

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

Tariff Wastewater – Pa. P.U.C. No. 4
Canceling Tariff Sewer – Pa. P.U.C. No. 2

TOTAL ENVIRONMENTAL SOLUTIONS, INC.

**RATES, RULES AND REGULATIONS
GOVERNING THE PROVISION OF SANITARY SEWER SERVICE
WITHIN THAT
PORTION OF TOWNSHIP OF SANDY,
COUNTY OF CLEARFIELD, PENNSYLVANIA**

ISSUED: January 22, 2001

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BY: Paul Maeder, General Manager

CHANGES MADE BY THIS TARIFF

This tariff replaces, in its entirety and without change (except as to form), Total Environmental Solutions, Inc.'s Tariff Sewer – Pa. P.U.C. No. 2.

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RULES AND REGULATIONS

1. Definitions

Wherever used in this tariff, unless the context clearly indicates otherwise, the following terms shall have the meanings hereinafter set forth:

Company: Riviera Utilities Sewer Company of Pennsylvania, its successors and assigns, and its duly authorized officers, agents and employees, acting within the scope of their authority and employment.

Company Service Line: The connection between the Company sewer and the outlet of a Customer Service Line at the curb or property line.

Customer: (1) The party requesting sewer service; and (2) The owner of a tract of land required to pay an availability or ready-to-serve charge as provided herein.

Customer Service Line: The line extending from the Premises to the connection with the Company Service Line.

Premises: A single building (except as provided in Section 5 and 6 of this tariff), together with related land, containing one or more individual commercial or residential units.

Sanitary Sewage: Spent water, together with human and household wastes ordinarily removed by water carriage. Such definition expressly excludes effluent from septic tanks or cesspools, as well as rain, storm and ground water, roof or surface drainage, drainage of percolating or seeping waters or of accumulations thereof, whether underground or in cellars or basements.

2. Application for Service

Application Required for Sewer Service

2.1 The Company may require that an application for sewer service be executed by each Customer or his duly authorized agent upon a form provided therefore by the Company and be signed by the Customer or his duly authorized agent. The Company may require a new application for service where there is any change in the person or in the nature of use of the Premises from that set forth in a prior application. Any such application for service shall be part of the contract between the Customer and the Company.

No application for sanitary sewer service shall be required as a condition precedent to the Customer's duty to pay, or to the Company's right to impose, an availability or ready-to-serve charge as provided herein.

The Company shall not be required to provide service until the Customer has complied with all rules and regulations.

2.2 Rules and regulations issued by the Pennsylvania Public Utility Commission, as amended from time to time, and rules and regulations contained herein shall govern the relationship between the Customer and the Company.

3. Service Connections

Company Service Line

3.1 The Company shall furnish, install and maintain each Company Service Line, and all facilities comprising a Company Service Line shall remain the property of the Company and shall be accessible to and under the Company's control. The Company shall determine the size, kind and location of a Company Service Line. If the Customer requests a Company Service Line with a capacity greater than that deemed necessary by the Company, a larger Company Service Line shall be installed by the Company if the Customer pays to the Company, in advance, the additional cost to be incurred by the Company in installing a larger Company Service Line. The Company reserves the right to determine if more than one Company Service Line shall be required in order to serve the Premises.

The Company shall not be required to install a Company Service Line unless an installed sewer of the Company abuts the Premises.

The Company shall not be required to install a Company Service Line where a prospective customer has not paid all amounts due under the Availability or Ready-to-Serve Charge of Schedule "B".

Installation of Company Service Line in Advance of Street Improvement

3.2 If the Company is requested to install a Company Service Line, in advance of improvement of a street and/or where there is no present intent to discharge sanitary sewage, the Company will make such installation upon receipt of an advance payment equal to the amount of the estimated cost of installing the Company Service Line. The amount so advanced shall be refunded, to the one making the advance payment, if, and when, sanitary sewage is discharged from the Premises and into the Company Service Line.

Customer Service Line

3.3 Each Customer shall install and maintain a Customer Service Line at the Customer's expense. Each Customer Service Line shall be installed in accordance with Section 4 – "Construction Standards for Customer Facilities". The original construction of the Customer Service Line and each repair thereto or replacement thereof shall be in accordance with the direction, approval and inspection of the Company.

Except as provided in Section 4, a separate Customer Service Line shall be constructed in order to provide sewer service to each Premises to be served and shall not be used to provide sewer service to any other Premises.

Renewal of Service Line

3.4 If the Company determines that renewal of only a Company Service Line is necessary, the Company shall renew the Company Service Line in the same location. If the Company determines that renewals of both a Company Service Line and a Customer Service Line are necessary, the Company shall renew the Company Service Line, in the same location, only if the Customer renews the Customer Service Line at the same time. If the Customer requests that a larger Company Service Line be installed as a renewal and if the Company determines that a larger Company Service Line is not necessary, the Company shall renew the Company Service Line with a larger one only if the Customer pays to the Company the additional cost of the larger Company Service Line.

Location Change

3.5 If the Customer requests the Company to change the location of an existing Company Service Line, the Company shall install a new Company Service Line after the Customer shall have paid to the Company an amount equal to the estimated cost of cutting off, disconnecting and abandoning the existing Company Service Line and of installing a new Company Service Line. The Customer shall pay to the Company any additional amount representing the difference between the actual cost and the estimated cost, and the Company shall refund to the Customer the difference between the estimated cost and the actual cost.

Maintenance, Repair and Relocation

3.6 The Customer Service Line shall be maintained and repaired by the Customer at the Customer's expense. Such repairs shall be in accordance with the direction, approval and inspection of the Company. The Customer shall perform all repairs directed by the Company which are necessary to prevent entry of substances other than sanitary sewage into the Company's sewerage facilities.

Pressurized System

3.7 Portions of the Company's sewer system are pressurized. The Company, at its sole discretion, will determine whether Premises shall be served by a gravity sewer or a pressurized sewer.

3.8 Where Premises are served by a pressurized sewer, the Company shall furnish, install and maintain, at the Company's expense, a grinder pump, tank, check valve and related equipment.

3.9 The grinder pump, tank and related equipment shall be located on the Premises. The choice of location of the grinder pump and tank shall be made by the Company, at its sole discretion, among the following locations: in a basement, crawl space, garage or buried in the yard of the Premises. Thereafter, such equipment may be relocated only by the Company and only at the sole expense of the Customer, which shall be paid in advance.

3.10 The Customer shall provide electrical power necessary to operate the grinder pump.

Prohibited Flow-Sanitary Sewage

3.11 No material, other than sanitary sewage, shall be permitted to enter the Company Service Line, and no connection, fixture, device, opening or condition shall be allowed to exist which would permit any material, other than sanitary sewage, to enter the sewerage facilities of the Company.

3.12 Main Extensions:

Definitions

1. Annual Line Extension Costs: 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.
2. Annual Revenue: (For Line Extension Purposes) 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.

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3. Bona Fide Service Applicant: (For Line Extension Purposes) 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 a primary residence of the applicant or a place of business. An application shall not be deemed a bona fide service applicant if:
 - (a) 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.
 4. Company Service Line: The water line from the distribution facilities of the company which connects to the customer service line at the hypothetical or actual line or the actual property line, including the control valve and valve box. The control valve and valve box determine the terminal point for the company's responsibility for the street service connection.
 5. Customer: A person or entity who is an owner or occupant and who contracts with the company for water service.
 6. Customer Service Line: The water line extending from the curb, property line, or utility connection to a point of consumption.
 7. 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 the utility or that of a comparable jurisdictional water utility.
 8. 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.
 9. Line Extension: (For Line Extension Purposes) An addition to the company's main line which is necessary to serve the premises of a customer.

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10. Operating and Maintenance Costs: (For Line Extension Purposes) The utility's average annual operating and maintenance costs associated with serving an additional customer, including customer accounting, billing, collections, water purchased, power purchased, 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.
 11. 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.
 12. Short-term Supply Shortage: An emergency which causes the total water supply of a company to be inadequate to meet maximum system demand.
 13. Special Utility Service: Residential or business service which exceeds that required for ordinary residential purposes. See additional clarification in the main extension portion of this tariff.

3.13 Line 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:

1. Requests by Bona Fide Service Applicant: Each company shall file with the Commission, as part of its tariff, a rule setting forth the conditions under which facilities will be extended to supply service to an applicant within its service area. Upon request by a bona fide service applicant, a utility shall construct line extensions within its franchised territory consistent with the following directives:
 - (a) 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.
 - (b) If the annual revenue for 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 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.

- (c) 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); and,
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

2. Customer Advance Financing, Refunds, and Facilities on Private Property:

- (a) When a customer advance is required of a service applicant and an additional customer or customers attached service lines to the line extension within ten years, the utility shall refund a portion of the advance to the customer. Deposits made for additional facilities other than the line extension, such as booster pumps, storage tanks, and the like, are Contributions in Aid of Construction and need not be refunded.
- (b) 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 of the deposit not refunded within said 10 year period shall become the property of the company and shall be treated as Contributions in Aid of Construction for rate making purposes.
- (c) A utility shall require a customer to pay, in advance, a reasonable charge for service lines and equipment installed on private property for the exclusive use of the customer.

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- (d) Special Utility Service shall mean residential or business service which exceeds that required for ordinary residential purposes. Section G (1) parts (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 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.
3. Requirement for Extension Deposit Agreement: Where extension of facilities is not fully funded by the company pursuant to Rule 1 of this Section, the execution by the applicant of an Extension Deposit Agreement for customer contribution or advance shall be a condition extending the facilities. Upon notice that the company is preparing and able to go forward with the work, the applicant will deposit with the company the amount specified in the Extension Deposit Agreement.
4. 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 extension will be six (6) inches pursuant to Commission Regulation at 52 Pa. Code § 65.17(b).
5. 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.

6. Cost True-up: At the conclusion of the line extension project there shall be a reconciliation of 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.

4. Construction Standards for Customer-Owned Facilities

Plans and Specifications

- 4.1 Before connecting any proposed Customer Service Line directly or indirectly with the Company Service Line or before making any material alterations of existing facilities of the Customer, connected directly or indirectly with the Company Service Line, plans and specifications shall be submitted to the Company, showing proposed construction or existing plumbing, as applicable.

Materials

- 4.2 Each Customer Service Line shall be of the size, kind and quality of material specified by the Company.

Laying Customer Service Lines

- 4.3 The Customer Service Line shall be installed at a location and at a depth approved by the Company. In laying the Customer Service Line, special care shall be taken to ensure water-tight construction and to prevent infiltration. Any indication of leakage or possible infiltration shall be sufficient basis for disapproval, by the Company, of the connection. Pipes, either directly or indirectly connected to the Company Service Line, shall be laid in trenches excavated to line and exact depth required. The minimum grade or slope for the Customer Service Line shall be one-eighth inch per foot of sewer; whenever possible, a steeper grade shall be maintained. Bell holes shall be dug beneath each joint, and the pipe barrel shall be bedded on undisturbed trench bottom or properly tamped crushed stone. The trench must be kept dry during laying, jointing and inspection. The pipe must be kept true to line and grade, and the pipe ends must be properly centered. Unless otherwise permitted by the Company, no Customer Service Line shall be located in a trench with any other type of utility facility or within 18 inches of any water pipe.

Back-Filling Trench – Customer Service Line

- 4.4 Trenches shall be back-filled by placing loose, fine earth or limestone screenings, free from stones, brick-bats or large clods, under the sides and around the pipe to a distance of one foot from the bottom of the trench, thoroughly tamped in six inch layers. From this point to top of trench, the earth may be tamped by hand or settled by flushing. NO trench shall be back-filled until inspected and approved by the Company.

Main Trap and Vent – Customer Service Line

- 4.5 There shall be a main or intercepting trap on each Customer Service Line. The trap shall be located, wherever possible, within the cellar of the building and shall consist of a double-plugged, cast-iron trap, a cast-iron service tee with a riser extending upward and out through the wall and terminating in the outside air with a suitable grated vent. Where no cellar exists, or the foregoing construction is impossible, a main or intercepting trap may, if approved by the Company, be placed between the Company Service Line and the Premises, and in such case, the trap shall be vented by a suitable sidewalk vent, or cowl type vent. The vent must be located to prevent surface water or floods from entering the sewer system.

Standard of Quality of Construction – Customer-Owned Facilities

- 4.6 All construction, reconstruction and alterations of facilities owned by the Customer shall be done and installed in a competent, workmanlike manner in accordance with recognized standards of the plumbing trade. The Company may require reconstruction of any work done improperly.

5. Apartment Complexes

- 5.1 Sanitary sewer service, after application therefore by the Customer, will be supplied to an apartment complex consisting of two or more buildings containing apartment dwelling units together with any related facilities requiring sanitary sewer service (collectively called the “apartment complex”), where all the following conditions are satisfied:
- a. There shall be only one Customer contracting for sanitary sewer service to the entire apartment complex who shall be the owner of the entire apartment complex.

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- b. The apartment complex shall be located on a single tract of land that is not divided by a public street.
 - c. All sewerage facilities on the Customer's single tract of land shall be:
 - (1) Owned by the Customer and constructed at the Customer's sole expense;
 - (2) Constructed and located in such manner: (a) that it is possible for the Company to provide sanitary sewer service through a single Company Service Line connected to the Company's main at a single point and (b) that no sewerage facilities of the Customer are located in public streets, roads or highways; and
 - (3) Maintained, replaced, repaired and reconstructed by the Customer at the Customer's sole expense.
 - d. The Customer shall provide the Company with a map showing the location of all sewerage facilities located within the single tract of land. A new map shall be provided whenever there are changes in the sewerage facilities of the apartment complex.

Where sanitary sewer service has been furnished under the above-prescribed conditions and where, thereafter, there is a change of ownership as to any building or buildings on any part of the single tract of land so that not all buildings comprising the entire apartment complex are owned by the Customer, such other transferred buildings shall be connected, at the sole expense of the current or previous owner or owners of such other transferred buildings, by a separate service line or separate service lines to the Company's sewerage facilities. If such current owner or owners desire to receive sanitary sewer service for such other transferred buildings, such service shall be provided thereafter only after conditions set forth above, as to such other transferred buildings, have been satisfied.

6. Condominium Complexes

- 6.1 Sanitary sewer service, after application therefore by the Customer, will be supplied to a condominium complex, consisting of two or more buildings containing condominium dwelling units together with any related facilities requiring sanitary sewer service as to which there is common ownership and operation in the manner provided by the Uniform Condominium Act, 68 Pa. C.S. §§3101-3414 (collectively called the "condominium complex"), where all the following conditions are satisfied:

- a. The Customer shall be the duly authorized agent of the persons owning property interests in the condominium complex and shall be the person or group of persons having full authority to request service in behalf of such Owners.
- b. The condominium complex shall be located on a single tract of land which is not divided by a public street.
- c. All sewerage facilities within the condominium complex shall be:
 - (1) Owned by the persons owning property interests in the condominium complex and constructed at the sole expense of such Owners.
 - (2) Constructed and located in such manner: (a) that it is possible for the Company to provide sanitary sewer service through a single Company Service Line connected to the Company's main at a single point, and (b) that no sewerage facilities, which are owned by persons owning property interests in the condominium complex, are located in public streets, roads or highways; and
 - (3) Maintained, replaced, repaired and reconstructed by the persons owning property interests in the condominium complex at the sole expense of such persons.
- d. The persons owning property interests in the condominium complex shall provide the Company with a map showing the location of all sewerage facilities located within the single tract of land. A new map shall be provided whenever there are changes in the sewerage facilities of the condominium complex.

Where sanitary sewer service has been provided under the above-prescribed conditions and where, thereafter, any building which was part of the original condominium complex is no longer part of the same condominium complex, the owner or owners of any such building shall connect such building, at his or their sole expense, by a separate service line or separate service lines to the Company's sewerage facilities. If the owner or owners of two or more of such buildings desire to receive sanitary sewer service for any such buildings, such service shall be provided only upon compliance with conditions for service to an apartment complex or to a condominium complex, as applicable.

7. Metered Service

Availability

- 7.1 Where a Customer receives metered water service, charges for sanitary sewer service shall be determined based upon metered usage of water in accordance with Schedule “A”.

Registration Conclusive

- 7.2 The quantity of water recorded by the water meter or the Company’s estimate, in accordance with the Company’s regular procedures, shall be conclusive on both the Customer and the Company, except when the meter has been found to be registering inaccurately or has ceased to register. In such case, an estimated quantity may be determined on the basis of meter registration or such regular estimating procedures during similar preceding periods. No abatement of sewer charges will be made for leaks or for water wasted by damaged or defective fixtures, except as described in 52 Pa. Code Section 56.12(5).

Metering of Former Flat-Rate Service

- 7.3 Where a Customer previously has received flat-rate water service and where, thereafter, water service to the Customer is metered, sewer service will be based upon metered usage of water in accordance with Schedule “A”.

Separate Meters for Centers, Apartments and Condominiums

- 7.4 Where a separate water meter has been installed for each individual unit in a commercial or industrial center or for each dwelling or other unit in an apartment building or condominium building or apartment complex or condominium complex, sewer service charges will be calculated based upon each meter and each meter reading.

8. Responsibility for Service

Limitation of Liability of Company

- 8.1 Except for damage or injury resulting solely from the negligence of the Company or of the Company’s employees or agents acting within the scope of their authority, the Company shall not be liable for damage to or within any Premises resulting from leakage or stoppage in the sewer system or for any damage or inconvenience to the Customer or for any claim against the Company for other cause.

If, for any reason, the Company is found liable for any damage, injury or loss to any person or property, the liability of the Company shall be limited to the lesser of (1) its liability under generally applicable legal principles or (2) one year's charges, rates and fees for sewer service to the Customer.

Interruption of Service for Repairs or Due to Emergency

- 8.2 If the Company deems it to be necessary, the Company shall have the right to interrupt sewer service temporarily in order to make necessary repairs, connections, etc.; the Company shall use reasonable and practicable measures to notify the Customer of such interruption of service as set forth in 52 Pa. Code Section 56.71.

9. Discontinuance of Service

By Customer

- 9.1 All Customers desiring discontinuance of sewer service shall give written notice at the office of the Company. In addition, where applicable, a Customer who is not a resident of the Premises where service is to be terminated shall comply with the requirements of Title 52 Pa. Code Section 56.72(2) and 52 Pa. Code Section 56.121-56.126. A Customer may not request service discontinuance to avoid accrual and payment of ready-to-serve or availability charges.

By Company

- 9.2 Service to any customer may be terminated for any reason specifically set forth in the rules and regulations of the Public Utility Commission.

Service may be terminated, pursuant to the Commission's regulations, if a customer fails to arrange for an inspection of facilities within 14 days of the mailing by the company of a request to inspect facilities. Such failure also may result in termination of water service by Riviera Utilities Water Company of Pennsylvania.

Service also may be terminated, pursuant to the Commission's regulations, if the customer connects a sump pump, french drain or other facility that places storm water into the system and the customer fails to disconnect such facility from the system and arrange for re-inspection by the Company within 14 days following an inspection by the Company. Such failure also may result in termination of water service by Riviera Utilities Water Company of Pennsylvania.

- 9.3 Service will be restored after termination, in accordance with regulations of the Public Utility Commission and after payment of the actual cost of restoring service or \$15.00, whichever is greater.

10. Prohibited Wastes

- 10.1 No customer shall dispose of any substance into the Company's sanitary sewer system that is harmful to the system or that cannot be processed by the system. Disposal of any such substance into the Company's sewer system shall be terminated immediately upon notice from the Company.

11. Payment

- 11.1 There shall be no free service, special rates, or subnormal charges to any customer.
- 11.2 All payments shall be made to a duly authorized agent of the Company either at its office or at such other regular payment places as may be designated by the Company.

The Company may mail a termination notice to a Customer who has failed to pay all or part of a bill or bills which

1. A total delinquency of \$25.00 or more; or
2. A total delinquency of less than \$25.00 which remains unpaid for more than six (6) months.

The termination notice shall be mailed to the Customer at least 10 days prior to termination and shall advise the Customer that payment of the Past-Due Amount must be made, in full, within the time period allowed by current Public Utility Commission regulations for such payment, or sanitary sewer service will be terminated. If the Past-Due Amount shall not be paid in full within the allotted time and following the prescribed steps in current Public Utility Commission regulations, the Company shall dispatch an employee either: (1) to collect the Past-Due Amount in full, or (2) to terminate sanitary sewer service. In default of payment of the Past-Due Amount, in full, or the establishment of other acceptable payment arrangements, sanitary sewer service will be terminated.

Bills

- 11.3 Bills are due and payable monthly, bi-monthly, or quarter-annually (“billing period”) as billed by the Company and shall be paid within twenty (20) days from date of mailing of the bill or delivery thereof, whichever is earlier; provided, however, that, when service is terminated, the bill becomes due and payable immediately. The Customer will be responsible for the payment of all service rendered by the Company until written notice to discontinue the same is received by the Company and reasonable time after receipt of such notice has elapsed for the Company to obtain the final reading of the water meter or meters. If the Company renders bills other than monthly, Customers who desire to receive monthly bills will be able to do so upon written notice to the Company. The Company will notify the Customer prior to changing the Customer’s billing period.

Delivery of Bill and Notices by Mail

- 11.4 The Company may mail or deliver the bills and notices to a Customer and termination notices to designated third parties or community interest groups which have agreed to receive such notices or bills at the respective addresses provided to the Company, and the Company otherwise shall not be responsible for the delivery thereof. Failure to receive a bill will not be an excuse for non-payment thereof.

Abatement and Refund

- 11.5 Customers desiring an abatement from rates due to vacancies shall give notice in writing, on forms provided by the Company, at the office of the Company, requesting termination of sewer service. Abatement or refund will be made of a portion of charges in the proportion that the period when sewer service is not used bears to the entire period for which payment is due or has been made. When the property is reoccupied, the Customer shall notify the Company in writing. Customers shall be eligible for abatement and refund only if, during the period for which abatement or refund is sought, water service to the Premises has been discontinued.

Late Payment Charge

- 11.6 On all bills for sewer service, all bills for availability or ready-to-serve charges, and on all bills for all special charges specified herein, a late charge or penalty of 1.5% shall be due and payable to the Company, which shall be calculated on the overdue portions of each delinquent bill when charges for

sewer service shall have been overdue at least 30 days and such penalty will be calculated per billing period thereafter only on the overdue portions of the bill, and in no event shall the penalty charges exceed 18% annually.

12. Landlord and Tenant

Owner's Duty, Liability or Responsibility Where the Customer Is a Tenant

- 12.1 Wherever, in these rules, a Customer has a duty, liability or responsibility, and the Customer is not the owner of the Premises, then the duty, liability or responsibility shall be the owner's, except for any duty, liability or responsibility of the Customer for payment of charges for, or related to, sewer service.

13. General

Inspection

- 13.1 Any authorized employee of the Company, upon the presentation of credentials, shall have unrestricted access at all reasonable hours to any Premises receiving sewer service or where sewer service is sought, for making inspections and securing such other information as from time to time may be deemed necessary for the proper and efficient conduct of the Company's business, including maintenance, repair and replacement of any equipment or facilities of the Company on the Premises.

Rules Cannot be Varied

- 13.2 No officer or employee of the Company can vary these rules, and no agent or employee of the Company can bind the Company by any agreements or representation, except when authorized to do so in writing by an executive officer of the Company. These rules may be amended and altered and changed by the Company at any time in the manner provided by law.

Deposits

- 13.3 The following pertains to deposits:
1. All residential deposit requirements by the Company shall be in accordance with 52 Pa. Code Sections 56.41 – 56.65.

2. Deposits may be required from Customers taking service for a period of less than thirty (30) days in an amount equal to the estimated gross bill for such temporary period. Deposits may be required from all Customers provided that, in no instance, will deposits be required of residential customers in excess of the estimated gross bill for any single billing period plus one month (the maximum period not to exceed four months) with a minimum of \$5.00.
3. Interest on deposits made by residential Customers will be paid by the Company at the rate of eleven percent per annum (without deduction for any taxes thereon).

14. Rate Schedules

SCHEDULE “A” – SEWER RATES AT PREMISES WHERE WATER SERVICE IS METERED

Residential and Commercial

Applicable to all Customers at Premises where water service is metered.

Minimum Charge (based upon 2,000 gallons of metered water usage per month):

<u>Water Meter Size</u>	<u>Monthly Minimum Charge</u>
¾ Inch	\$18.00
1-Inch	34.00
1-½ Inch	42.23
2-Inch	56.30
3-Inch	117.30
4-Inch	234.59
6-Inch	469.18

Commodity Charge per 1,000 gallons of metered water usage or a portion thereof in excess of 2,000 gallons per month	5.17
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A credit of \$1.00 per month shall be applied to bills to each Customer providing electric power to operate a grinder pump on the Customer’s Premises.

**SCHEDULE “B” – AVAILABILITY OR
READY-TO-SERVE CHARGE**

Applicable to each owner, without distinction as to whether the owner is a developer, of a tract of land, shown individual lot or two or more contiguous lots within Treasure Lake Subdivision on plans, subdivision maps or other similar documents of record in the Office of the Recorder of Deeds, Clearfield County, Pennsylvania, that abuts an installed main of the Company, except if sewer service is supplied, under either Rate Schedule “A” or “C”, to Premises that include such tract of land (See Pa. Bulletin, Volume 12, No. 15, April 10, 1982, and Pa. Bulletin Volume No. 12, No. 29, July 17, 1982.).

Availability or Ready-to-Serve Charge,	
Per tract of land per month	\$4.20

SCHEDULE “C” – FLAT RATES

The flat rate for sewer service, at Premises where water service is not metered, shall be \$33.29 per month, per customer.

A credit of \$1.00 per month will be applied to bills to each Customer providing electric power to operate a grinder pump on the Customer’s Premises.

15. Upgrade/Extension of Service

Agreement Required

- 15.1 Whenever the developer/owner or occupant (“Applicant”) of any property within the service territory of the Company requests the Company to extend its system to serve such property, the Company shall agree to extend its service upon Applicant’s execution of a Main Extension Agreement and Applicant’s payment of an Advance in an amount as determined below.

Amount of Advance

- 15.2 Contributions or advances considered to be taxable income as defined by the Internal Revenue Service will be accounted for in the terms of the agreement. The Company has chosen the following methodology with regard to the ratemaking treatment of taxes resulting from contributions and customer advances:

Full gross-up: The Contribution in Aid of Construction (CIAC) or Customer Advances (CA) received by the Company is “grossed-up” to include the additional funds necessary to pay state and federal income taxes. The amount of the funds (CIAC or CA) must be sufficient to pay for the extension and pay for the state and federal income taxes.

The applicant will deposit with the Company, prior to construction, an amount in cash equal to: (1) the Estimated Cost, divided by (2) the Income Tax Expansion Factor, where items (1) and (2) are to be determined as follows:

- (1) The Estimated Cost of the extension shall include the estimated cost of mains and of other facilities which the Company shall have determined are required to render adequate service, but excluding the cost of any Company service lines.
- (2) The Income Tax Expansion Factor shall be a fraction, expressed as a decimal, and shall be equal to 1.00 minus the value calculated by solving the following equation:

$$X = PTR + (1.00 - PTR) FTR$$

Where “PTR” is the Pennsylvania Corporate Net Income Tax Rate expressed as a decimal, in effect for the taxable year during which the aforesaid cash payment would be included in the Company’s Pennsylvania taxable income. And, where “FDR” is the maximum Federal Corporate Income Tax Rate, expressed as a decimal, in effect for the taxable year during which the aforesaid cash payment would be included in the Company’s Federal taxable income.

Upon completion of the installation, the Company shall provide Applicant with a statement of the actual costs of construction. If the actual cost of construction is less than the estimated construction cost deposited with the Company, the Company shall return to Applicant such difference, divided by the Income Tax Expansion Factor. If the actual cost of construction is greater than the estimated cost of construction deposited with the Company, then Applicant shall make an additional deposit equal to such difference, divided by the Income Tax Expansion Factor. Sewer service to the project may be refused, or discontinued subject to the Commission’s regulations, for failure to make such additional deposit.

Refunds

- 15.3 Refunds will be paid to the Applicant during the ten year period beginning with the date of the Agreement. A per-Customer Refund Amount shall be paid for each additional permanent Customer for 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 that all or any part of the deposit not refunded within said 10-year period shall be considered a Contribution to the Utility. The Per-Customer Refund Amount shall be an amount equal to the average actual completed cost of thirty-five (35) feet of the said extension divided by the aforesaid Income Tax Expansion Factor in effect during the year of refund. No refund shall be paid where the Customer is paying only a ready-to-serve charge under Rate Schedule “B” and is not taking sewer service under Rate Schedule “A”.

Waiver of Advance

- 15.4 If Applicant demonstrates that the projected revenues from the project will justify the Company’s complete investment in the project, no Advance will be required. The Company may require Applicant to execute a guaranteed revenue contract if no Advance is required.