

THE SUPERIOR WATER COMPANY
RATES, RULES AND REGULATIONS GOVERNING
THE PROVISION OF WATER SERVICE
TO THE PUBLIC IN PORTIONS OF
DOUGLASS, NEW HANOVER, LOWER POTTS GROVE,
UPPER FREDERICK, UPPER POTTS GROVE, AND WORCESTER TOWNSHIPS,
MONTGOMERY COUNTY

NORTH COVENTRY TOWNSHIP, CHESTER COUNTY

WASHINGTON TOWNSHIP, BERKS COUNTY

ISSUED: January 26, 2006

EFFECTIVE: February 10, 2006

Supplement No. 17 to Superior Water Company's
Tariff Water Pa. P.U.C. No. 3 extends effective date
of Supplement No. 16 from February 6, 2006 to
February 10, 2006

By: Michael Gambone, President
Robert Braglio, Manager
Superior Water Company, Inc.
2960 Skippack Pike
P.O. Box 127
Worcester, PA 19490-0127

THE SUPERIOR WATER COMPANY

Supplement No. 17 to
Tariff Water – Pa. P.U.C. No. 3
Twelfth Revised Page No. 1
Canceling Eleventh Revised Page No. 1

LIST OF CHANGES

Supplement No. 17 to Superior Water Company's Tariff Water Pa. P.U.C. No. 3 extends effective date of Supplement No. 16 from February 6, 2006 to February 10, 2006.

ISSUED: January 26, 2006

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PART I: DEFINITIONS

Unless the context clearly indicates otherwise, the following words and phrases shall have the meanings assigned below whenever they are used throughout this tariff:

1. Applicant: a person who applies to become a customer of the Company in accordance with Part II, Section A and H of this tariff. For residential customers, this definition also includes any natural adult occupant of a premise to be served whose name appears on the mortgage, deed, or lease of the property for which the residential service is sought. C
2. Company: The Superior Water Company.
3. Company service line: the connection from the distribution facilities or pipeline extensions of the Company which connects any main with the inlet connection of the customer service line at the hypothetical or actual curb line or the actual property line, including the control valve and valve box. The control valve and box determine the terminal point for the Company's responsibility for the street service connection.
4. Cross-connection: A cross-connection is any pipe, valve, other physical connection, or other arrangement or device connecting the pipelines or facilities of the Company, to and with pipes and fixtures by which any contamination might be admitted or drawn into the distribution system of the Company from lines other than the Company's.
5. Customer: a person who is an owner or occupant and who (a) contracts with the Company for water service, or (b) takes or receives water service without a contract. For residential service, a customer is any natural person in whose name a residential account is listed in his Application for service and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed, or lease of the property for which the residential utility service is requested. C
6. Customer service line: the service line extending from the end of the company service line or connection to the point of consumption, or the customer's premise.
7. Formal Complaint: A complaint filed before the Pennsylvania Public Utility Commission requesting a legal proceeding before a Pennsylvania Public Utility Commission Administrative Law Judge or a mediation under the management of a Pennsylvania Public Utility Commission Administrative Law Judge. C

C = change

- 8. Household Income: The combined gross income of all adults in a residential household who benefit from the public utility service. C
- 9. Informal Complaint: A complaint filed with the Pennsylvania Public Utility Commission by a customer that does not involve a legal proceeding before a Pennsylvania Public Utility Commission Administrative Law Judge or mediation under the management of a Pennsylvania Public Utility Commission Administrative Law Judge.
- 10. Meter: any device used by the Company for the purpose of measuring water consumption.
- 11. Nonresidential service: Water service supplied to a commercial or industrial facility, including a hotel or motel, or to a master-metered mobile home or multi-tenant apartment building, or to any customer who purchases water from the Company for the purpose of resale.
- 12. Payment Agreement: An agreement whereby a customer who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments. C
- 13. Person: any natural or fictitious person, including, but not limited to, associations, partnerships, corporations, municipalities, authorities, counties, and the state and federal governments.
- 14. Private fire protection service: water service provided exclusively for the purpose of fire protection that is available to particular customers only and not to all customers or the general public, and that is provided through automated sprinkler systems, fire hydrants, or similar mechanisms.
- 15. Property: a residence, commercial establishment, or other facility, or lot or other parcel of land to which water is provided or for which the Company has installed a company service line.
- 16. Public fire protection service: Water service provided exclusively to a political subdivision(s) for the purpose of community fire protection.

A = Addition

17. Residential service: Utility service supplied to a dwelling, including service provided to a commercial establishment if concurrent service is provided to a residential dwelling attached thereto. Neither utility service provided to a hotel or motel nor service to a property leased for a period of six (6) months or less will be considered for residential service.
18. Tariff: the tariff issued by the Company, and any supplements or revisions subsequently issued by the Company and approved by the Pennsylvania Public Utility Commission.

PART II: RULES AND REGULATIONS

Section A – Applications for Service

1. General Rule: All applications for service must be in the form provided by the Company and signed by the owner or owners of the property to which water service can or will be provided; except that, where a lessee of property occupies or uses the property under a lease having a fixed term of more than six (6) months, a lessee may make an application for service in his, her, or its name. The Company may also, at its sole discretion, require that a separate contract for service be signed by the applicant.

2. Change in ownership or tenancy: A new application must be made to the Company upon any change in ownership where the owner of the property is the customer, or upon any change in the identity of a lessee where a lessee of the property is the customer. The Company shall have the right to discontinue water service, upon three (3) days' notice, of a new application has not been made and approved for the new customer.

3. Acceptance of application: An application for service shall be considered accepted by the Company only upon oral or written approval by the Company. The Company may provide service to the applicant pending review and acceptance of the application.

4. Application Forms: Application forms can be obtained at the Company's office, presently
at 2960 Skippack Pike, P.O. Box 127, Worcester, Pennsylvania 19490-0127.

5. Water used for construction purposes: Where water is required for construction purposes, the application shall so indicate.

6. Temporary service: In the case of temporary service for short-term use, a public utility may

require the customer to pay all costs of making the service connection and removing the material after the service has been discontinued, or to pay a fixed amount in advance to cover such expenses. However, if the material is removed the customer shall be credited with the reasonable salvage which the public utility will receive on discontinuance of service.

Section B – Construction and Maintenance of Facilities

1. Customer service line: The Company reserves the right to determine the size, kind, and depth of customer service lines. The customer service line shall be furnished, installed, maintained, and/or replaced, when necessary, by and at the sole expense of the customer.
2. Separate trench: The customer service line shall not be laid in the same trench with drain or sewer pipe, the facilities of any other public utility or of any municipality or municipal authority that provides a public utility service, or within three (3) feet of any open excavation or walk, unless a written exception is granted by the Company.
3. Customer's responsibilities: All service lines, connections, and fixtures furnished by the customer shall be maintained by the customer in good working order. All valves, meters and appliances furnished by the Company and on the property owned or leased by the customer shall be protected properly by the customer. All leaks in the customer service line or any pipe or fixture, in or upon the property supplied, must be repaired immediately by the customer.
4. Right to Reject: The Company may refuse to connect with any piping system or furnish water through a service already connected if such system/service is not properly installed or maintained. The Company may also refuse to connect if lead-based materials, as defined in the Safe Drinking Water Act, have been used in any plumbing beyond the Company's curb control valve. It shall be the customer's responsibility to provide the Company with any such certification which may be required to verify the absence or removal of such materials.
5. Water Use Standards for Certain Plumbing Fixtures: By Commission action, this rule recommends maximum water use or certain plumbing fixtures installed in all new construction or renovation. Such standards have been implemented to achieve maximum

efficiency of water use which the Commission has determined is technologically feasible and economically justified.

ISSUED: April 28, 1999

EFFECTIVE: July 1, 1999

Plumbing Fixture	Maximum Water Usage
showerhead	3.0 gallons/minute
lavatory faucet	3.0 gallons/minute
kitchen faucets	3.0 gallons/minute
water closets	1.6 gallons/flush
urinals	1.5 gallons/minute

Reevaluation of Water Use Standards: Upon the order or recommendation of the Commission, the Delaware Rive Basin Commission, or other state instrumentality with requisite authority, Superior may, at any appropriate time, amend any of the water use standards listed above. Amendments will apply only to new construction and renovation.

Exemptions: Superior may exempt particular customers, or classes of customers, when it is determined that the water use standards for plumbing fixtures listed above are unreasonable, inappropriate, or cannot be accommodated by existing technology.

6. Stop and Waste Valves; Check Valves: The Company recommends the installation of stop and waste valve and of check valves on all customer service lines. The responsibility for the proper installation and maintenance of the valve(s) shall, however, be the customer's at the customer's sole expense.

7. Backflow Prevention Device: On service lines for commercial or industrial service, the installation of a backflow device of the type approved by the company may be required by the Company if, in the Company's opinion, such a device is needed to protect the integrity of the system. The backflow prevention device shall be installed, owned and maintained by the customer at his expense. The location of the backflow prevention device shall be approved by the Company. The Company recommends the installation of approved double check valves for service pipes providing service to residential unit.

8. Pressure Regulators: The Company requires installation and maintenance of pressure regulators or valves on new construction at the developers bona fide applicant's sole expense. The Company may also require same on existing connections, if necessary.

9. Cross-connections: No cross-connection shall be installed or continued. A cross-connection may be considered to be eliminated if the method of backflow prevention is approved by the Company in writing

Section C – Discontinuance, Termination, and Restoration of Service

1. **Discontinuance by customer:** A customer who wishes to have service discontinued shall give at least three (3) days' notice to the Company, specifying the date on which service is to be discontinued. In the absence of proper notice, the customer shall be responsible for all service rendered until the time that the Company shall have notice of the customer's intent to discontinue service. The customer shall not turn water on or off at any curb stop, or disconnect or remove the meter or permit its disconnection or removal without the prior written consent of the Company. A customer discontinuing service retains his status as a former customer for purposes of paying restoration fees pursuant to Rule 3 of this Section for a period of nine (9) months.

2. **Termination by Company:**
 - (a) **Grounds for Termination:** Service to the customer may be terminated for good cause, including, but not limited to, the following:
 - (i) for making an application for service that contains material misrepresentations;
 - (ii) for willful or negligent waste of water through improper or imperfect pipes or fixtures, or for willful or negligent failure to repair leaks in pipes or fixtures;
 - (iii) for tampering with any service line, curb stop, meter, or meter setting, or installing or maintaining cross-connections;
 - (iv) for theft of service, which shall include taking service without having made a proper application for service under Part II, Section A;
 - (v) for failure to pay, when due, any charges accruing under this tariff, including payments to be received pursuant to a payment arrangement;
 - (vi) for refusal of reasonable access to the property for purposes of installing, inspecting, reading, maintaining, or removing meters;

C

C = change

- (vii) for receipt by the Company of an order or notice from the Department of Environmental Resources, health authorities, plumbing inspectors, or another similar agency to discontinue service to premises on the grounds of violation of any federal, state or local law, or local ordinance, or upon notice to the Company from any such agency that it has ordered an existing violation on the premises to be discontinued and that such order has not been complied with;
 - (viii) for violation of any of the provisions of this tariff not specified above;
 - (ix) for failure to comply with the material terms of a payment agreement; or
 - (x) for failure to complete payment of a deposit, provide a guarantee of payment or establish credit.
- (b) Notice: Notice of termination shall be given in such manner as may be specified in the Public Utility Code, 66 Pa. C.S. §§101 et seq.
- (c) Timing:
- (1) Superior may terminate service without notice for violations of Section C.2.(a)(i),(iii), and (iv).
 - (2) With proper notice, Superior may terminate water service from Monday through Friday.
3. Restoration of service:
- (a) Conditions of Restoration. Whenever service is discontinued or terminated pursuant to subsections C.1. or C.2. of this Part, respectively, service shall be restored only upon the payment by the customer of a restoration charge of \$35.00 and the curing of the problem that gave rise to the termination if under Subsection C.2. In the event the Company terminated service due to non-payment, payments to restore residential service will be controlled by the provisions of Chapter 14 of the Public Utility Code and any regulations promulgated thereunder.

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C = change

- (b) Timing. When service to a dwelling has been terminated and, provided the applicant has met all applicable conditions, the public utility shall reconnect service as follows:
- (1) Within 24 hours for erroneous terminations or upon receipt by the public utility of a valid medical certification.
 - (2) Within 24 hours for terminations occurring after November 30 and before April 1.
 - (3) Within three days for erroneous terminations requiring street or sidewalk digging.
 - (4) Within three days from April 1 to November 30 for proper terminations.
 - (5) Within seven days for proper terminations requiring street or sidewalk digging.

Section D – Meters

1. Generally: All service provided by the Company shall be metered, except for public fire protection.
2. Location of meters: The meter will be set after the customer has had the plumbing arranged to receive the meter at a convenient point approved by the Company so as to measure all water being supplied. Protection for the meter shall be provided by the customer. In cases where it is not practical to place the meter within the building, or if the customer so desires and the Company approves, an outside setting will be installed at a position selected by the Company, at the customer's expense. The Company standard for an outside meter setting shall be used. Relocation of meters for the customer's convenience shall be at the customer's expense.
3. Access for automated meter reading devices: The customer shall permit Superior access and space for the purpose of installing and utilizing an automated meter reading device upon reasonable notice to the customer. The customer must provide the Company with the telephone number of the line to which the equipment will be connected and immediately advise the Company of any changes in the telephone number.
4. Damages to meters: Meters shall be maintained by the Company so far as ordinary wear and tear are concerned, but damage to meters caused by freezing, hot water or other negligent or willful acts of the customer shall be paid by the customer, including the actual cost of removing, replacing, repairing or testing damaged meters.
5. Notification to Company of non-working or damaged meter: The customer shall notify the Company of a non-working or damaged meter as soon as the customer has actual or constructive notice of either such condition.

6. Fees for Meter Tests: The schedule of fees for testing meters is as follows:
- (1) For each water meter having an outlet not exceeding one inch - \$5.00
 - (2) For each water meter having an outlet not exceeding two inches - \$10.00

These amounts may vary without revision of this tariff to be consistent with 52 Pa. Code §65.8(h).

Section E – Billing and Collections

1. Frequency: The Company will bill each customer within fifteen (15) days of the last day of each billing period.

2. Billing Due Date: The due date for payment of a bill for other than residential service shall be no less than fifteen (15) days from the date of transmittal. The due date for payment of a bill for residential service shall be no less than twenty (20) days from the date of transmittal. If the last day for payment should fall on a Saturday, Sunday or bank holiday when the offices of the utility are not open to the general public, the due date shall be extended to the next business day. For remittance of a bill for residential service by mail, the payment shall be deemed to have been made on the date of the postmark, or the company may grant a five (5) day grace period for receipt after the due date.

3. Late payment charge: All amounts not paid when due shall accrue interest at the rate of 1.25% per month, not to exceed 15% simple interest per year.

4. Change in billing address: Where the customer changes his, her, or its billing address and fails to notify the Company, the customer shall remain liable to remit payment by the payment date.

5. Separate Checks: Payment made by check to the company shall not include any payments to other affiliated corporations. Failure to provide a separate check will result in the return of the check to the customer as if no payment had been made.

6. Returned Check Charges: The customer will be responsible for the payment of a charge of \$20.00 per incident where a check which has been presented to the water company for payment of any bill is returned by the bank for any reason including but not limited to

nonsufficient funds, account closed, payment stopped, two signatures required, post-dated, stale date, account garnished or unauthorized signature. This charge is in addition to any and all charges assessed by the bank.

7. Disputed Bills: In the event of a dispute between the customer and the Company respecting any bill, the Company promptly will make such investigation as may be required by the particular case and report the result to the customer. When the Company has made such a report to the customer sustaining the bill as rendered, the customer shall have fifteen (15) days from the date of such report in which to pay the bill. If the Company determines that the bill originally rendered is incorrect, the Company will issue a corrected bill with a new due date for payment. Any amounts received by the Company in excess of the amount disclosed to be due by the Company's investigation of the dispute shall be returned to the customer.

Section F – Deposits

1. In accordance with Chapter 56 of Title 52 of the Pennsylvania Code, the Company may require an existing ratepayer to post a deposit to reestablish credit under the following circumstances:
 - (a) Delinquent accounts: whenever a ratepayer has been delinquent in payment of two or more bills within the preceding twelve months;
 - (b) As a condition to the reconnection of service following a termination; or
 - (c) Whenever a customer fails to comply with a material term or condition of settlement or payment agreement, whether or not service has been terminated.
2. The Company may require any applicant for temporary service to post a deposit.

Section G – Water Main Extensions

1. **Definitions**

For purposes of Section G, the following definitions (in addition to those in Part I) apply:

Annual Line Extension Cost: The sum of a Company's additional annual operating and maintenance costs, debt costs and depreciation charges associated with the construction, operation, and maintenance of the line extension.

Annual Revenue: The Company's expected additional annual revenue from the line extension based on the Company's currently effective tariff rates and on the average annual usage of customers similar in nature and size to the bona fide service applicant.

Bona Fide Service Applicant: A person or entity applying for water service to an existing or proposed structure within the utility's certificated service territory for which a valid occupancy or building permit has been issued, if the structure is either the primary residence of the applicant or a place of business. An applicant shall not be deemed a bona fide service applicant if:

- (a) the applicant is requesting water service to a building lot, subdivision, or a secondary residence;
- (b) the request for service is part of a plan for the development of a residential dwelling or subdivision; or

- (c) the applicant is requesting special utility service.

Debt Costs: The Company's additional annual cost of debt associated with financing the line extension investment based on the current debt ratio and weighted long-term debt cost rate for that utility or that of a comparable jurisdictional water utility.

Depreciation Charges: The utility's additional annual depreciation charges associated with the specific line extension investment to be made based on the current depreciation accrual rates for that Company or that of a comparable jurisdictional water Company.

Line Extension: An addition to the Company's main line which is necessary to serve the premises of a customer.

Operating and Maintenance costs: The utility's average annual operating and maintenance costs associated with service an additional customer, including customer accounting, billing, collections, purchased water, power, chemicals, and other variable costs based on the current total Company level of such costs, as well as costs particular to the specific needs of that customer, such as line flushing.

Public Utility: Persons or corporations owning or operating equipment or facilities in this Commonwealth for diverting, developing, pumping, impounding, distributing or furnishing water to or for the public for compensation.

Short-term Supply Shortage: An emergency which causes the total water supply of a Company to be inadequate to meet maximum system demand.

Special Utility Service: Residential or business service which exceeds that required for ordinary residential purposes. See additional clarification at Section G.2.B.(4).

2. **Lines Extensions**

Whenever a developer, owner or occupant of a property within the service territory of the Company requests the Company to extend service to such property, the Company will extend service under the following conditions:

- A. Requests by Bona Fide Service Applicant: Upon request by a bona fide service applicant, a utility shall contract line extensions within its franchised territory consistent with the following directives:

- (1) Line extensions to bona fide service applicants shall be funded without customer advance where the annual revenue from the line extension will equal or exceed the Company's annual line extension costs.

- (2) If the annual revenue from the line extension will not equal or exceed the Company's annual line extension costs, a bona fide service applicant may be required to provide a customer advance to fund the utility's cost of construction for the line extension. The utility's investment for the line extension shall be the portion of the total construction costs which generate annual line extension costs equal to annual revenue from the line extension. The customer advance amount shall be determined by subtracting the utility's investment for the line extension from the total construction costs.

- (3) The Company's investment for the line extension shall be based on the following formula, where "X" equals the utility's investment attributed to each bona fide applicant:

X =	[AR - OM] divided by [I + D]
AR =	the Company's annual revenue
OM =	the Company's operating and maintenance costs
I =	the Company's current debt ratio multiplied by the Company's weighted long-term debt cost rate
D =	the Company's current depreciation accrual rate

C. Customer advance financing, refunds and facilities on private property:

- (1) When a customer advance is required of an applicant and an additional customer(s) attach a service line to the line extension within ten (10) years, the utility shall refund a portion of the advance to the person making the advance. Deposits made for additional facilities other than the line extension, such as booster pumps, storage tanks and the like, may be deemed contributions in aid of construction and need not be refunded.
- (2) The Company will refund to the applicant, during a period of ten (10) years from the date of the extension deposit, a per-customer amount for each additional bona fide service applicant from whom a street service connection shall be directly attached to such main extension (as distinguished from extensions or branches thereof); provided, however, that the total amount refunded shall not exceed the original deposit without interest, and provided that all or any part the deposit not refunded within said 10 year period shall become the property of the Company and shall be treated as a

contribution in aid of construction for ratemaking purposes. The per customer refund amount shall equal the utility's investment attributed to each bona fide applicant as calculated in the formula contained in this tariff.

(3) A utility shall require an applicant or customer to pay, in advance, a reasonable charge for service lines and equipment installed on private property for the exclusive use of the customer.

(4) "Special utility service" for Section G(1), subsections (a) through (c) of this tariff, does not apply to special utility service. By way of illustration and not limitation, special utility service shall include the following: the installation of facilities such as oversized mains, booster pumps, and storage tanks as necessary to provide adequate flows or to meet specific pressure criteria, or service to large water consuming commercial and industrial facilities. An otherwise bona fide applicant requesting service which includes a special utility service component is entitled to bona fide applicant status, including the corresponding Company contribution toward the costs to the line extension which do not meet the special utility service criteria.

C. Requirement for Extension Deposit Agreement: If the extension of facilities for a bona fide customer is not fully funded by the Company pursuant to Subsection A of this Section, or if the extension is for an applicant other than a bona fide customer, then the

execution by the applicant of the Extension Deposit Agreement for customer contribution or advance set forth in Subsection B shall be a condition of extending the facilities. Upon notice that the Company is prepared and able to go forward with the work, the applicant will deposit with the Company the amount specified in the Extension Deposit Agreement.

- D. Cost True-up: At the conclusion of the line extension project, the Company shall reconcile the actual costs incurred to the amount of extension deposit that has been paid by the customer. If the actual cost exceeds the deposit, the applicant shall be responsible for payment to the Company of the difference. If the deposit exceeds the actual cost, the Company shall refund the difference.
- E. Line Characteristics:
- (1) Size of Line: The Company shall have the exclusive right to determine the type and size of lines to be installed and the other facilities required to render adequate service. However, where the Company decides to install a pipe larger than necessary to render extension of adequate service to the applicant, estimated or actual cost figures in the Extension Deposit Agreement shall include only the material and installation cost for a pipe the size of which is necessary to provide adequate service to the applicant. Any incremental costs of a larger pipe will be the responsibility of the Company. All estimated or actual cost figures referred to in the Extension Deposit Agreement shall include a reasonable allowance for overhead costs and taxes as

appropriate. The minimum pipe size for main extensions will be six (6) inches pursuant to Commission regulation at 52 Pa. Code §65.17(b).

(2) Length of Extension: In determining the necessary length of an extension, the terminal point of such extension shall be at that point in the curb line, which is equidistant from the side property lines of the last lot for which water service is requested. A Company service connection will be provided only for customer service lines that extend at right angles from the curb line in a straight line to the premises to be served.

3. **Main Extension Agreements:**

FORM

A. **Water System Extension Agreement (Non-Refundable)**

THIS AGREEMENT, made this _____ day of _____ 19____, by and between The Superior Water (“COMPANY”) and _____ (“CONTRIBUTOR”).

WHEREAS, the CONTRIBUTOR desires expansion of waterworks facilities of the COMPANY, as described below; and

WHEREAS, potential revenues from such extension are such as to make it neither economical nor feasible for the COMPANY and its ratepayers to assume the initial cost of such

ISSUED: April 28, 1999

EFFECTIVE: July 1, 1999

extension; and

WHEREAS, the CONTRIBUTOR is willing and desires to assist and provide for the installation of such extension by providing a non-refundable contribution according to the terms specified in the manner hereinafter set forth below.

NOW, THEREFORE, in consideration of the promises and obligations set forth in this Agreement, CONTRIBUTOR and COMPANY (“parties”), each intending to be legally bound hereby, mutually promise, covenant, and agree as follows:

1. **Location and Description of Extension Facilities.** The COMPANY agrees to lay water main(s) and to construct other on-site and off-site facilities, if any, as shown in red on the diagram attached to and made a part of this Agreement as **Appendix “A,”** showing the property or development described and located as follows:

(General Description of Property or Development)

A legal description (metes and bounds) of the property or development also shall be included in **Appendix “A.”** A list or description of the mains or facilities which will be installed under this Agreement is attached and made a part of the Agreement as **Appendix “B.”** In the event additional mains and/or other facilities are required, in the COMPANY’S judgment, to render adequate service, said additions and the costs of those additions shall be listed and accounted for in the Final Memorandum referred to in this Agreement.

2. **Performance Conditions.** The COMPANY shall have the exclusive right to determine the type and size of mains to be installed and other facilities (if any) required to render adequate service. It is expressly understood and agreed that, if the COMPANY shall be delayed or

prevented from installing the water mains and/or other facilities described above because of a failure, despite its best efforts, to secure pipe or other construction material, or for any other causes beyond its control, such failure or delay in performance shall be excused; provided, however, if such failure or delay in performance by the COMPANY shall extend for a period of more than one (1) year from the date thereof, the CONTRIBUTOR shall have the right to cancel and terminate this Agreement upon thirty (30) days' written notice to the COMPANY, and thereafter both parties shall be relieved of all duties and obligations arising hereunder. This right to cancel and terminate by the CONTRIBUTOR shall not be invoked if the COMPANY has received the pipe and construction material and the CONTRIBUTOR has made the contribution specified by the Preliminary Memorandum as hereinafter mentioned, in which event the COMPANY shall have the obligation to proceed with the work involved diligently to its completion.

3. **Nonrefundable Contribution.** The CONTRIBUTOR agrees to contribute to and deposit with the COMPANY, upon notice from the COMPANY that it is prepared and able to go forward with the work specified in Paragraph 1 above, an amount in cash or its equivalent equal to the total estimated cost of the extension, including the estimated cost of said mains and the estimated cost of any other facilities which the COMPANY shall have decided are required to render adequate service. The estimated cost of the extension shall also include all tax incurred or to be incurred by the COMPANY due to the contribution deposit.

4. Upon written notice, a Preliminary Memorandum in the form attached to this Agreement as **Appendix "C"** shall be prepared and signed along with this Agreement by both parties showing the contribution deposit required in accordance with Paragraph 3 above. This Preliminary Memorandum shall become part of this Agreement. Upon completion of the installation of the extension, a Final Memorandum in the form attached to and made a part of this Agreement as **Appendix "D"** shall be prepared and signed by both parties showing the contribution deposit required based on the actual cost (including taxes) of the extension. This Final

Memorandum shall be part of this Agreement. If the deposit shown to be due on the Final Memorandum differs from that shown on the Preliminary Memorandum, the CONTRIBUTOR will deposit with the COMPANY any additional amount shown to be due; or the COMPANY will refund to the CONTRIBUTOR any excess amount shown to have been deposited, it being the intent of this Agreement that the final and adjusted amount required shall be based on actual installation costs. Any such additional amount due or refunded shall not require payment of interest thereon, as long as all payments shall be made within thirty (30) days of notice thereof.

5. **Ownership of Extension.** The ownership of the water mains and/or other facilities provided for or constructed hereunder shall at all times be solely in the COMPANY, its successors and assigns. The COMPANY also shall have the right, by virtue of its ownership of said extension, to make any additions to said extension in its sole and absolute discretion, and no such use shall confer any right or claim upon CONTRIBUTOR.

6. **Winter Construction.** The parties agree that the COMPANY shall have no duty or obligation to perform any work or installation in connection with the mains and/or facility construction described above during the months of December, January, February, and March in any year, the COMPANY, however, at its own option and without further authorization from CONTRIBUTOR, may perform any work or installation during the four (4) months mentioned in this paragraph if, in the COMPANY'S sole opinion, conditions are suitable. If, in the COMPANY'S sole opinion, conditions are unsuitable during this period, the COMPANY will perform work or installation upon written request of CONTRIBUTOR provided CONTRIBUTOR agrees in such written request to pay any additional costs applicable thereto and to hold the COMPANY harmless for any consequences that may result.

7. **Easement.** The CONTRIBUTOR shall grant to the COMPANY an exclusive and irrevocable easement, at no cost to the COMPANY, for the installation, maintenance, operation,

repair, and replacement of said main extension and/or other facilities, within the limits of any existing or proposed street, avenue, roadway, or route of construction, together with the right of ingress and egress, in a form satisfactory to the COMPANY and duly executed and acknowledged in proper form for recording in the appropriate deed office of the county where the property or development is located.

8. **Regulatory Approvals.** It is understood that the Agreement is subject to the CONTRIBUTOR'S obtaining, at CONTRIBUTOR'S sole cost, all necessary consents, orders, permits, and approvals of public officers or public bodies having jurisdiction over or lawful interest in any of the subject matters herein. In the event that the COMPANY must obtain the aforementioned regulatory approval(s) to perform under this Agreement, the CONTRIBUTOR shall reimburse all costs incurred by the COMPANY in obtaining the approvals necessary in the COMPANY'S judgment or the undertakings which are the subject of this Agreement. In the event that CONTRIBUTOR, after prompt application and diligent effort, is unable to obtain any necessary consent, order, permit, or approval, or in the event that the COMPANY is enjoined or prevented by action of such public officer or official body from constructing the said extension and related facilities, if any, the COMPANY'S sole obligation under this Agreement will be to repay to CONTRIBUTOR, without interest, the difference between the amount deposited and the costs, including but not limited to any income taxes, which are or will be incurred by the COMPANY in conjunction with its performance or preparation for performance under this Agreement.

9. **Installation Route.** The CONTRIBUTOR agrees that, before the commencement of work by the COMPANY, it will indicate clearly upon the ground, by means of stakes or some other equally positive manner, the exact lines and grades to which the street, highway, or land on which said water mains are to be laid and are to be finally built, and that CONTRIBUTOR will grade the said street, highway, or land so that it will be at all points within less than one (1) foot of the above finished grade before the COMPANY commences the work of installing said water main

and/or other facilities. The COMPANY, however, shall not be required to lay its pipes according to lines of grade which do not conform with acceptable waterworks construction requirements. The COMPANY shall have no obligation to perform work of installation until the CONTRIBUTOR certifies, in writing, that the area of the proposed water main extension has been graded either to sub-grade or finished grade in the installation of all other utilities proposed to be installed at a greater depth than the water mains have been installed. It is further agreed that, at any time prior to the dedication and acceptance as a public street or highway by the governing body of any street or highway under which water mains are laid in conformity with this Agreement, it shall become necessary to change or move said mains and/or other facilities by reason of any change or alteration in the line or grades of this street, highway, or land in which they are laid, then the expense of such change(s) and any other expenses incidental thereto shall be borne solely by CONTRIBUTOR.

10. **Indemnification.** CONTRIBUTOR covenants and agrees that CONTRIBUTOR will indemnify the COMPANY against any and all loss or damage for which the COMPANY may suffer as a result of any damaging of its water mains and/or other facilities by the CONTRIBUTOR, CONTRIBUTOR'S employees, agents, servants, workmen, or any contractors or subcontractors employed by CONTRIBUTOR:

- (a) In the development of and the construction upon the lots or properties abutting upon the streets or rights-of-way in which water mains are to be constructed pursuant to this Agreement; or
- (b) In the construction and/or surfacing of any of the streets in which water mains are to be installed pursuant to this Agreement.

11. **Execution by COMPANY.** This Agreement shall be valid and binding on the

COMPANY only when executed by its President or its authorized agent or representative.

12. **Assignment**. This Agreement shall be binding upon the heirs, executors, officers, administrators, successors, and assigns of the COMPANY and CONTRIBUTOR.

13. **Manner of Notice**. Any notice given hereunder shall be deemed sufficient if in writing and sent by registered mail to the COMPANY at:

And to the CONTRIBUTOR at:

The parties may notify the other in the manner set forth above of any change in address to which notices and/or correspondence should be sent.

14. **Effect of Waiver**. Inaction by either the COMPANY or CONTRIBUTOR to enforce any provision or right herein contained shall in no event be construed to be a waiver of the right to require compliance with any provision or right thereafter.

15. **Severability**. The provisions hereof shall be deemed independent and severable. The invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision or portion thereof unless such deletion shall frustrate the COMPANY'S plan to install the water mains and facilities, and the ability of the COMPANY to install the water mains and/or other facilities that this Agreement addresses.

16. **Deadline for Execution**. It is agreed between parties hereto that CONTRIBUTOR shall execute and return this Agreement before _____, and that upon the failure of the CONTRIBUTOR to execute within the time mentioned, this Agreement shall be null and void.

ISSUED: April 28, 1999

EFFECTIVE: July 1, 1999

IN WITNESS WHEREOF, the COMPANY upon proper authority of its _____
has hereunder caused this Agreement to be executed on its behalf, and the CONTRIBUTOR upon
proper authority of CONTRIBUTOR’S _____ has caused this Agreement to be
executed on CONTRIBUTOR’S behalf, this ____ day of _____, 19 ____.

ATTEST:

THE SUPERIOR WATER COMPANY

Secretary

By: _____
Officer

(SEAL)

WITNESS:

CONTRIBUTOR:

APPENDIX “C”

**NONREFUNDABLE CONTRIBUTION AGREEMENT
PRELIMINARY MEMORANDUM**

This Preliminary Memorandum is executed by the parties hereto under and pursuant to the
provisions of Paragraphs 3 and 4 of an Agreement in writing between the parties entered into on
the _____ day of _____, 19 ____, for the installation by the COMPANY of certain water
mains (and other facilities) described in that Agreement. It is, therefore, agreed and stipulated:

- (a) Estimated Costs Mains \$ _____
- (b) Estimated Cost of Other Facilities \$ _____

ISSUED: April 28, 1999

EFFECTIVE: July 1, 1999

(c) Total \$ _____

This Preliminary Memorandum shall be attached to the original Agreement in accordance with the provisions of Paragraphs 3 and 4 thereof.

Dated: _____
Date of Deposit

ATTEST:

THE SUPERIOR WATER COMPANY

(SEAL)

WITNESS:

CONTRIBUTOR:

APPENDIX "D"

**NONREFUNDABLE CONTRIBUTION AGREEMENT
FINAL MEMORANDUM**

This Final Memorandum is executed by the parties hereto under and pursuant to the provisions of Paragraphs 3 and 4 of an Agreement in writing between the parties entered into on the _____ day of _____, 19___, for the installation by the COMPANY of certain water mains (and

ISSUED: April 28, 1999

EFFECTIVE: July 1, 1999

other facilities) described in that Agreement. It is, therefore, agreed and stipulated:

- (a) Cost Mains \$ _____
- (b) Cost of Other Facilities \$ _____
- (c) Total \$ _____

This Final Memorandum shall be attached to the original Agreement in accordance with the provisions of Paragraph 3 and 4 thereof.

Dated: _____
Date of Deposit

ATTEST:

THE SUPERIOR WATER COMPANY

(SEAL)

WITNESS:

CONTRIBUTOR

~~B. Variation~~

~~(I will add a paragraph in giving flexibility re: structuring deals.)~~

(c)

B. ECONOMIC INCENTIVE FACILITIES AGREEMENT

The Company may enter into an “Economic Incentive Facilities Agreement” (“EIFA”) in circumstances where, but for the following reimbursement provisions, the cost of the facilities needed by the Company to provide water service (“Qualified Facilities”) will be so economically burdensome that the Applicant for service either will pursue other options (such as a homeowners’ association or another provider) or forego the project. An EIFA provides for cost-sharing of such facilities by allowing the Company to require subsequent non-bona fide Applicants to reimburse the original Developer for a portion of the costs of the Qualified Facilities, based upon the criteria set forth below.

1. Qualified Facilities. New facilities required to serve a non-bona fide Applicant qualify for reimbursement if, based on the Company’s experience and judgment: (1) their capacity or length exceeds what is normally needed to provide new water service, such that they could be considered base facilities after installation; and (2) an Applicant will pursue other options but for the EIFA or will forego the project.

(a) In the case of a main extension, the size of the main must be at least 12 inches in diameter and extend in excess of 2500 feet.

(b) In the case of a booster pump or storage facility, the maximum design capacity must exceed that needed by the Applicant by a factor of 2.0.

2. Reimbursement Criteria. The EIFA shall provide for reimbursement to the original Applicant/Developer (Developer #1) by subsequent non-bona fide Applicants (Developers #2, etc.).

In the case of a main extension, the reimbursement shall be based on (1) the unit cost of the main, (2) the point of connection of subsequent non-bona fide Applicants, and (3) the additional load imposed by the subsequent non-bona fide Applicants. In the case of a booster pump or storage facility, the reimbursement shall be based on (1) the total cost of facility and (2) the capacity of the facility required by the subsequent non-bona fide Applicants. Other than the reimbursement provisions, the EIFA shall include all other provisions of the Company's standard main extension agreement.

In no event may the reimbursements for a particular facility exceed an Applicant/Developer's original cost or contribution for the facility, less the Applicant/Developer's ultimate allocated share of the Qualified Facility, based on the total connections to that Qualified Facility at the end of the ten (10) year term of the EIFA.

3. Term. The term of the EIFA may not exceed ten (10) years from the time of the original installation.

4. Administrative Costs. The EIFA may provide for the Company to deduct reasonable costs for administering reimbursements resulting from an EIFA.

Section H – Public Hydrant Service

1. Applicability: Public fire protection will be available when hydrants are installed and operational. At that time, the political subdivision in which the service will be provided must fill out an application for such service and become a customer.

2. Conditions: Water from fire hydrants shall not be used for purposes other than fire fighting without the Company's permission in writing. Water taken with such permission will be limited to the filling of tank trucks, for use by the public. The water so used shall be subject to charges at existing rates.

The Company reserves the right to meter any fire line when evidence indicates that water is being taken from the line for purposes other than fire fighting or as otherwise permitted by agreement, and such metered service shall then be billed in accordance with the regular Schedule of Meter Rates in addition to the above rates, with proper allowance for water consumed in fire fighting or other authorized use.

3. Ownership and Maintenance: All public fire hydrants shall be inspected and maintained by the Company.

4. Use Restricted: The use of fire hydrants, whether owned by the Company or by the Customer, will be restricted to the taking of water for the extinguishing of above-ground fires. Water shall not be taken from any fire hydrant for construction purposes, extinguishing underground fires, sprinkling streets, flushing sewers or gutters or for any particular time and occasion. If the Company grants permission to use fire hydrants for purposes other than the extinguishment of fires, such use will be applied only if an approved backflow prevention device is attached to the hydrant. Said device shall be furnished by the Customer. Rates shall be charged pursuant to Rule H.2., above.

Use of Hydrants: The fire hydrants in Superior’s Winding Creek System may be used to fill tank trucks, for fire fighting purposes or otherwise, only after the individual or entity taking the water obtains written permission from Superior (which permission will indicate where the water may be taken) and agrees to take water using a gauge to measure volumes purchased. Hydrants in other sections of Superior’s system may be used for fire fighting purposes only. During drought emergencies, as announced by the Governor, the hydrants located throughout Superior’s system may not be used, or authorized by Superior for use, for any purpose other than fire fighting.

Penalty for unauthorized use of Hydrants: In the event an individual or entity takes or uses water from any fire hydrants located within Superior’s service territory, for any purpose other than fire fighting, without express, written authorization from Superior, such individual or entity will be required to pay a monetary penalty to Superior in the amount of \$2,000.00 for each violation.

- 5. Change in Location: Whenever a change in location of a fire hydrant is ordered by a municipality, such change will be made at the expense of the municipality.
- 6. Charge for Public Hydrants: a NONREFUNDABLE charge of \$1,800 per hydrant (along with any applicable state and federal tax liabilities, plus any local permit/occupancy fees) shall be charged if the hydrant is installed after the main is constructed. Superior will charge any developer the same per hydrant charge (\$1,800) less any savings owing to construction of other facilities. This charge is in addition to charges set forth in Section 6 of this Part.
- 7. Form – Application for Public Fire Hydrant

APPLICATION FOR PUBLIC FIRE HYDRANT

Service No. _____

This Application made in triplicate this _____ day of _____, 19 _____, by _____ (Applicant) (a Municipal corporation of the Commonwealth of Pennsylvania), hereinafter called the “Applicant,” to the Pennsylvania-American Water Company (a corporation of the Commonwealth of Pennsylvania), doing business in the _____ of _____, hereinafter called the “Water Company.”

The Applicant, upon the terms and conditions hereinafter set forth, hereby applies to the Water Company for the installation of (a) public fire hydrant(s) to be located at:

In consideration for which the Applicant agrees to be bound by all the terms and conditions of this application, and the Water Company's tariff as amended from time to time, and to pay the Water Company for service at the schedule of rates in effect from time to time during the rendition of such service.

The further terms and conditions upon which this application may be accepted by the Water Company are as follows:

First: The public fire hydrant shall be furnished, installed, inspected, and maintained by the Water Company.

Second: The use of the public fire hydrant will be restricted to the taking of water for the extinguishing of above-ground fires. Water shall not be taken from any fire hydrant for construction purposes, extinguishing underground fire, sprinkling streets, flushing sewers or gutters, or for any other use unless specifically permitted by the Water Company for the particular time and occasion. If the Water Company grants permission to use the fire hydrant for purposes other than the extinguishment of fires, such use will be applied only if an approved backflow prevention device is attached to the hydrant. Said device shall be furnished by the Applicant.

Third: Whenever a change in location of a fire hydrant is ordered by the Applicant, such change will be made at the expense of the Applicant.

Fourth: The Water Company will undertake to use reasonable care and diligence in order

to prevent and avoid interruptions and fluctuations in service, but it cannot and does not guarantee that such will not occur. The extent of the rights of the Applicant under this application is to receive, but only at times of fire, such supply of water as shall then be available and no other or greater. The Applicant agrees that the Water Company shall not be considered in any manner an insurer of property or persons, or to have undertaken to extinguish fires or to protect any persons or property against loss or damage by fire, or otherwise.

Fifth: The Applicant will indemnify, save harmless, and defend the Water Company from all claims, loss, costs, or damage on account of injury to persons or property occurring as a result of the installation, operation, performance, or existence of said public fire hydrant(s) including but not limited to injury or damage to persons or property by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever, to the extent that the injury to persons or property is the result of the intentional acts or negligence of the Applicant, its employees or agents.

Sixth: The Applicant will notify the Water Company of each occasion on which a public fire hydrant is used so that the Company may be able to make a follow-up inspection.

Seventh: The rights and obligations of the Applicant hereunder shall be further subject at all times to the rates, rules and regulations of the Water Company that now exist or which may hereafter be adopted.

Eighth: The Applicant agrees to provide any permits required by the Applicant relative to this application for public fire hydrant(s) contracted for or its future replacement.

IN WITNESS WHEREOF the Applicant through a duly authorized official has hereunto signed this Application the day and year first above written.

WITNESS

APPLICANT

By _____

ISSUED: April 28, 1999

EFFECTIVE: July 1, 1999

THE SUPERIOR WATER COMPANY

Supplement No. 16 to
Tariff Water – Pa. P.U.C. No. 3
Original Page No. 40 (c)
Cancelling Second Revised Page No. 39

IN WITNESS WHEREOF the Water Company hereby accepts the foregoing Application
this _____ day of _____, 1999.

WITNESS

SUPERIOR WATER COMPANY, INC.

By _____

Section I – Private Fire Protection

1. Applicability: Private fire protection will be available only if facilities needed for such are provided by the customer.
2. Conditions: Water from private fire protection facilities shall not be used for purposes other than fire protection without the Company's permission in writing. The presumption is that such permission will not be granted except for extraordinary cause shown.

Section J – Service Continuity

1. Regularity of Service: The Company may, at any time, shut off the water in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes or for other reasons, and may restrict the use of water to reserve a sufficient supply for public fire service or other emergencies whenever the public welfare may require it. The Company will, so far as circumstances permit, notify customers to be affected by any interruptions in the water service.

Section K – Liability for Damages

- a. The Company's liability for any loss or damage from any excess or deficiency in the pressure, volume, or supply of water, due to any cause other than willful misconduct by the Company, its agents, or employees, shall be limited to an amount equivalent to the customer charge for the period in question. Liability to third parties shall likewise be limited to the customer charge for the quarter in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but it cannot and does not guarantee that such will not occur. See Section I, Paragraph 1, above.

- b. The Company shall in no event be liable for any loss or damage caused by reason of any break, leak or other defect in a customer's own service pipe, line, fixtures or other installations.

- c. The Company shall not be required to assume ownership, control, or maintenance responsibility for any mains or other pipes which were not installed by it and/or which are not built to the standards set forth in 52 Pa. Code §§65.18 and 65.27, unless it has acted to approve the installation of the facilities for the use and benefit of the utility.

Section L – Waivers

The Company may, in its sole discretion, waive any of the Rules or Regulations contained here, that operate for the benefit of the Company, provided that no such waiver will be valid unless in writing and signed by the Company, and provided that no waiver will be allowed where the waiver would constitute a violation of the Public Utility Code, the regulations of the Public Utility Commission, or any other applicable statute, law, or regulation.

Section M – Amendment of Tariff

Whenever Title 52 of the Pennsylvania Code is amended in such a way as would produce a difference between it and this tariff, this tariff is deemed to be amended to be consistent with the amendments to Title 52, except that, if application of the amendment to Title 52 is discretionary, the tariff will remain unchanged.

PART III – RATES

A. Metered Residential/Non-Residential Rate – Applicable to all residential/non-residential water service (excluding fire protection service)

		<u>Monthly Rate</u>
	<u>Meter Size</u>	
1.	Customer Charge: 5/8" and 3/4"	\$10.00
	1"	\$15.00
	2"	\$20.00
2.	Commodity Charge: (per 1,000 gallons)	\$6.228
B.	<u>Fire Protection Service</u>	
	<u>Public</u>	
	Hydrant	\$19.00
	<u>Private</u>	
	Hydrants	\$47.50
	Sprinklers	
	1"	\$11.40
	4"	\$34.35
	6"	47.50
	8"	\$47.50

C. Water Use for Construction (Temporary)

The following rate is for the use of water for building purposes and construction in connection therewith, and the water shall not be used for any other purpose.

Single Family Dwelling	\$50.00
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All other construction shall receive building water through metered service connections, and payment shall be made in accordance with the schedule of rates for metered service.

- D. Flat Residential Customer Charge for Ivy Ridge Development Service
Per Month \$43.00
- E. Economic Development and Load Stabilization Rate (Rate EDLS)

APPLICATION OF SCHEDULE

This schedule is available to all industrial Customers or Applicants for the Company's service who have multiple water options, but only where the applicability of this schedule will enable the Company to retain load that otherwise would not be retained by the Company or to supply load that otherwise would not be supplied by the Company. The Company may offer Rate EDLS only if it receives documentation that establishes, to Superior's satisfaction, the existence of a competitive alternative. The Company may accept as documentation an affidavit by an officer or owner of the applicant or customer.

RATE

The rate shall be negotiated between the Company and the Applicant or Customer. The rate shall not be less than the Company's: (1) production cost of finished water ("production cost" being defined as the variable cost the Company incurs to produce additional treated water, consisting of electric power, chemicals and/or purchased water expenses); (2) fixed costs (depreciation and pretax return) associated with any new facilities necessary to serve the Customer or Applicant; and (3) some portion of the fixed costs of the Company's other facilities. The rate may be no more than the tariffed rate that would otherwise apply without Rate EDLS.

OTHER TERMS

Filing with the Pennsylvania Public Utility Commission/Confidentiality: The Company shall file service Agreements entered into between the Company and qualifying customers under Rate EDLS with the Commission on a confidential basis within five (5) days of their execution and shall not be subject to disclosure except by Petition made to and granted by the Commission pursuant to 52 Pa. Code §1.74. The Company shall provide copies of such Service Agreements to the Pennsylvania Office of Consumer Advocate ("OCA") contemporaneously with their filing with the Commission, subject to the OCA's execution of a Confidentiality Agreement.

PART IV

WATER CONSERVATION CONTINGENCY PLAN

1. If the Company is experiencing a short term supply shortage, the Company may request general conservation of inside water uses and may impose mandatory conservation measures to reduce or eliminate nonessential uses of water.
2. A list of all nonessential uses of water includes, at a minimum, those contained in 52 Pa. Code §65.11, as listed below:
 - a. The use of hoses, sprinklers, or other means for sprinkling or watering of shrubbery, trees, lawns, grass, plants, vines, gardens, vegetables, flowers, or any other vegetation.
 - b. The use of water for washing automobiles, trucks, trailers, trailer houses, or any other type of mobile equipment.
 - c. The washing of streets, driveways, parking lots, service station aprons, office building, exteriors of homes, sidewalks, apartments, or other outdoor surfaces.

- d. The operation of any ornamental fountain or other structures making a similar use of water.
 - e. The use of water for filling swimming or wading pools.
 - f. The operation of any water-cooled comfort air conditioning which does not have water conserving equipment.
 - g. The use of water from fire hydrants fro construction purposes or fire drills
 - h. The use of water to flush a sewer line or sewer manhole.
 - i. The use of water for commercial farms and nurseries other than a bare minimum to preserve plants, crops, and livestock.
3. Notice of the implementation of the conservation plan shall be sent to all customers or be provided by local radio, television, or newspaper advertisements. The Company shall at first request voluntary customer cooperation.
4. If voluntary cooperation does not achieve satisfactory results, mandatory compliance will be imposed. If any customer refuses to comply with such mandatory measures, the

Company may either adjust the outside water valve connection in a manner which will restrict water flow by up to one-half, or otherwise restrict flow such as by the insertion of a plug device.

Note: Prior to such valve adjustment or other flow restriction being imposed, the Company must make a bona fide attempt to deliver notice of the valve adjustment or other flow restriction to a responsible person at the affected premises and fully explain the reason for the proposed flow for such flow restriction. Less restrictive means may be imposed to secure such compliance.

5. These conservation measures shall be terminated at such time as the supply shortage is eliminated.
6. Complete service termination may be imposed by an Administrative Law Judge or other presiding officer after an expedited hearing has been held to provide the affected customer with an opportunity to be heard.
7. In addition to the provisions as set forth above, the Pennsylvania Emergency Management Council is authorized to promulgate, adopt and enforce a Water Rationing Plan by virtue of the Emergency Management Services Code, 35 Pa. C.S. §§1701 et seq. as implemented by the Drought Emergency Proclamation dated November 6, 1980.

8. In the event of a drought emergency as defined by a Basin Commission and by a proclamation or executive order issued by the Governor, the Company is authorized to collect fines set forth in its Local Water Rationing Plan as filed with and approved by the Pennsylvania Emergency Management Agency.