant equipment, the Company will attempt to notify in advance all customers affected by such interruption whenever it is possible to do so.
- 2.2.3 No refunds of private fire protection or hydrant rates will be made for interruptions of service unless the interruption lasts for a continuous period in excess of twenty-four (24) hours.
- 2.2.4 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 arising from an act or omission of the customer or another person.
- 2.2.5 The Company shall not be liable for damages of any kind or character for any deficiency in pressure, for failure of water supply, for the bursting or breaking of any mains, services, service branches, stops, valves or fixtures, wherever located, for any deficiency in any

ISSUED PURSUANT TO

44533

21

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

4 29 2015
INDIANA UTILITY REGULATORY COMMISSION

attachment to mains, services, service branches or any other facilities used by the Company, for any other interruption of water supply caused by breaking of machinery, stoppage for repairs or for any reason or occurrence beyond the reasonable control of the Company. The Company shall not be liable for any damage to the property of customers, owners, their lessees or licensees, those in possession of the premises or others caused by any of the foregoing reasons or by fire or otherwise resulting from the total or partial failure of water service or pressure failure or for any reason to provide sufficient water or any facilities for fire protection or for any other cause beyond the reasonable control of Company. The Company also will not be responsible for damage caused by changes in water quality that may be occasioned by cleaning of pipes, reservoirs or standpipes, or the opening or closing of any gates or hydrants or any other cause when the same is not due to lack of reasonable care on the part of the Company.

2.3 Flushing Mains

- 2.3.1 The Company shall make provisions for flushing parts of its distribution system to eliminate or minimize complaints from customers arising from discoloration or other abnormal conditions of the water.

2.4 Water Conservation

- 2.4.1 During periods of water shortage, drought or emergency, the Company through notification to each customer will encourage customers to voluntarily practice conservation of water use by restricting lawn sprinkling, car washing and other non-essential uses.

- 2.4.2 In the event that voluntary practice by the customers does not reduce the consumption of water sufficiently to allow the utility to provide adequate service, all customers will be placed

on an "odd/even" basis. That is, customers whose street addresses end in an odd number may use water outside only on odd numbered calendar days, and conversely, customers whose street addresses end in an even number may use water outside only on even numbered calendar days.

- 2.4.3 In the event of extended drought, water shortage and/or emergency of such a nature that the ability of the system to deliver water to all customers at a minimum of 20 psi is imperiled, all such outside uses may be banned.

ISSUED PURSUANT TO

44833

22

4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

3.0 SERVICES

3.1 Definitions

- 3.1.1 "Curb Box or Stop" means a valve owned by the Company, which is placed near the curb for turning on or shutting off water to the premises, to which the customer's service line is attached.
- 3.1.2 "Customer's service pipe" means that portion of the service pipe between the curb stop at or near the property line and the premises to be supplied.
- 3.1.3 "Seasonal service" means service supplied to customers whose water needs are primarily seasonal or who require increased water service for equipment or processes operated only for part of the year.
- 3.1.4 "Service connection" means a pipe with appurtenances used to conduct water from the main to and including the curb stop or meter well at or near the property line. New "Service connections" may not serve more than one customers. Each customer shall have its own curb stop or other means of control as approved by the Company.
- 3.1.5 "Standby service" means service supplied for standby or breakdown purposes or to supplement the customer's water supply.
- 3.1.6 "Tap or Corporation Cock" means a fitting owned by Company and inserted in the distribution main to which the curb box is attached.
- 3.1.7 "Temporary service" means service supplied for temporary purposes and to housing without permanent foundations, except as covered otherwise.

3.2 Service Connections

- 3.2.1 Service connections will only be made when: (i) the premises to be served abuts a public right-of-way or easement in which a main is already installed, or (ii) after installation of a main in the abutting public street pursuant to Section 7. Service connections may be made to mains not located in the public street or an easement abutting the premises, when in the judgment of the Company and sound engineering principles such connection is warranted.
- 3.2.2 The size and location of the service connection shall be approved by the Company on the basis of information provided on the customer's application. The minimum size for any service connection installed shall be the size required by the Indiana Plumbing Code. The kind of

ISSUED PURSUANT TO

44533

23

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

material to be used for service connections shall be approved by the Company.

- 3.2.3 Except as otherwise provided in the Company's Rules, Regulations and Conditions of Service, service connections from the main to the curb stop at or near the property line shall be maintained at the Company's expense.
- 3.2.4 All house service connections not constructed by Company and all taps for water service to the mains of the water system shall be made only in accordance with plans and specifications approved by Company and shall have such appurtenances and facilities as Company may require. Any such connection shall be made only under direct authority from an officer of Company and under the supervision of an employee designated by Company for such purpose.
- 3.2.5 The customer shall bear the entire cost of the service connection.
- 3.2.6 Whenever, at the request of an owner or occupant, a customer's service pipe or service connection is provided through which service is not immediately and continuously desired, said property owner or occupant shall pay in advance, at the approved Tariff rate, to the Company the cost of providing, placing and constructing the service pipe and accessories.
- 3.2.7 All service connections shall be laid below the appropriate frost line for the area as determined by the Company.

3.3 Customer's Service Pipes

- 3.3.1 The customer's service pipe between the curb stop near the property line and the structures on the premises shall be furnished and installed by the customer. The pipe shall be of a size not smaller than the service connection, and the minimum size shall be in accordance with Indiana Plumbing Code. The type of material used for the service pipe shall be approved by the Company.
- 3.3.2 The service pipe shall be placed in accordance with the Indiana Plumbing Code. The trench shall be at least five feet (5') in a horizontal direction from any other public or private utility trench, unless otherwise specifically authorized and approved by the Company. Customer's service pipe shall be laid to the property line at a Company approved point. Service pipes in structures shall be located in the parts thereof best protected from frosts. In structures where there are no basements, the pipes shall be installed in such a manner as reasonably to protect said pipes from freezing.

ISSUED PURSUANT TO

44833

24

4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 7 2015

INDIANA UTILITY
REGULATORY COMMISSION

- 3.3.3 Before requesting the making of a tap and connection to the service pipe by Company, the plumber shall have the work in such state that the inspection or tap can be made at the scheduled time.
- 3.3.4 The customer shall make all changes in the customer's service pipe required on account of changes of grade, relocation of mains or other causes created by the customer.
- 3.3.5 No non-metered attachment to the customer's service pipe shall be made between the meter and the main.
- 3.3.6 Each metered service shall be supplied through a separate curb stop or other means of control as approved by the Company.
- 3.3.7 Any repairs or maintenance necessary on the customer's service pipe or any pipe or fixture in or upon the customer's premises shall be performed by the customer at the customer's expense. Such pipes and fixtures shall be kept and maintained in good condition and free from all leaks. Failure on the customer's part to do so, may cause the water supply to be discontinued pursuant to Section 1.6 hereof. At the option of the Company, the customer may contract with the Company for necessary repairs or maintenance on the customer's service pipe or pipes and fixtures in or upon the customer's premises.

3.4 Damage to Company Property

- 3.4.1 In case of damage to the Company's property on the customer's premises and/or damage, including obstruction, burying and filling thereof, to the curb stop installation or service connection to the customer, the cost of repair shall be billed to and paid by the customer in the manner pertaining to billings for water service.

4.0 METERS

4.1 Metered or Un-metered

The Company shall have the right to furnish water to customers on an un-metered basis or to install meters.

4.2 Determination of meter type and location

The Company shall have the right to determine the type of meter to be installed and location of same. Meters shall be placed at suitable locations within structures however, the Company may require or the customer may elect to provide a meter vault at a location acceptable to the Company. Meter vaults will

ISSUED PURSUANT TO

44533

25

DATE: 4/29/2015
 INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
 REGULATORY COMMISSION

be furnished, installed and maintained by the customer at the customer's expense. Meters will be protected by the customer from freezing, flooding or other damage.

4.3 Meter for each premise

Each premise shall be supplied through a separate meter.

4.4 Meter location

Generally meters should be installed indoors, and should be located as near as practical to where the service pipe enters the building, in a clean, dry, safe place, protected from freezing, flooding and hot water, not subject to wide temperature variations, and so placed as to be at all times accessible for reading, inspection and removal for testing.

4.5 Plumbing in premises

All installations of new services and house plumbing in premises shall leave a horizontal space next to the entrance shutoff for the installation of the meter and tail pieces as required by the Indiana Plumbing Code and specified by the Company.

4.6 Company meters

All meters and tail pieces to be used by the Company shall be furnished, installed, maintained and removed by the Company and shall remain its property.

4.7 Meter Maintenance

The Company will maintain its meters and tail pieces at its expense insofar as ordinary wear is concerned. Damage due to freezing, flooding, hot water or external causes shall be paid for by the customer. The amount charged for repair will be the actual cost of maintenance and labor, including testing and overhead expenses.

4.8 Remote meter reading devices

A remote meter reading device shall be furnished by the Company. The wiring from the meter to the remote will be furnished and maintained by the Customer. See Section 1.6.1.2.

4.9 Location of remote reading devices

Remotes must be made directly accessible by the customer, free of fences, landscaping, animals, or anything that would be dangerous to a meter reader

ISSUED PURSUANT TO

44533

26

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

attempting to obtain monthly or any other occasional meter read information. All new installations shall in such a manner that they can be read from the street.

4.10 Reporting meter defects

The customer shall promptly notify the Company of any defect in or damage to the meter its' connections or housing.

4.11 Tampering with meters or remotes

Customer shall not tamper with meter, remote or remote wiring. Tampering with a meter or remote with the intent to steal water is a criminal offense. The Company shall prosecute such violations. If unauthorized use or tampering is determined, the Company will make a minimum charge of Fifty Dollars (\$50.00) to offending customer to cover the cost of field calls and repairs. In addition, the Company shall not reconnect the service until a deposit and all charges are paid in full.

4.12 Meter relocation

The customer shall bear the cost of changing the location of an existing meter and tail pieces at the customer's request.

4.13 Additional meters

If the customer desires additional meters and tail pieces for internal division of the supply for irrigation, the meter deposit will be paid for by the customer and the meter and tail pieces will be supplied by the Company. The customer is responsible for installation and maintenance costs.

5.0 FIRE SERVICE CONNECTIONS

5.1 Liability for private fire services

The Company does not assume liability as an insurer of property or persons and does not furnish any special service, pressure, capacity or facility with respect to private fire services. In addition, the Company does not warrant any level of flow or pressure at or from its public fire services.

5.2 Installation of private fire services

All materials for private fire services shall be approved by the Company, and the services must be provided with suitable valves outside of the structure under the Company's exclusive control. The entire cost and expense of installing a private fire service connection shall be borne by the customer. Said service shall be used exclusively for the extinguishment of fires and no connection for domestic,

ISSUED PURSUANT TO

44533

27

DATE: 9/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

commercial or industrial use may be attached to a fire service and violations are subject to Section 1.6.

5.3 Private fire service restrictions

Customers desiring private fire service must consult before installation with the Company as to the availability of mains, pressure, and supply. No private fire service connection (other than for a single-family residence) will be made on a water main of less than six inches (6") in diameter.

6.0 FIRE HYDRANTS

6.1 Company liability and warrants

The Company does not assume liability as an insurer of property or persons. In addition, the Company does not warrant any level of flow or pressure at or from its public fire hydrants. New

6.2 Installation and ownership of public fire hydrants

Public fire hydrants will be installed and maintained by the Company at its expense. Title to the hydrants, valves and fire service connections is vested in the Company and the same will at all times remain the Company's sole property.

6.3 Hydrants located in public streets or right-of-way

Fire hydrants paid for by the customers installed on Company mains that are to be located in a public street or right-of-way will be installed at the applicant's expense. Title to the hydrants, valves and fire service connection is vested in the Company and the same will at all times remain the Company's sole property.

6.4 Private fire hydrant ownership and maintenance

Private fire hydrants to be located upon or within the applicant's premises will be installed at the applicant's expense including the cost of the fire service connection. The fire service connection from curb stop to point of use, including the fire hydrant located on the premises of the applicant, will be owned and maintained by the applicant.

6.5 Fire hydrant tariffs

The applicant for public and private fire hydrants will be obligated to pay the applicable tariff charge in accordance with the rate schedules in effect at the time and to comply with all applicable provisions of these Rules, Regulations and Conditions of Service.

ISSUED PURSUANT TO

4 4 5 3 3

28

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

6.6 Private fire service connections

Fire service connections for private fire hydrants which are installed at the applicant's expense (see Section 6.5) will be installed by the Company. The charge to the applicant will include the exact cost of labor, materials and overhead expenses.

6.7 Use of water from fire hydrants

No person or party may take water from any fire hydrant (public or private) except authorized persons or parties for fire purposes. No fire hydrant (public or private) may be used for any purpose except the extinguishment or prevention of fire, without the Company's prior written approval.

6.8 Fire service connections

A fire service connection to be used to supply water to a fire system utilizing automatic sprinkler heads or standpipe will be installed by the Company and connected to the Company's water system at the applicant's expense. The Company reserves the right to review the size of the connection and specify all materials used. The fire service will remain the applicant's sole property and will be maintained by the applicant at its expense.

6.9 Fire service tariffs

The applicant for a fire service connection to supply water to automatic sprinkler heads or standpipes will be obligated to pay the applicable rate for such service in accordance with the rate schedules in effect at the time and to comply with all applicable provisions of these Rules, Regulations and Conditions of Service.

6.10 Fire service backflow preventers

Fire service connections are to be used only for the extinguishment of fires. The Company reserves the right to require a double check - detector check valve backflow preventer to be installed, maintained and annually inspected at the customer's expense on a fire service connection to ensure that water is not being used for purposes other than extinguishment of fires and that contamination of the potable water system will not occur. If the Company determines that water from a fire service connection is used in contravention of these Rules, Regulations and Conditions of Service, such usage shall be subject to the usage charge specified in the Metered Service tariff or such other charge as the Commission may approve for the estimated volume of water used.

ISSUED PURSUANT TO

44533

DATE 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

7.0 MAIN EXTENSIONS

7.1 Definitions

- 7.1.1 Applicant: As used in this rule “applicant” means a person requesting the main extension in order to receive water utility service from the Company.
- 7.1.2 Commission: As used in this rule, “commission” refers to the Indiana Utility Regulatory Commission.
- 7.1.3 Completion date of the main extension: As used in this rule, “completion date of the main extension” means the date the Company declares the main extension to be in service and releases it for taps.
- 7.1.4 Cost of connecting: As used in this rule, “cost of connecting” means the Company’s cost if provided by the Company for providing the tap, service pipe, service stop, meter and other service line appurtenances and installation thereof or portions thereof.
- 7.1.5 Cost of the main extension: As used in this rule, “cost of the main extension” means the cost of installing the main as determined in sections 7.6 through 7.8 of this rule.
- 7.1.6 Company’s service pipe: As used in this rule, “company’s service pipe” means that portion of the service pipe from the main to the boundary line of the easement, public road, or street, under which such pipe may be located.
- 7.1.7 Customer: As used in this rule, “customer” means a person being supplied with water utility service.
- 7.1.8 Customer’s service pipe: As used in this rule, “customer’s service pipe” means that portion of the service pipe from the end of the company’s portion into the premises serviced.
- 7.1.9 Deposit: As used in this rule, “deposit” means the amount required to be deposited by or on behalf of each applicant or prospective customer for a main extension prior to the Company commencing construction of the main extension.
- 7.1.10 Estimated annual revenue: As used in this rule, “estimated annual revenue” for an applicant connecting to the main, means the Company’s annual revenue per applicant from comparable customers in the calendar year preceding such connections, adjusted to reflect

ISSUED PURSUANT TO

44533

30

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

any changes in the applicable rates and charges of the utility for such service.

- 7.1.11 Frontage: As used in this rule, “frontage” means the footage, ten (10) feet minimum length, of a lot or tract (but not an easement) boundary that is parallel to or curvilinear to, and immediately adjacent to a main extension in a public thoroughfare or easement.
- 7.1.12 Immediate revenue allowance: As used in this rule, “immediate revenue allowance” means the amount of three (3) times the estimated annual revenue less the cost of connecting for an applicant.
- 7.1.13 Lot: As used in this rule, “lot” means a parcel of land as platted, or if the area to be served is not platted, the equivalent of a parcel of land as determined in accordance with section 7.5 of this rule.
- 7.1.14 Main: As used in this rule, “main” means a pipe owned by the Company which delivers water to fire hydrants and service pipes.
- 7.1.15 Main extension: as used in this rule, “main extension” means the mains and appurtenances installed by the Company to provide the water utility service requested by or on behalf of the applicant or prospective customer, including the company’s service but not the customers’ services pipes. Any facilities installed in connection with main extensions shall become the property of the Company.
- 7.1.16 Original depositor: As used in this rule, “original depositor” means an applicant or other person who enters into a main extension agreement and makes a deposit for an applicant or prospective customer with the Company.
- 7.1.17 Person: As used in this rule, “person” means an individual, firm, corporation, governmental agency, or other entity.
- 7.1.18 Prospective customer: As used in this rule, “prospective customer” means a person who is not an original depositor, but whose lot or frontage directly abuts the main extension between its original beginning and its original end point.
- 7.1.19 Public thoroughfare: As used in this rule, “public thoroughfare” means a road, street, or way which has been dedicated for use by the public and accepted by the appropriate governmental authority.
- 7.1.20 Refund: As used in this rule, “refund” means the subsequent connector’s fees, subsequent connector’s revenue allowances, and revenue allowances from depositor-authorized connections of lots

ISSUED PURSUANT TO

44533

31

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

NOTE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

included in the original depositor's main extension agreement that must be paid by the Company to the original depositor for ten (10) years after the completion date of the main extension.

- 7.1.21 Revenue allowance from depositor-authorized connection: As used in this rule, "revenue allowance from depositor-authorized connection" means the amount of three (3) times the estimated annual revenue less the cost of connecting that the Company may refund to original depositor for connections for lots or unplatted areas owned, controlled, or designated by the original depositor and does not include an immediate revenue allowance.
- 7.1.22 Service pipe: As used in this rule, "service pipe" means a supply line leading directly from the premises to be supplied or to be supplied from the main adjacent to such premises.
- 7.1.23 Service stop: As used in this rule, "service stop" means a valve inserted in the service pipe between the main and the meter for the purpose of turning water on and off.
- 7.1.24 Subsequent connector: As used in this rule, "subsequent connector" means a person who was not an original depositor but subsequently applies for water service and who connects to the main within ten (10) years after the completion date of the main extension.
- 7.1.25 Subsequent connector's fee: As used in the rule, "subsequent connector's fee" means the cash fee equal to the cost per lot of the main extension determined in accordance with section 7.7 of this rule, multiplied by the number of lots for which service is requested.
- 7.1.26 Subsequent connector's revenue allowance: As used in this rule, "subsequent connector's revenue allowance" means three (3) times the estimated annual revenue for the subsequent connector less the cost of connecting.
- 7.1.27 Tap: As used in this rule, "tap" means a fitting owned by the Company and inserted by it into a main to which a service pipe is attached.
- 7.1.28 Total required deposit: As used in this rule, "total required deposit" means the amount by which the cost of the main extension exceeds the immediate revenue allowances applicable.

7.2 Free extension

The Company, upon written request for service by an applicant, shall extend a main and connect the applicant free of charge to provide the service requested if:

ISSUED PURSUANT TO

44533

32

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE
JUN 30 2015
INDIANA UTILITY
REGULATORY COMMISSION

- 7.2.1 The cost of the main extension does not exceed the immediate revenue allowance for the applicant; and
- 7.2.2 The applicant agrees to take service within nine (9) months following the completion date of the main extension.

7.3 Main extension: exception to commission approval

If the cost of the main extension is greater than the free extension cost provided in section 7.2, of this rule, that extension shall be made, upon receipt by the Company of a signed main extension agreement and a deposit from the applicant, without specific approval of the agreement by the commission.

7.4 Main extension route

- 7.4.1 The Company shall use good engineering and water utility practices in determining the route for all main extensions.
- 7.4.2 Mains will be extended at locations acceptable to the Company only on public ways, alleys or easements that have dedicated in such a manner as to clearly provide the Company with the perpetual right to own, operate and maintain a water distribution system therein and in which grades have been established.
- 7.4.3 The Company shall determine the total length of the extension from its existing main to the end of the lot or frontage of the most remote applicant to be served.
- 7.4.4 If the lot or frontage is a corner lot or frontage abutting an intersecting street in which no main is located, the end of the new extension may not extend beyond the intersecting street corner of that lot.
- 7.4.5 If the street in which the main is to laid dead ends in a cul-de-sac or appears to be permanently dead ended against a railroad, creek, river, or other major physical or natural barrier, the end point of the main extension, if serving the most remote lot or frontage, shall be the point of the most remote service pipe connection. This connection point shall be at least ten (10) feet beyond the lot line.

7.5 Number of lots served by main extension

A determination shall be made of the number of lots to be served by the main extension. The determination may include only lots which directly abut the main extension between its original beginning and its original end point. If any part of the main extension is located within an area platted or to be platted, the number of

ISSUED PURSUANT TO

44533

33

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

lots shown within the plat to be served shall be included in the determination. If any part of the main extension is located in an unplatted area, the number of lots to be included shall be determined by dividing the total frontage of the main extension within the unplatted area on either or both sides of the public thoroughfare or easement in which the main is located by one hundred (100) feet and rounded to the nearest whole number of lots, provided either or both sides are available for future development and not restricted against usage because of limited access or other reasons. Lots or frontage that are adjacent to and can be served by an existing main shall be excluded from the determination. The determination of the number of lots for a particular extension may include a combination of platted and unplatted lots as defined in this section. Any further main extension subsequently connected to the original main extension shall, for all purposes under this rule, constitute a separate main extension.

7.6 Main extension costs

7.6.1 The cost of the main extension may, as determined by the Company, be either:

7.6.1.1 The estimated cost of the extension: or

7.6.1.2 The actual cost of a developer-installed extension.

7.6.2 The cost of the main extension may include but not be limited to engineering, easements, labor, equipment, material, supervision, permits, accounting and other overhead expenses.

7.6.3 For any special construction, or for any other facility involved in a main extension, the cost shall be the Company's best estimate of the cost of the main, special construction, or related facilities based upon current available information.

7.6.4 If the Company's future extension plans require a larger main than is reasonably necessary to serve the applicants and prospective customers, the difference in the cost for the larger main size and increased material and installation cost, if any, shall be borne by the Company.

7.6.5 The estimated cost shall be adjusted to the actual cost by the Company, in which event the actual cost as finally determined shall constitute the cost of the main extension. If the main extension agreement provides for the adjustment of the estimated cost of the main extension to the actual cost, the adjustment shall be made upon completion of the main extension. If the actual cost of the extension is less than the estimated cost, the Company shall refund the difference to the original depositor as soon as the actual cost has been

ISSUED PURSUANT TO

44533

34

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

determined. If the actual cost of the extension exceeds the estimated cost, then the utility shall bill the original depositor for, and such depositor shall pay, the difference between the estimated cost and the actual cost.

7.7 Cost per lot

The cost per lot shall be determined by:

- 7.7.1 The total number of lots to be served by the main extension divided into the cost of the main extension; or
- 7.7.2 The cost of the main extension shall be divided proportionately on the basis of respective lot frontage for all lots to be served by the main extension.

7.8 Cost options

For the main extension, the original depositor shall be allowed the option of paying the cost of the main extension and full gross-up state and federal taxes associated with the cost of the main extension, and receiving rights to immediate revenue allowances and refunds as provides in section 7.11 of this rule, or paying the cost of the main extension exclusive of the tax associated with the main extension, and forfeiting all rights to immediate revenue allowances and to refunds, except for subsequent connector's fees.

7.9 Total required deposit

- 7.9.1 In the case of a commercial or industrial real estate development, immediate revenue allowance may not be deducted from the cost of the main extension in determining the amount of the total required deposit, except where building construction has commenced and pertinent data, such as customer types, service pipe, metering arrangements, and water demands, have been furnished to the Company, to allow the Company to determine the estimated annual revenue from that development.
- 7.9.2 The main extension may be installed by the developer or the developer's contractor according to the extension and installation policies of the Company, and the actual cost of the developer-installed extension (including cost of easements) shall be considered the total required deposit.
- 7.9.3 The original depositors may allocate the total required deposit on the basis of the number of lots, the respective lot frontage, or any other basis mutually acceptable to the original depositors.

ISSUED PURSUANT TO

44533

35

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

7.10 Subsequent connector fee

- 7.10.1 Within ten (10) years after the completion date of the main extension, the Company shall not permit a subsequent connector to connect to a main extension until after the subsequent connector has paid the required subsequent connector's fee to the Company.
- 7.10.2 Applicants for service connections for lots in subdivision and tract developments which are included in the original depositor's main extension agreement are not required to pay a subsequent connector's fee, unless otherwise specifically provided for in the main extension agreement.
- 7.10.3 If a prospective customer with frontage land that was unplatted on one (1) or both sides of the street at the time a main extension was installed later subdivides this frontage prior to the expiration of the ten (10) years after the completion date of the main extension in such a manner that some or all lots will not require service directly from the main extension, the customer is considered to have requested another extension from the original main extension to serve the customer's land. The Company in that case shall collect from the prospective customer prior to installing the requested second extension, a subsequent connector's fee for each equivalent lot of the frontage land used in determining the original main extension cost per lot and which will not be served directly by the original main extension.

7.11 Refunds

- 7.11.1 Refunds shall be paid for a period of ten (10) years after the completion date of the main extension to the original depositor in proportion to the respective deposits, unless the original depositor for the main extension forfeited all rights to refunds, except subsequent connector's fees, as provided in Section 7.8 of this rule.
- 7.11.2 The refunds shall be paid annually or more frequently at regular intervals at the discretion of the Company.
- 7.11.3 Total refunds to any original depositor shall not exceed the amount of the original deposit plus applicable revenue allowances from depositor-authorized connections and subsequent connectors' revenue allowances.
- 7.11.4 The refund shall be made by mailing the payment to the original depositor's last known address as shown on the books and records of the Company. Any refund distribution which cannot be returned to an

ISSUED PURSUANT TO

44533

36

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

original depositor after the refund becomes due and payable must be reported as required by IC 32-9-1-42.

7.12 Basis for costs

7.12.1 If the applicant is required to make any payment, the Company shall, upon request, make the following available to the applicant:

7.12.1.1 The information used to establish the basis for the cost of the main extension.

7.12.1.2 The information used to establish the basis for the estimated annual revenue for a period of three (3) years to be realized by the Company from permanent and continuing customers on main extensions as required by this rule.

7.13 Extension exception

The Company shall not be required to make extensions as described in this rule unless the applicants to be initially served by those extensions contract to use the service for a period of three (3) years. A bond may be required of the applicant in this situation.

7.14 Special contract

7.14.1 The Company may require a special contract when:

7.14.1.1 The requested main extension is of such length and the prospective business to be developed by it is so meager as to make it doubtful whether the business from the extension would ever pay a fair return on the Company's investment involved in such extension;

7.14.1.2 The prospects are that the patronage and demand will not be of such permanency as to warrant the capital expenditure involved;

7.14.1.3 There are industrial installations requiring extensive water utility investment and where the demand for water service is expected to be slight, irregular, or of unknown quantity; or

7.14.1.4 There are other abnormal or extraordinary circumstances.

7.14.2 The Company and the applicant requesting the extension may enter into a special contract establishing the terms and conditions on which the extension will be made. In the event they are unable to agree on the

ISSUED PURSUANT TO

44833

37

EFFECTIVE

JUN 30 2015

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY
REGULATORY COMMISSION

terms and conditions, the matter, including the contract embodying the terms and conditions, shall be submitted to the commission for a determination.

7.15 Prohibition exception

This rule does not prohibit the Company from making free extensions of lengths greater than specified in this rule or from providing a method of return of deposits for extensions more favorable to original depositors, so long as discrimination is not practiced among applicants or original depositors whose service requirements are similar.

8 WATER SYSTEM LOAN PROGRAM

8.1 Loan terms and conditions

An applicant for new single-family residential service connection under section 1.2, applicant for a main extension under section 7.0 or single-family residential service, or an existing residential customer of the Company may apply for a loan from the Company to cover Eligible Costs (as defined herein). Any such loan shall be subject to the terms and conditions set forth in this Rule.

8.1.1 To be eligible for a loan, an applicant must (a) own and live in a single-family residence that will take water service from the Company; (b) demonstrate an intent to be the continuing customer of the Company at the residence; (c) enter into a financing agreement.

8.1.2 For purposes of this Rule, Eligible Costs include actual costs for (a) a water main extension in accordance with section 7.0; (b) the Customer service pipe; (c) back flow prevention devices; (d) alterations of or additions to plumbing within the customer's residence necessary to permit the customer to take water service from the Company; (e) any other facilities necessary to permit the customer to take water service from the Company; or (f) plumbing system modifications approved by the Company, including, but not limited to, back-flow prevention devices. The maximum principal balance for a loan made under this Rule will be \$10,000.

8.1.3 Any such loan shall be subject to the following terms and conditions.

8.1.3.1 The existence of a loan made under this Rule does not alter the responsibility of the customer for maintenance or replacement of the Customer water service pipe or any other facilities as determined by the applicable provisions of the Company's Rule(s).

ISSUED PURSUANT TO

44533

38

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

8.1.3.2 The initial principal balance of the loan shall be the amount of Eligible Costs which the customer elects to borrow from the Company. The principal balance of the loan plus interest will be repaid to the Company through a fixed surcharge added to the customer's regular monthly bill for water service. The surcharge will be reflected as a separate service type for the customer's account.

8.1.3.3 The customer will enter into a financing agreement with the Company which specifies, among other things, the initial principal balance of the loan, the applicable interest rate determined in accordance with subsection 8.1.3.5 of this Rule, the term of the loan and the amount of the monthly surcharge. The Company in its sole discretion will determine whether a financing agreement should be established for a loan related to facilities owned and maintained by the customer under the applicable provisions of the Company's Rules. The customer will agree to repay the loan over a term selected by the customer, which is no less than three years (36 months) or greater than 10 years (120 months).

8.1.3.4 Through the surcharge, the customer will make equal monthly installments over the loan term to pay the principal amount of the loan together with daily simple interest on the unpaid balance of the principal amount from time to time outstanding at the applicable rate of interest determined in accordance with subsection 8.1.3.5 of this Rule. The customer's payment schedule will amortize the unpaid balance over the loan term. Daily simple interest means that interest charged each day after applying any payment the customer has made. All payments will be first applied to service charges, secondly, the interest that is due and finally to the principle.

8.1.3.5 The interest rate will be fixed for the term of a loan. For loans issued from December 31 of a year through June 29 of the following year, the interest rate will be the Posted Short-Term Debt Rate as of December 31. For loans issued from June 30 to December 30, the interest rate will be the Posted Short-Term debt rate as of June 30. The Posted Short-Term Debt will be the LIBOR rate as reported in the Wall Street Journal as of the date of posting plus 100 basis points.

8.1.3.6 Notwithstanding the provisions of subsection 8.1.3.4, the interest rate shall not exceed 9% per annum. In the event that the Posted Short-Term Debt Rate as calculated pursuant to subsection 8.1.3.4 would, except for the provisions of this

ISSUED PURSUANT TO

44533

39

DATE: 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

subsection 8.1.3.5, exceed 9% per annum, the Company shall have the option to suspend the making of loans under this Rule.

8.1.3.7 A customer account that includes a loan payment surcharge will not be transferred to any tenant or non-owner occupant of the residence for which a loan is made. During the loan term, the owner of the residence will remain the customer in whose name the bill for water service will be issued. If the residence is sold, a new owner who demonstrates intent to be the continuing customer of the Company at the residence may elect in writing on a form provided by the Company to assume responsibility for the loan payments, subject to the terms of the financing agreement. A copy of the election form will be returned to the Company prior to sale of the residence. If the new owner does not elect in writing on a form provided by the Company to assume responsibility for the loan payments or does not demonstrate intent to be the continuing customer at the residence, the loan and accrued interest shall become immediately due and payable upon sale of the premises.

8.1.3.8 Loan surcharges will appear as a separate charge on customer bills and, to the extent permitted by law, shall be subject to all provisions regarding billing for water service set forth in Rule 1.3 above; provided, however, failure to pay a loan surcharge when due shall not result in the disconnection of a customer's service under Rule 1.7 above.

8.1.4 For accounting purposes, the Company will establish subaccounts in which loan payments shall be recorded. In one subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the Company under the applicable Rules. In another subaccount, the Company will record amounts applied to principal and interest for the portion of the loan, if any, which relates to facilities owned and maintained by the customer under the applicable Rules. Loan payments shall be allocated between the two subaccounts based upon the relative initial cost of the facilities covered by that subaccount as compared to the total amount of the loan. For each subaccount, amounts received as loan payments will be first applied to interest that is due and then to principal and other charges.

8.1.5 If a loan becomes uncollectable, the unpaid principal balance of the portion of the loan, if any, which relates to facilities owned and maintained by the Company will be recorded as a debit to Contributions-In-Aid-Of-Construction, and as a credit to Accounts Receivable. The unpaid balance of interest with respect to such

ISSUED PURSUANT TO

44533

40

DATE: 4/29/2015
WATER UTILITY RESOURCE CENTER

EFFECTIVE

JUN 30 2015

WATER UTILITY
RATEY COMMISSION

portion of the loan (as of the time of the debit) shall be recorded as an uncollectible account. The unpaid balance of principal and interest for the portion of a loan, if any, which relates to facilities owned and maintained by the customer shall be recorded as a non-utility expense.

- 8.1.6 The Company's capital structure used for rate-making purposes will not include short-term debt issued by the Company to finance loans under this Rule.

9 GENERAL

9.1 Liability of Company

- 9.1.1 The Company shall not be liable for damages of any kind or character for any deficiency in pressure, for failure of water supply, for bursting or breaking of any mains, services, service pipes, stops, valves or fixtures, wherever located, for any deficiency in any attachment to mains, services, service branches or any other facilities used by the Company, or for any other interruption of water supply caused by breaking of machinery, stopping for repairs or for any reason or occurrence beyond the reasonable control of the Company. The Company shall not be responsible for damage caused by change in water quality that may be occasioned by cleaning of pipes, reservoirs or standpipes, or the opening or closing of any gates or hydrants or any other cause when the same is not due to lack of reasonable care on the part of the Company.
- 9.1.2 The Company shall not be held liable for any failure or delay in performing any of the things undertaken by it under any service contract when such failure or delay is caused by strike, acts of God, unavoidable accident, or other contingencies beyond its control, and in no manner due to its fault, neglect, or omission, nor shall Company be liable for damage caused by interruption in, or failure of service, or by sewage disposal escaping from piping on customer's property.
- 9.1.3 The Company shall not be liable for the failure, interruption or malfunction, including backup, of its system and service caused by flood, earthquake, high water, war, riot, or civil commotion, vandalism, acts of others, or acts or failure of action of any local governmental authority to enforce or provide proper surface drainage or ditches for surface runoff, or other circumstance over which Company has no control, where the Company has used reasonable care in installing and maintaining its system in accordance with acceptable standards in the water utility business.

ISSUED PURSUANT TO

44633

4 / 29 / 2015
INDIANA UTILITY REGULATORY COMMISSION

41

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION

9.2 Alterations, amendments, changes or additions

The Company reserves the right at any time to alter, amend, change or add to these Rules and Regulations or to substitute other Rules and Regulations, subject to the approval of the I.U.R.C. or other regulatory body having jurisdiction.

9.3 Authority to alter or waive Rules and Regulations

No representative, employee or agent of the Company has the right to alter or waive any of these Rules and Regulations without the consent or approval of the Indiana Utility Regulatory Commission or other regulatory body having jurisdiction thereof.

9.4 Agreements contrary to the Rules and Regulations

No employee or agent of the Company shall have the right or authority to bind the Company by any promise, agreement or representation contrary to the letter or intent of these Rules and Regulations.

9.5 Incorporation by reference

All laws of the State of Indiana and Rules and Regulations of the Indiana Utility Regulatory Commission applicable to the rendering of sewage disposal service in rural areas are hereby incorporated herein by reference.

ISSUED PURSUANT TO

44533

42

DATE 4/29/2015
INDIANA UTILITY REGULATORY COMMISSION

EFFECTIVE

JUN 30 2015

INDIANA UTILITY
REGULATORY COMMISSION