

**BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION**

**JOINT PETITION OF CITIZENS WATER OF)
WESTFIELD, LLC, CITIZENS WASTEWATER OF)
WESTFIELD, LLC, AND THE CITY OF WESTFIELD,)
INDIANA FOR APPROVALS IN CONNECTION)
WITH THE PROPOSED TRANSFER OF CERTAIN)
WATER UTILITY ASSETS TO CITIZENS WATER)
OF WESTFIELD, LLC AND THE PROPOSED)
TRANSFER OF CERTAIN WASTEWATER UTILITY)
ASSETS TO CITIZENS WASTEWATER OF)
WESTFIELD, LLC, INCLUDING: (1) APPROVAL OF)
THE ACQUISITION BY CITIZENS WATER OF)
WESTFIELD, LLC AND CITIZENS WASTEWATER)
OF WESTFIELD, LLC OF CERTAIN WATER AND)
WASTEWATER UTILITY ASSETS; (2) APPROVAL)
OF ACCOUNTING AND RATE BASE TREATMENT)
OF THE WATER AND WASTEWATER ASSETS; (3))
APPROVAL OF THE ISSUANCE OF DEBT AND)
EQUITY BY CITIZENS WATER OF WESTFIELD,)
LLC AND CITIZENS WASTEWATER OF)
WESTFIELD, LLC; (4) APPROVAL OF INITIAL)
RATES AND RULES FOR WATER AND)
WASTEWATER SERVICE; (5) TO THE EXTENT)
NECESSARY, APPROVAL OF CERTAIN)
OPERATING AND AFFILIATE AGREEMENTS; (6))
APPROVAL OF DEPRECIATION RATES; (7))
APPROVAL OF A CERTIFICATE OF TERRITORIAL)
AUTHORITY FOR THE PROVISION OF)
WASTEWATER UTILITY SERVICE BY CITIZENS)
WASTEWATER OF WESTFIELD, LLC TO)
CUSTOMERS LOCATED IN RURAL AREAS;)
AND (6) ANY OTHER APPROVALS NEEDED IN)
CONNECTION THEREWITH)**

CAUSE NO. 44273

**JOINT PETITIONERS CITIZENS WATER OF WESTFIELD, LLC
AND CITIZENS WASTEWATER OF WESTFIELD, LLC'S
SUBMISSION OF SUPPLEMENTAL TESTIMONY**

Joint Petitioners Citizens Water of Westfield, LLC and Citizens Wastewater of Westfield, LLC respectfully submit supplemental testimony in support of the Settlement Agreement entered

into between and among the Joint Petitioners in this Cause and the Indiana Office of Utility Consumer Counselor.

Respectfully submitted,

/s/ Michael E. Allen

Michael E. Allen
Counsel for Citizens Water of Westfield, LLC and
Citizens Wastewater of Westfield, LLC

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Attorneys for
Citizens Water of Westfield, LLC and
Citizens Wastewater of Westfield, LLC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served by email this 15th day of October, 2013, to the following:

Indiana Office of Utility Consumer Counselor
115 W. Washington Street, Suite 1500 South
Indianapolis, Indiana 46204
infomgt@in.oucc.gov

Mark W. Cooper
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/s/ Michael E. Allen

Michael E. Allen
An Attorney for Joint Petitioners,
Citizens Water of Westfield, LLC and
Citizens Wastewater of Westfield, LLC

Michael E. Allen (Atty. No. 20768-49)
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ltoppen@citizensenergygroup.com

Attorneys for Joint Petitioners,
Citizens Water of Westfield, LLC and
Citizens Wastewater of Westfield, LLC

1 **INTRODUCTION AND BACKGROUND**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Michael D. Strohl. My business address is 2020 North Meridian
4 Street, Indianapolis, Indiana.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the Board of Directors for Utilities of the Department of Public
7 Utilities of the City of Indianapolis (the "Board"). The Board does business under
8 the trade name "Citizens Energy Group" and manages and controls a number of
9 businesses, including the municipally-owned utilities known as Citizens Gas,
10 Citizens Water, and Citizens Thermal. I hold the position of Senior Vice
11 President, Customer Relationships and Corporate Affairs.

12 **Q. ARE YOU THE SAME MICHAEL D. STROHL WHO PREVIOUSLY**
13 **TESTIFIED ON BEHALF OF CITIZENS WATER OF WESTFIELD LLC**
14 **AND CITIZENS WASTEWATER OF WESTFIELD LLC IN THIS**
15 **PROCEEDING?**

16 A. Yes. I sponsored prepared testimony and exhibits submitted as part of Joint
17 Petitioner's case-in-chief and rebuttal case. I also testified at the hearings held in
18 this cause in June, 2013.

19 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

20 A. The purpose of my testimony is to provide information in support of the
21 Settlement Agreement reached between the Joint Petitioners and the Office of
22 Utility Consumer Counselor ("OUCC") in Cause No. 44273 presently before the
23 Commission, which recommends approval of Citizens Water of Westfield's and

1 Citizens Wastewater of Westfield's acquisition of the water and wastewater
2 utilities currently owned by the City of Westfield. The Settlement Agreement is
3 attached to my testimony and identified as Joint Petitioners Exhibit MDS-SA-1.

4 **Q. DID THE OUCC OPPOSE THE TRANSACTIONS IN THEIR CASE-IN-
5 CHIEF?**

6 A. No. The OUCC did not oppose the transactions but did take issue with certain
7 aspects of the transactions, notably the accounting treatment of certain fees
8 received by Westfield. Although this issue was one of significant disagreement
9 between the OUCC and the Joint Petitioners, the belief that the transactions were
10 in the public interest for the citizens of Westfield suggested that a settlement
11 might be appropriate to facilitate the transactions in a timely manner.
12 Additionally, interest rates have risen since the Joint Petitioners filed their case-
13 in-chief in February, which ultimately affects the economics of the transaction for
14 all parties.

15 **Q. MR. STROHL, DURING THE PRIOR HEARING IN THIS CAUSE, MR.
16 LINDGREN STATED THAT CITIZENS WASTEWATER OF
17 WESTFIELD HAS NO PLANS TO SERVE THE AREAS JLB
18 DEVELOPMENT, INC. HAS BEEN AUTHORIZED TO SERVE IN
19 CAUSE NOS. 39868 AND 43916. DOES THE SETTLEMENT
20 AGREEMENT OR ANY OF THE APPROVALS BEING REQUESTED IN
21 CONNECTION WITH THE SETTLEMENT AGREEMENT AFFECT
22 THOSE PLANS IN ANY WAY?**

1 A. No. Citizens Wastewater of Westfield has no plans to serve the areas JLB
2 Development, Inc has been authorized to serve in Cause Nos. 39868 and 43916

3 **Q. PLEASE DESCRIBE THE MAJOR COMPONENTS OF THE**
4 **SETTLEMENT AGREEMENT.**

5 A. There are five primary components to the Settlement Agreement: 1) Net Original
6 Cost of Utility Plant as of December 31, 2011, 2) Recognition of a Fair Value
7 Increment on Utility Plant, 3) Cell tower revenues, 4) Adoption of existing rates
8 and charges approved by the Westfield City Council, and 5) Public Interest of the
9 Transactions. I will provide a brief overview of each of these components below.

10 **Net Original Cost**

11 The parties agreed to a finding on the net original cost of certain utility plant, as
12 of December 31, 2011, consistent with Part (a) of Schedule 12.10(b) of each asset
13 purchase agreement. Specifically, the agreed net original cost of that utility plant
14 for the water system should be deemed to be \$12,470,000 and the wastewater
15 system should be deemed to be \$30,530,000. While the parties agree to the value
16 of the assets as of December 31, 2011, the actual rate base of each utility will be
17 updated for investments made in utility plant after December 31, 2011 and a
18 report will be filed with the Commission and the OUCC within one year of
19 closing. Additionally, as part of the Settlement Agreement, within 60 days of the
20 closing, Citizens Water of Westfield and Citizens Wastewater of Westfield each
21 agree to file a report with the Commission listing the utility plant that existed on
22 December 31, 2011 and is included on Part (a) of Schedule 12.10(b) and was
23 conveyed as part of the acquisitions.

1 **Fair Value Increment**

2 In addition to the net original cost findings above, the parties have agreed that
3 Citizens Water of Westfield and Citizens Wastewater of Westfield each will be
4 allowed to earn in future rate cases a return on, but not of, a fair value increment
5 of \$6,960,000 for Citizens Water of Westfield and \$17,040,000 for Citizens
6 Wastewater of Westfield. The parties are not agreeing in this proceeding to a rate
7 of return methodology with respect to the fair value increments in this case.
8 Rather, the parties are agreeing to the amounts of the fair value increments and
9 agreeing that Citizens will amortize those amounts over 40 years from the date of
10 the closing of the transactions. In this case, the fair value increment allows
11 Citizens Water and Citizens Wastewater an opportunity to earn a fair return on
12 utility plant

13 **Cell Tower Revenues**

14 Presently, Westfield receives revenue from cell tower rental contracts for third-
15 party cell towers installed on utility facilities. As part of this Settlement
16 Agreement, Westfield agrees to assign those contracts to Citizens Water of
17 Westfield and Citizens agrees that all revenues received under these contracts will
18 be used to offset revenue requirements in future rate cases.

19 **Rates and Charges**

20 The Joint Petitioners and the OUCC agree that Citizens Water of Westfield and
21 Citizens Wastewater of Westfield will adopt the rates and charges that are based
22 on the rates and charges in effect at closing for both utilities previously, which
23 were established in ordinances approved by the Westfield City Council, including

1 the increases through 2016 established in those ordinances. Citizens agrees that it
2 will seek no other rate increases prior to 2017, except in the case of an emergency
3 as set forth in IC 8-1-2-113, including rate increases necessary to make bond
4 payments. Mr. Burtron is sponsoring the rate ordinances.

5 **Public Interest of the Transactions**

6 The Settling Parties recommend the Commission find the proposed acquisitions
7 are in the public interest. In connection with that public interest finding, the
8 Settlement Agreement recommends a number of approvals, including
9 authorizations for Citizens Water of Westfield and Citizens Wastewater of
10 Westfield to issue equity and debt as proposed in the testimony filed by the Joint
11 Petitioners in this proceeding to fund the acquisitions. As each utility borrows
12 additional proceeds in the future to fund investments in its utility plant, those
13 borrowings will increase its debt-to-total-capital ratio and reduce the percentage
14 of equity in each utility's capital structure.

15 **Q. MR. STROHL, DO YOU BELIEVE THIS SETTLEMENT AGREEMENT**
16 **IS IN THE PUBLIC INTEREST?**

17 A. Yes. After numerous public meetings with the citizens of Westfield last fall and
18 winter, the public, through their elected officials, deemed the acquisitions to be in
19 the public interest. Furthermore, the OUCC did not oppose the acquisitions after
20 considerable due diligence of the case-in-chief filed by the Joint Petitioners. I
21 believe that the Settlement Agreement entered into between the Joint Petitioners
22 and the OUCC strikes a fair balance for all parties and provides an appropriate
23 framework to close the transactions and allow Citizens Water of Westfield and

1 Citizens Wastewater of Westfield to begin operating the respective utilities. I
2 have highlighted on numerous occasions the many benefits and efficiencies that
3 will result from the transactions, including regional water supply planning, water
4 supply diversity for Westfield, system efficiencies, capital planning synergies, and
5 excellent customer service. The Joint Petitioners were encouraged with the
6 willingness of Utility Consumer Counselor Stippler and his staff to find a
7 compromise position that met the needs of the Joint Petitioners, while protecting
8 the interests of Westfield ratepayers. Given the support of the residents of
9 Westfield and the OUCC, we believe this deal is in the public interest and
10 respectfully request such a finding from the Commission.

11 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

12 **A.** Yes, it does.

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

JOINT PETITION OF CITIZENS WATER OF)
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 OF WASTEWATER UTILITY SERVICE BY)
 CITIZENS WASTEWATER OF WESTFIELD, LLC)
 TO CUSTOMERS LOCATED IN RURAL AREAS;)
 AND (8) ANY OTHER APPROVALS NEEDED IN)
 CONNECTION THEREWITH)

CAUSE NO. 44273

STIPULATION AND SETTLEMENT AGREEMENT

This Stipulation and Settlement Agreement ("Settlement Agreement") is made as of this
 15th day of October, 2013 and entered into by and among the City of Westfield ("Westfield"),
 Citizens Water of Westfield, LLC ("Citizens Water of Westfield"), Citizens Wastewater of

Westfield, LLC ("Citizens Wastewater of Westfield"), and the Indiana Office of Utility Consumer Counselor ("OUCC") (collectively the "Settling Parties"). Westfield, Citizens Water of Westfield and Citizens Wastewater of Westfield are sometimes referred to collectively herein as the "Joint Petitioners." Citizens Water of Westfield and Citizens Wastewater of Westfield are sometimes referred to collectively herein as the Citizens Joint Petitioners.

WHEREAS, on November 20, 2012, in Cause No. 44273 the Joint Petitioners filed their Verified Joint Petition requesting approvals from the Indiana Utility Regulatory Commission ("Commission") relating to the proposed acquisition of certain Westfield water and wastewater utility assets by Citizens Water of Westfield and Citizens Wastewater of Westfield pursuant to Asset Purchase Agreements that were admitted into evidence as Joint Petitioners' Exhibit ADJ-2 ("Water Asset Purchase Agreement") and ADJ-3 ("Wastewater Asset Purchase Agreement") (collectively the "Asset Purchase Agreements");

WHEREAS, the Settling Parties have engaged in communications and exchanged information related to the relief requested by Joint Petitioners in the Verified Joint Petition and other matters; and

WHEREAS, as a result of communication and negotiations, the Settling Parties agree that the Terms and Conditions set forth in this Settlement Agreement represent a fair, just and reasonable resolution of the issues raised in this Cause;

NOW THEREFORE, subject to the Commission's approval of this Settlement Agreement in its entirety without modification, or imposition of any other term or condition that is unacceptable to any Settling Party, the Settling Parties agree as follows:

A. NET ORIGINAL COST OF CERTAIN UTILITY PLANT AND FAIR VALUE INCREMENT

1. The Settling Parties stipulate and agree that the net original cost of Utility Plant that will be conveyed to Citizens Water of Westfield and Citizens Wastewater of Westfield, respectively, as it existed as of December 31, 2011, as set forth on Part (a) of Schedule 12.10(b) of each Asset Purchase Agreement, is deemed to be \$12,470,000 for the water utility and \$30,530,000 for the wastewater utility net of contributions of plant or cash (contributions-in-aid of construction or "CIAC") and net of accumulated depreciation. The foregoing stipulation is for purposes of this Settlement Agreement and for ratemaking purposes in the future. The Settling Parties further agree that the foregoing stipulation will not constitute an acceptance by any party of any other party's methodology for defining and accounting of items as contributions-in-aid of construction or contributed property. The Settling Parties further agree that no determination will be made in this proceeding regarding whether Citizens Water of Westfield's or Citizens Wastewater of Westfield's contributions-in-aid of construction ("CIAC") should be amortized or how any such amortization would affect ratemaking.

2. Within 60 days of the Closing Date, Citizens Water of Westfield and Citizens Wastewater of Westfield shall each file in this Cause a report listing the Utility Plant conveyed to Citizens Water of Westfield and Citizens Wastewater of Westfield respectively pursuant to the applicable Asset Purchase Agreement. The report shall also identify the Utility Plant conveyed that existed as of December 31, 2011 and included in the Utility Plant for purposes of Part (a) of Schedule 12.10(b) of the applicable Asset Purchase Agreement. Citizens Water of Westfield and Citizens Wastewater of Westfield shall have one year from the date of closing within which to prepare their opening balance sheets, which shall be provided to the OUCC within 10 days of completion.

3. The Settling Parties agree that the acquisitions are reasonable and in the public interest. The Settling Parties stipulate and agree that in addition to any return Citizens Water of Westfield and Citizens Wastewater of Westfield are authorized in future rate cases to earn on their respective utility plant, each utility should be allowed to earn a return on, but not of, a fair value increment in the amount of \$6,960,000 for the water utility and \$17,040,000 for the wastewater utility. The Settling Parties agree that no determination shall be made in this proceeding as to a methodology to be used to establish a rate of return to be applied to the fair value increment agreed to herein.

4. Citizens Water of Westfield and Citizens Wastewater of Westfield will each amortize its fair value increment over 40 years from the date of closing. Until the end of the foregoing amortization period, Citizens Water of Westfield and Citizens Wastewater of Westfield will each be authorized to earn a return on, but not of, the unamortized portion of its fair value increment.

5. With respect to the fair value increments agreed to in this Cause, the OUCC acknowledges Citizens Water of Westfield and Citizens Wastewater of Westfield may seek a fair rate of return in future rate cases. However, the Settling Parties agree that if either utility seeks a finding that the fair value of the Utility Plant set forth on Part (a) of Schedule 12.10(b) of the applicable Asset Purchase Agreement as of December 31, 2011 exceeds the amounts stipulated to in Paragraph A.3 above, the OUCC shall not be precluded from providing evidence as to any fair value of the utility's rate base. Notwithstanding the preceding sentence, the Settling Parties agree that before depreciation and amortization, (a) the sum of the net original cost of Utility Plant that will be conveyed to Citizens Water of Westfield as of December 31, 2011, as set forth on Part(a) of Schedule 12.10(b) of the Water Asset Purchase Agreement and the fair value

increment for Citizens Water of Westfield will not be greater than \$21,581,800 or less than \$19,430,000; and (b) the sum of the net original cost of Utility Plant that will be conveyed to Citizens Wastewater of Westfield, respectively, as of December 31, 2011, as set forth on Part(a) of Schedule 12.10(b) of the Wastewater Asset Purchase Agreement, and the fair value increment for Citizens Wastewater of Westfield will not be greater than \$52,838,200 or less than \$47,570,000.

B. RATE PROVISIONS

1. The Settling Parties recommend that the Commission authorize, as just and reasonable, Citizens Water of Westfield's and Citizens Wastewater of Westfield's implementation of the schedules rates and charges as approved by the Westfield City Council and effective on the date of closing. Westfield will include all applicable rate ordinances in its supplemental testimony to be filed in support of the Settlement Agreement.

2. Citizens Water of Westfield agrees not to file for a Distribution System Improvement Charge prior to January 1, 2018.

3. Prior to January 1, 2017, Citizens Water of Westfield and Citizens Wastewater of Westfield may not implement new rates other than the rates referenced in Paragraph B.1 above except in the case of an emergency as set forth in I.C. §8-1-2-113 including for instance rate increases necessary to make make bond payments to avoid a default.

4. At closing, Westfield will assign its cell tower rental contracts to Citizens Water of Westfield. In subsequent general rate case proceedings, Citizens Water of Westfield will recognize cell tower rental revenue and use such revenue to offset the Utility's revenue requirement.

C. PUBLIC INTEREST OF TRANSACTIONS

1. The Settling Parties recommend that the Commission find that Citizens Water of Westfield and Citizens Wastewater of Westfield have the technical, managerial, operational and financial capabilities to own and operate successfully the Westfield water and wastewater utilities and therefore approve, as in the public interest, the proposed acquisitions as reflected in the Water and Wastewater Asset Purchase Agreements.

2. The Settling Parties recommend that the Commission authorize, as in the public interest, the issuance of equity and debt (debt to be issued at an interest rate not to exceed 5.5 percent) as proposed by the Citizens Joint Petitioners to fund the acquisitions. Citizens Water of Westfield and Citizens Wastewater of Westfield each will file a written report in this Cause within thirty (30) days of any debt issuance it makes to fund the acquisitions that provides the debt amount, interest rate, terms and conditions and other information the Citizens Joint Petitioners deem relevant.

3. The Settling Parties recommend that the Commission issue to Citizens Wastewater of Westfield a Certificate of Territorial Authority to provide wastewater service within any "rural area" that Westfield serves, i.e., areas in Washington Township outside the incorporated city limits, which do not include the area served by Intervenor JLB Development, Inc. as authorized by the Commission in Cause Nos. 39868 and 43916.

4. The Settling Parties recommend that the Commission consent to Hamilton County granting the Citizens Joint Petitioners permits or franchises or licenses for the use of county-owned property in connection with the provision of water and wastewater utility service.

D. APPROVAL OF OPERATING AND RAW WATER PURCHASE AGREEMENTS

1. Within 30 days of closing, Citizens Water of Westfield and Citizens Wastewater of Westfield both agree to have separate Management and Operating Agreements with Citizens Energy Group ("CEG") and file such agreements, each of which will include a list and definition of services, which list will be similar to the list included in the service agreement between Citizens Gas of Westfield, LLC and CEG, and which it will file with the Commission along with any updates or amendments and provide copies of the same to the OUCC. Citizens Water currently purchases raw water from the City of Westfield. Joint Petitioners have requested that this agreement be transferred from the City of Westfield to Citizens Water of Westfield. The OUCC agrees the proposed transfer of the Raw Water Purchase Agreement should be approved.

E. DEPRECIATION RATES

1. The Settling Parties recommend the Commission authorize Citizens Water of Westfield to use, for ratemaking purposes, a two (2) percent depreciation rate for water utility plant in service until such time as the Commission orders a different depreciation rate for ratemaking purposes. However, the depreciation rate recommended by this paragraph shall, once approved, remain effective until at least implementation of rates following Citizens Water of Westfield's first rate case.

2. The Settling Parties recommend the Commission authorize Citizens Wastewater of Westfield to use, for ratemaking purposes, a two and one-half (2.5) percent depreciation rate for wastewater utility plant in service until such time as the Commission orders a different depreciation rate for ratemaking purposes. However, the depreciation rate recommended by this

paragraph shall, once approved, remain effective until at least implementation of rates following Citizens Wastewater of Westfield's first rate case..

F. MISCELLANEOUS PROVISIONS

1. Subject to the modifications discussed below, the Settling Parties recommend the Commission authorize Citizens Water of Westfield and Citizens Wastewater of Westfield to implement the Terms and Conditions for water and wastewater utility service proposed by the Citizens Joint Petitioners in their case-in-chief testimony until such time as the Commission approves revised Terms and Conditions for service. Citizens Wastewater of Westfield will modify its Terms and Conditions by eliminating language that indicates the utility may compel homeowners to connect to the utility system. Citizens Water of Westfield shall modify its tariff and Terms and Conditions by eliminating any reference to the Lawn Irrigation Permit Fee.

2. For purposes of the Joint Petitioners' requests for approval of financing, the OUCC agrees the capital plans of Citizens Water of Westfield and Citizens Wastewater of Westfield provide sufficient support for the requested authority for financing.

3. Within thirty days of closing, Westfield shall refund customer deposits held by Westfield as of the closing date to those respective customers or turned over to Citizens Joint Petitioners to be held as deposits on the respective customers' accounts.

G. PRESENTATION OF THE SETTLEMENT AGREEMENT TO THE COMMISSION

1. The Settling Parties shall support this Settlement Agreement before the Commission and request that the Commission expeditiously accept and approve the Settlement Agreement. Evidence shall be offered into the record of this proceeding without objection and

subject to agreement on the settlement testimony to be offered, the Settling Parties hereby waive cross-examination of each others' witnesses. The Settling Parties propose to submit this Settlement Agreement and the supporting evidence conditionally, and if the Commission fails to approve this Settlement Agreement in its entirety without any change or with condition(s) unacceptable to any Party, the Settlement Agreement and supporting evidence shall be withdrawn and the proceedings in Cause No. 44273 shall resume at the point they were suspended by the filing of this Settlement Agreement.

2. The Settling Parties shall prepare and file an agreed order with the Commission. This Settlement Agreement is contingent upon the filing of said order. If the Settling Parties do not submit an agreed order in this proceeding, the Settlement Agreement and supporting evidence shall be withdrawn and the proceedings in Cause No. 44273 shall resume at the point they were suspended by the filing of this Settlement Agreement.

3. A Final Order approving this Settlement Agreement shall be effective immediately, and the agreements contained herein shall be unconditional, effective and binding on all Settling Parties as an Order of the Commission.

H. The Settling Parties shall jointly agree or coordinate on the form, wording and timing of any public/media announcements of this Settlement Agreement and the terms thereof. No Party shall release any information to the public or media prior to the aforementioned announcement or coordination. However, the parties may post on their respective websites without delay this executed stipulation and any settlement documents filed with the Commission. The Settling Parties may respond individually without prior approval of the other Settling Parties to questions from the public or media, provided that such responses are consistent with such announcement and do not disparage any of the Settling Parties.

I. EFFECT AND USE OF SETTLEMENT AGREEMENT

1. It is understood that this Settlement Agreement is reflective of a negotiated settlement and neither the making of this Settlement Agreement nor any of its provisions shall constitute an admission by any Party to this Settlement Agreement in this or any other litigation or proceeding. It is also understood that each and every term of this Settlement Agreement is in consideration and support of each and every other term.

2. This Settlement Agreement shall not constitute and shall not be used as precedent by any person in any other proceeding or for any other purpose, except to the extent necessary to implement or enforce the terms of this Settlement Agreement.

3. This Settlement Agreement is solely the result of compromise in the settlement process and except as provided herein, is without prejudice to and shall not constitute a waiver of any position that any of the Parties may take with respect to any or all of the items resolved here and in any future regulatory or other proceedings.

4. The Settling Parties agree that the evidence in support of this Settlement Agreement constitutes substantial evidence sufficient to support this Settlement Agreement and provides an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of this Settlement Agreement, as filed.

5. The communications and discussions during the negotiations and conferences and any materials produced and exchanged concerning this Settlement Agreement all relate to offers of settlement and shall be privileged and confidential, without prejudice to the position of any Party, and are not to be used in any manner in connection with any other proceeding or otherwise.

6. The undersigned Settling Parties have represented and agreed that they are fully authorized to execute the Settlement Agreement on behalf of their designated clients, and their successors and assigns, who shall be bound thereby.

7. The Settling Parties shall not appeal or seek rehearing, reconsideration or a stay of the Final Order approving this Settlement Agreement in its entirety and without change or condition(s) unacceptable to any Party (or related orders to the extent such orders are specifically implementing the provisions of this Settlement Agreement). The Settling Parties shall support or not oppose this Settlement Agreement in the event of any appeal or a request for a stay by a person not a party to this Settlement Agreement if this Settlement Agreement is the subject matter of any other state or federal proceeding.

8. The provisions of this Settlement Agreement shall be enforceable by any Party before the Commission and thereafter in any state court of competent jurisdiction as necessary.

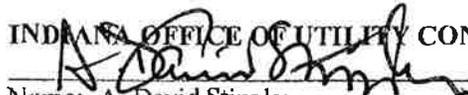
9. This Settlement Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ACCEPTED and AGREED as of the 15th day of October, 2013.

CITY OF WESTFIELD, INDIANA


Name: Todd Burtron
Its: Chief of Staff

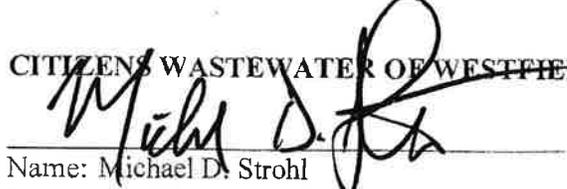
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR


Name: A. David Stippler
Its: Utility Consumer Counselor

CITIZENS WATER OF WESTFIELD, LLC


Name: Michael D. Strohl
Its: President

CITIZENS WASTEWATER OF WESTFIELD, LLC


Name: Michael D. Strohl
Its: President

1 **BACKGROUND**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is LaTona S. Prentice. My business address is 2020 North Meridian
4 Street, Indianapolis, Indiana.

5 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

6 A. I am employed by the Board of Directors for Utilities of the Department of Public
7 Utilities of the City of Indianapolis (the "Board") as Vice President, Regulatory
8 Affairs.

9 **Q. ARE YOU THE SAME LATONA S. PRENTICE THAT PREVIOUSLY**
10 **TESTIFIED IN THIS PROCEEDING ON BEHALF OF CITIZENS**
11 **WATER OF WESTFIELD, LLC AND CITIZENS WASTEWATER OF**
12 **WESTFIELD, LLC?**

13 A. Yes, I am.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY AT THIS STAGE OF**
15 **THE PROCEEDING?**

16 A. The purpose of my testimony is to explain and offer support for certain terms of
17 the Settlement Agreement entered into by and among the City of Westfield
18 ("Westfield"), Citizens Water of Westfield, LLC ("Citizens Water of Westfield"),
19 Citizens Wastewater of Westfield, LLC ("Citizens Wastewater of Westfield"), and
20 the Indiana Office of Utility Consumer Counselor ("OUCC") (collectively the
21 "Settling Parties"). Westfield, Citizens Water of Westfield and Citizens
22 Wastewater of Westfield are sometimes referred to collectively herein as the

1 "Joint Petitioners". Citizens Water of Westfield and Citizens Wastewater of
2 Westfield are sometimes referred to collectively herein as the "Citizens Joint
3 Petitioners". My testimony will describe and provide support for the Settling
4 Parties' agreement regarding the Citizens Joint Petitioners' rates and charges and
5 terms and conditions for service, as well as how the ratemaking treatment of the
6 fair value increment will work.

7 **Q. DID YOU PARTICIPATE IN THE NEGOTIATION OF THE**
8 **SETTLEMENT AGREEMENT?**

9 A. Yes. In my role as Vice President, Regulatory Affairs, I was actively involved in
10 the negotiation of the Settlement Agreement.

11 **AGREEMENT REGARDING RATES AND CHARGES**

12 **Q. WHAT DOES THE SETTLEMENT AGREEMENT PROVIDE WITH**
13 **RESPECT TO CITIZENS JOINT PETITIONERS' INITIAL RATES AND**
14 **CHARGES?**

15 A. The Settlement Agreement provides for the following:

- 16 • Citizens Joint Petitioners will implement the rates and charges as set forth in
17 Ordinance 13-27, as enacted by the Westfield City Council on October 15,
18 2013;
- 19 • Prior to January 1, 2017, Citizens Joint Petitioners may not implement new
20 rates other than the rates and charges as set forth in Ordinance 13-27, as
21 described above, except in the case of an emergency as set forth in I.C. §8-1-
22 2-113, which would include for instance necessary increases in rates to avoid

1 a default under coverage;

- 2 • Prior to January 1, 2018, Citizens Water of Westfield agrees not to file for a
3 Distribution System Improvement Charge; and
- 4 • At closing, Westfield will assign its cell tower rental contracts to Citizens
5 Water of Westfield. In subsequent general rate case proceedings, Citizens
6 Water of Westfield will recognize cell tower rental revenue and use such
7 revenue to offset its revenue requirement.

8 **Q. UNDER THE SETTLEMENT AGREEMENT, WHEN WILL CITIZENS**
9 **JOINT PETITIONERS BE ABLE TO FILE THEIR FIRST RATE CASES?**

10 A. Under the Settlement Agreement, each utility may file a general rate case in 2016;
11 however, the rates must be made effective on or after January 1, 2017.

12 **Q. IS THIS PROVISION OF THE SETTLEMENT AGREEMENT**
13 **CONSISTENT WITH THE TERMS OF THE WATER AND**
14 **WASTEWATER APAs?**

15 A. Yes. Pursuant to Section 7.07 of the water and wastewater APAs, Citizens Joint
16 Petitioners agreed to adopt the rates and charges set forth in Schedule 7.07 of the
17 APAs. The rates contained in Schedule 7.07 of the APAs were approved by the
18 Westfield City Council in its Ordinances 12-01 and 12-02. However, according to
19 Westfield's witness Mr. Burtron's supplemental testimony, Westfield adopted
20 revised Ordinance 13-27 that resolved a rate design issue that had been previously
21 described in Mr. Burtron's rebuttal testimony. The rates adopted in Ordinance
22 13-27 are identical to the rates contained in Mr. Burtron's Rebuttal Exhibit TB-3.

1 AGREEMENT REGARDING TERMS AND CONDITIONS

2 **Q. DOES THE SETTLEMENT AGREEMENT CONTAIN PROVISIONS**
3 **REGARDING CITIZENS JOINT PETITIONERS' PROPOSED TERMS**
4 **AND CONDITIONS FOR SERVICE?**

5 A. Yes. Subject to certain agreed-upon changes, the Settling Parties recommend the
6 Commission authorize implementation of the terms and conditions for water and
7 wastewater service proposed in Citizens Joint Petitioners' case-in-chief testimony.

8 **Q. PLEASE DESCRIBE THE CHANGES THE SETTLING PARTIES HAVE**
9 **AGREED TO BE INCORPORATED INTO THE TERMS AND**
10 **CONDITIONS FOR SERVICE.**

11 A. The following changes will be incorporated into the water and wastewater utility
12 terms and conditions for service:

- 13 • Citizens Water of Westfield will remove from its tariff and terms and
14 conditions reference to the Lawn Irrigation Permit Fee; and
- 15 • Citizens Wastewater of Westfield will remove from its terms and conditions
16 for service language that indicates it may compel homeowners to connect to
17 its sewer system.

18 **Q. PLEASE DESCRIBE PETITIONERS' EXHIBITS LSP-S1 AND LSP-S2.**

19 A. Petitioners' Exhibits LSP-S1 and LSP-S2 are the Citizens Water of Westfield and
20 Citizens Wastewater of Westfield revised terms and conditions for service, rate
21 schedules and appendices, which reflect the above changes. Petitioner's Exhibit
22 LSP-S1 also reflects the correction previously made on page 16.

1 **RATEMAKING TREATMENT OF FAIR VALUE INCREMENT**

2 **Q. PETITIONERS' WITNESS MR. STROHL DESCRIBES THE FAIR VALUE**
3 **INCREMENT AGREED UPON BY THE SETTLING PARTIES. HOW**
4 **WILL THE FAIR VALUE INCREMENT BE TREATED BY CITIZENS**
5 **JOINT PETITIONERS FOR RATEMAKING PURPOSES IN THEIR**
6 **RESPECTIVE RATE CASES?**

7 A. The Settling Parties agree that in future rate cases, Citizens Joint Petitioners will
8 be allowed to earn a return on, but not of, a fair value increment in addition to any
9 return on the net original cost of the utility plant to be acquired. The fair value
10 increment stipulated to for purposes of the settlement agreement for each utility
11 is:

- 12 • Citizens Water of Westfield \$6,960,000
- 13 • Citizens Wastewater of Westfield \$17,040,000

14 **Q. WHAT IS THE SIGNIFICANCE OF THIS FAIR VALUE INCREMENT**
15 **TREATMENT FOR RATEMAKING PURPOSES?**

16 A. The Citizens Joint Petitioners are making a significant investment beyond the net
17 original cost of Westfield's water and wastewater systems in order to acquire
18 those systems and achieve the regional water supply planning benefits and other
19 benefits and efficiencies that will be realized as a result of the acquisitions. This
20 treatment will provide the Citizens Joint Petitioners with an opportunity to realize
21 a return on at least a portion of that investment, which will make those benefits to
22 ratepayers possible.

1 **Q. WILL THE RATEMAKING TREATMENT FOR THE FAIR VALUE**
2 **INCREMENT YOU DESCRIBE ALLOW THE CITIZENS JOINT**
3 **PETITIONERS TO EARN A RETURN ON THE ACQUISITION**
4 **ADJUSTMENTS THAT WILL RESULT FROM THE PROPOSED**
5 **ACQUISITIONS?**

6 A. No. Based on the purchase price in each asset purchase agreement, the
7 acquisition adjustment that will be recorded for each system far exceeds the fair
8 value increment the OUCC and Joint Petitioners have agreed should be authorized
9 for ratemaking purposes. The Settlement Agreement does not authorize and the
10 Citizens Joint Petitioners are not requesting authority to earn a return on or of the
11 acquisition adjustments that will be recorded in connection with the acquisitions.

12 **Q. HOW WILL THE RETURN ON THE FAIR VALUE INCREMENT TO BE**
13 **INCLUDED IN RATES BE DETERMINED?**

14 A. The return on the fair value increment will be calculated by multiplying the fair
15 value increment, net of accumulated amortization, by a rate of return that will be
16 established in each rate case. The Settlement Agreement provides that the settling
17 parties are not requesting a Commission finding in this Cause regarding the
18 methodology for determining the rate of return that will be applied to the fair
19 value increment to calculate the return.

20 **CONCLUSION**

21 **Q. IN YOUR OPINION, DO THE TERMS OF THE SETTLEMENT**
22 **AGREEMENT YOU HAVE ADDRESSED IN YOUR TESTIMONY**

1 **REPRESENT A REASONABLE RESOLUTION OF THE ISSUES RAISED**
2 **BY THE PARTIES IN THIS PROCEEDING?**

3 A. In my opinion, yes. As with any settlement, all parties will receive certain
4 benefits from the bargain in exchange for concessions in the give and take of
5 settlement negotiations. The agreed-upon provisions of the Settlement Agreement
6 represent a reasonable compromise for all Settling Parties. I would also note that
7 the Settlement Agreement promotes collaboration between the parties regarding a
8 number of issues. My hope is that these provisions will limit future disagreement
9 among the Settling Parties and create a clear path for future operations of the
10 water and wastewater utilities.

11 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY IN**
12 **THIS PROCEEDING?**

13 A. Yes it does.

**WATER SERVICE TARIFF
RATES, TERMS AND CONDITIONS
FOR WATER SERVICE WITHIN
WESTFIELD, INDIANA**

Issued By

**Citizens Water of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202**

**Michael D. Strohl
President**

**Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202**

ORIGINAL PAGE NO. 1

TABLE OF CONTENTS

PAGE NO.

APPLICATION5
DEFINITIONS6

RULE 1. COMMENCEMENT OF SERVICE

1.1 General9
1.2 Metered Water and Fire Service.....9
1.3 Unmetered Fire Service.....9
1.4 Emergency Service.....9
1.5 Unauthorized Use of Water.....9
1.6 Fraudulent Use of Water10

RULE 2. CUSTOMER SECURITY DEPOSITS

2.1 Deposit Requirements10
2.2 Interest on Deposits.....11
2.3 Refunds of Deposits to Continuing Customer.....11
2.4 Deposits Applied to Bill.....11

RULE 3. METER READINGS AND BILLINGS

3.1 Billings, Meter Readings and Estimates.....12
3.2 Delinquent Bills.....12
3.3 Adjustments Following Estimated Bills.....13
3.4 Requested Meter Readings.....13
3.5 Remote Meter Reading Service.....13
3.6 Leakage Allowance.....13
3.7 Billing Errors.....14
3.8 Adjustments Due to Meter Error.....14
3.9 Aggregated Meter Reading.....14
3.10 Adjustment for Water Used Through a Fire Meter15

RULE 4. DISCONNECTION OF SERVICE

4.1 Upon Customer's Request.....15
4.2 Without Customer's Request and Without Notice15
4.3 Without Customer's Request But With Notice15
4.4 Procedure for Involuntary Disconnection of Residential Customers16
4.5 Duplicate Notice Protection Plan16
4.6 Postponement of Disconnection of a Residential Customer for Medical Reasons.....17
4.7 Other Circumstances Postponing Disconnection of Residential Customer17
4.8 Time of Disconnection.....17
4.9 Remedies Not Exclusive18
4.10 Continuance of Service Pending Disposition of Complaint.....18
4.11 Reconnection.....18

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 2

TABLE OF CONTENTS

PAGE NO.

RULE 5. METERS

5.1	Ownership and Size of Meter and Pit.....	18
5.2	Location and Protection of Meter and Pit.....	18
5.3	Change in Location	19
5.4	Multiple Meters	19
5.5	Temporary Hydrant Meters	19

RULE 6. METER TESTING

6.1	Records and Procedures	19
6.2	Frequency of Testing.....	20
6.3	Meter Tests Requested by Customers	20
6.4	Tests Under Commission Supervision	21

RULE 7. SERVICE PIPES AND OTHER FACILITIES

7.1	Installation and Ownership of Service Pipes.....	21
7.2	Maintenance of Service Pipes	21
7.3	Disconnection of Old Service Pipes	21
7.4	Service Pipe Installation Requirements.....	21
7.5	Replacement of Service Pipes	23
7.6	Metering Points	23
7.7	Relocation of Service Pipes.....	23
7.8	Undersized Service Pipes	23
7.9	Thawing Frozen Service Pipes	23
7.10	Irregularly Located Service Pipes	23
7.11	Modification of Facilities	23
7.12	Association of Customers.....	24

RULE 8. PLUMBING RESTRICTIONS

8.1	Lawn Irrigation System and Yard or Post Hydrant Installation Requirements	24
8.2	Prevention of Contamination of Utility's Distribution System	24
8.3	Prevention of Circulation in Looped Systems.....	24
8.4	Potable Secondary Water Supply	24
8.5	Non-potable Water Supply	25
8.6	Booster Pump Installations.....	25
8.7	General Requirements	25

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 3

TABLE OF CONTENTS

PAGE NO.

RULE 9. PRIVATE FIRE SERVICE

9.1	Application for Private Fire Service.....	25
9.2	Application for Change in Private Fire Service.....	25
9.3	Design and Installation Requirements.....	25
9.4	Alarms and Check Valves.....	26
9.5	Seals on Hydrants and Other Fixtures.....	26
9.6	Discontinuance of Service.....	26
9.7	Fire Meters.....	26
9.8	High Volume – High Pressure Industrial Systems.....	26
9.9	Detector Checks.....	27

RULE 10. PUBLIC FIRE SERVICE

10.1	Public Fire Protection Surcharge.....	27
10.2	Maintenance of Public Fire Hydrant.....	27
10.3	Uses of Public Fire Hydrants.....	27

RULE 11. UTILITY'S RESPONSIBILITY FOR SERVICE

11.1	Interruptions, Pressure and Volume.....	28
11.2	Liability for Damages.....	28
11.3	Liability for Failure or Delay in Performance.....	28

RULE 12. COMPLAINT PROCEDURE

12.1	Complaint.....	28
12.2	Investigation of Complaint and Notification of Proposed Disposition.....	28
12.3	Service During Review of Complaint.....	29
12.4	Record of Complaints.....	29

RULE 13. MAIN EXTENSIONS

13.1	Definitions.....	29
13.2	Written Agreement and Scheduling of Projects.....	30
13.3	Design of Main Extension.....	30
13.4	Determination of Cost of Main Extension.....	30
13.5	Determination of Revenue Allowance.....	31
13.6	Guarantee to Insure Connection to Free Extension.....	32
13.7	Allocation of Total Required Deposit Where There is More Than One Prospective Customer.....	32
13.8	Cash or Secured Deposits.....	32
13.9	When Deposits Collected Are Less Than Total Required Deposit.....	32
13.10	Return of Deposits Upon Failure to Commence Construction.....	33
13.11	Connection and Service.....	33
13.12	Utility May Install Larger Mains.....	33
13.13	Subsequent Connector's Fee.....	33
13.14	Provision Regarding the Refund of Deposits.....	33
13.15	Optional Surcharge Main Extension in Developed Residential Area.....	35
13.16	Special Contracts for Rate Surcharge in Developed Residential Area.....	36
13.17	Other Rules.....	37

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 4

TABLE OF CONTENTS

PAGE NO.

RATE SCHEDULES

Water Rate No. 1 - Residential Water Service 101 – 101B
Water Rate No. 2 - Non-Residential Water Service 102 – 102B
Water Rate No. 3 - Private Fire Protection Service 103 – 103B

APPENDICES

Appendix A – Miscellaneous Service Charges..... 201 – 201C
Appendix B – Non-Recurring Charges..... 202 – 202B

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 5

RULES
APPLICATION

The terms and conditions for service, as set forth here and as amended and supplemented from time to time, shall govern all water service rendered or to be rendered by the Utility. They shall be binding upon every Customer and the Utility, and shall constitute a part of the terms and conditions of every contract for water service.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 6

DEFINITIONS

The following terms as used in these rules have the following meanings:

ACTIVE SERVICE -	Service is on from the main to the Premises, and water service is being billed.
APPLICANT	Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution or group thereof applying to receive or use the Utility's water services, except as the term is otherwise specifically defined in Rule 13 of these Terms and Conditions.
BRANCHED SERVICE PIPE -	A pipe connected to the primary Service Pipe that supplies water to a Premises.
COMMISSION -	Indiana Utility Regulatory Commission.
COMMISSION'S RULES -	Rules, Regulations and Standards of Service for Utilities Rendering Water Service in Indiana pursuant to 170 IAC 6-1 et al, as revised, supplemented and replaced from time to time.
CUSTOMER -	An individual, firm, corporation, governmental agency or other entity that has agreed, orally or otherwise, to pay for water utility service from the Utility.
DEFAULT VALUE -	The typical monthly usage attributable to the Customer's applicable Meter size as determined by the Utility from time to time.
EASEMENT -	An interest in land owned by another that entitles the Utility to a specific, limited use.
FIRE METER -	A device owned by the Utility which measures and records the quantity of water supplied to the Customer both for private fire service and for use other than private fire service in accordance with Rule 9.
HYDRANT METER -	A mobile device owned by the Utility which temporarily is connected to one of its hydrants and measures and records the quantity of water supplied to the Customer who has been assigned the device on a temporary basis.
INACTIVE SERVICE -	Water service is available from the main to the Premises, but the Service Stop has been placed in the off position.
LANDLORD CUSTOMER -	A Customer who is the owner of a Premise that is receiving water service, but which is rented or leased to a tenant other than the owner.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 7

- MAIN -** A pipe owned by the Utility, located within a Public Right-of-Way or an Easement granted to the Utility or reserved for utilities, which delivers water to fire hydrants, Service Pipes, and other water utility distribution systems.
- METER -** A device owned by the Utility which measures and records the quantity of water supplied to the Customer.
- NON-RESIDENTIAL CUSTOMER -** A Person being supplied water service by the Utility who is not a Residential Customer.
- PERSON -** An individual, firm, corporation, governmental agency or other entity.
- PLUMBER -** A professional licensed and bonded to perform plumbing services.
- POTABLE WATER SUPPLY -** Water meeting the drinking water quality standards enumerated in 327 IAC 8-2.
- PREMISES -** The whole or part of a dwelling, building, or structure owned, leased or operated by a single legal entity located on a single parcel or contiguous parcels of real estate and receiving water service as approved by the Utility. Examples of buildings and the corresponding number of Premises are as follows:
- | <u>Example</u> | <u>No. of Premises</u> |
|------------------------|------------------------|
| Residential House | 1 |
| Commercial Building(s) | 1 per building |
| Double | 2 |
| Condominium | 1 per unit |
| Apartment Complex | 1 per complex |
- Each lot or service building will be considered a Premises, and therefore, served by a separate Service Pipe. Any exception to this must be approved by the Utility. If the situation is not described by one of the above examples or is unusual, the Utility will give such special consideration as the circumstances require in its judgment.
- PRIMARY SERVICE PIPE -** A pipe connected to a Utility Main that supplies water to more than one Premises.
- PUBLIC RIGHT OF WAY -** The entire right-of-way of a road, street or way which has been dedicated for use by the public and accepted by the appropriate governmental authority.
- RESIDENTIAL CUSTOMER -** A Person being supplied with water service by the Utility exclusively for residential purposes.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 8

- SERVICE PIPE -** A supply line connecting a Premises directly to the Utility's Main located (a) in a Public Right-of-Way adjacent to the real estate upon which such Premises is located, (b) in an Easement on, over or under the real estate upon which such Premises is located, (c) in an Easement adjacent to the Public Right-of-Way adjacent to the Customer's Premises, or (d) in an isolated Premises in a commercial/industrial complex.
- SERVICE STOP -** A valve inserted in the Service Pipe between the Main and the Meter for the purpose of turning water on and off.
- SUMMER PERIOD -** The meter reading dates during the months of May through October.
- TAP -** A fitting owned and installed by the Utility in order to connect a Service Pipe to the Main.
- UTILITY -** Citizens Water of Westfield, LLC, 2020 N. Meridian Street, Indianapolis, Indiana 46202, or any professional management firm that has been retained by Citizens Water of Westfield, LLC to operate its water utility facilities and that is acting in its capacity as the agent or representative of the Citizens Water of Westfield, LLC.
- UTILITY'S RATE SCHEDULES -** The Utility's schedules of rates and charges as approved by the Commission and as revised, supplemented, and replaced from time to time. The schedule of rates and charges is available at <http://www.citizensenergygroup.com>
- WINTER PERIOD -** The meter reading dates during the months of November through April.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 9

RULE 1. COMMENCEMENT OF SERVICE

1.1 General. A prospective Customer shall not connect or reconnect service, nor employ any person to do so, without authorization by the Utility. All service rendered by the Utility shall be solely for the uses and Premises designated by the prospective Customer at the time service is requested and subject to, and in accordance with, these rules and regulations and the Utility's Rate Schedules. A Customer shall not sell or give away water to anyone, as an alternative to that person or entity receiving water service from the Utility, unless otherwise specifically included in its agreement with the Utility for service.

1.1.1 No promises, agreements or representations of any agent, employee or authorized representative of the Utility, or its predecessor, shall be binding upon the Utility unless the same shall have been incorporated in a written contract or application.

1.2 Metered Water and Fire Service. A prospective Customer desiring metered water service to a Premises connected by an existing Service Pipe to a Main shall notify the Utility either in writing or by telephone at least three days before the desired connection date. A prospective Customer desiring metered water service to a Premises not connected by a Service Pipe to a Main shall have his Plumber submit to the Utility a written application for plumbing permit, allowing at least three working days for the application approval before calling to schedule the Tap. After the application for service is approved, all Taps will be scheduled in the order received by the Utility. The connection shall not be made until the Utility authorizes the Plumber to connect a Service Pipe to the Tap. For ¾-inch and 1-inch service lines, the Utility shall install a Meter at the time of the service connection. Service commences for the Customer when the Meter is set. For service lines larger than 1-inch, the prospective Customer may request and obtain service in accordance with these rules.

1.3 Unmetered Fire Service. The Utility will commence public or private unmetered fire service after a prospective Customer application has been approved and a confirmation letter has been sent to the Applicant. The Utility will not furnish unmetered fire service to a Premises unless metered water service for use other than fire service is also being supplied to the Premises. Unmetered fire service commences for the Customer when the Service Stop is turned on.

1.4 Emergency Service. When necessary for the health or safety of a Customer or his/her property, the Utility may authorize temporary emergency water service in any manner appropriate to the circumstances and consistent with sound engineering practice and will charge the Customer involved in such service, during the period of emergency, the appropriate charges prescribed in the Utility's Rate Schedules for the water usage and size of Meter through which they receive water service.

1.5 Unauthorized Use of Water. Unless authorization for water service has been granted by the Utility, water shall not be turned on at any Premises by anyone other than the Utility's representatives, except that a Plumber authorized by the Utility to connect a Service Pipe to a Tap may temporarily turn on the water to test his work. The Plumber shall turn the water off immediately after testing. Before and after such test, the Utility may lock the valve on the upstream side of the Meter in the closed position until commencement of service is authorized by the Utility. If the water is turned on (or, in the case of a licensed Plumber with permission, left on) without authorization in violation of these Rules, the Customer will be required to pay the cost of water service for the Premises (as determined using meter readings where possible, or a Default Value where a meter reading is not possible) for such billing cycles in which the water was on without authority from the Utility. In the case of a licensed Plumber leaving the water turned on, a charge shall not be imposed if the Customer establishes to the satisfaction of the Utility (including but not limited to proof that the Premises was not occupied) that the violation was inadvertent and that no water was used.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 10

1.6 Fraudulent Use of Water. Upon detecting a device or scheme that has been utilized to avoid or attempted to avoid full payment for water service or upon detecting the unauthorized use of a public fire hydrant, the Utility may, after estimating the volume of water service so used:

1.6.1 Immediately disconnect such water service without notice pursuant to Rule 4.2;

1.6.2 Bill and demand immediate payment from the Person benefiting from such device or scheme or unauthorized use of a public fire hydrant the actual costs of water used, corrections and repairs, or two hundred dollars (\$200.00), whichever is more; and

1.6.3 Bill any and all damages as provided by Indiana Code 34-24-3-1 et seq. based upon the Utility's reasonable and customary estimate thereof.

RULE 2. CUSTOMER SECURITY DEPOSITS

2.1 Deposit Requirements. In accordance with the Commissions' Rules pursuant to 170 IAC 6-1 et al, the Utility may require a Residential Customer or Applicant to pay a cash deposit as a condition of receiving or continuing to receive water service, if the Utility determines that the Residential Customer or Applicant is not creditworthy in accordance with the Commission's Rules set forth in 170 IAC 6-1-15 (as the same may be amended from time to time).

2.1.1 The Utility may require Non-Residential Customers or Applicants for water services who are determined to be uncreditworthy to make a cash deposit at any time to assure payment of bills, and as a condition of receiving or continuing to receive water services.

2.1.1.1 The Utility shall determine the creditworthiness of a Non-Residential Applicant or Customer in an equitable, non-discriminatory manner.

2.1.1.2 A Non-Residential Customer shall be deemed creditworthy if it has no delinquent bills to the Utility for water services within the last twenty-four (24) months and, within the last two (2) years has not: (a) had service disconnected for nonpayment or (b) filed a voluntary petition, has a pending petition, or has an involuntary petition filed against it, under any bankruptcy or insolvency law. For purposes of this determination, a contested bill shall not be considered delinquent.

2.1.1.3 In determining the creditworthiness of Non-Residential Applicants, the Utility shall consider the size of the credit exposure and the availability of objective and verifiable information about the Non-Residential Applicant. The Utility may consider the Non-Residential Applicant's payment and billing history (at least twenty-four (24) months) from other utilities and verifiable conditions, such as: Non-Residential Applicant's credit history with the Utility or independently audited annual and quarterly financial statements. The Utility will treat all financial information provided by the Non-Residential Applicant as confidential to the extent allowable under applicable law and at the request of the Non-Residential Applicant will return or destroy materials after review has been completed. If a Non-Residential Applicant refuses to provide the information above for the Utility to determine their creditworthiness, the Applicant will be deemed uncreditworthy.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 11

2.1.1.4 If the Utility requires a deposit as a condition of providing service, the Utility must: (a) provide written explanation of the facts upon which the Utility based its decision; and (b) provide the Non-Residential Applicant or Customer with an opportunity to rebut the facts and show other facts determining its creditworthiness.

2.1.1.5 Such deposit shall be payable in cash and not less than forty dollars (\$40.00) nor more than an amount equal to the Non-Residential Customer's three (3) highest months' usage based upon the most recent twelve (12) months historical usage or three months of projected usages for a Non-Residential Applicant. If the deposit required is in excess of \$120.00, it may be paid in equal installments over a period not to exceed three months, except where the deposit is required as a result of disconnection of service for nonpayment of bills, in which case full payment of the deposit will be required prior to reconnection. For Non-Residential Customers with multiple accounts, each account will be treated individually for the purposes of this Rule except in the case of bankruptcy under Rule 2.1.1.2. A Non-Residential Customer with multiple accounts that is assessed a deposit by virtue of delinquent payments on one account, will be assessed a deposit on only the delinquent account.

2.2 Interest on Deposits. Any deposit held for more than thirty (30) days will earn interest calculated monthly at the authorized rate of interest for the current month from the date the deposit is paid in full to the Utility. The rate of interest will be the same as that established for gas utilities by the Commission in a general administrative order pursuant to 170 IAC 5-1-15(f)(2) for each calendar year.

2.3 Refunds of Deposits to Continuing Customer. Deposits and earned interest will be returned after Customer establishes an appropriate credit history with the Utility.

2.3.1 Deposits from Residential Customers and earned interest will be refunded after the Residential Customer has established an acceptable payment record in accordance with the Commission's Rules.

2.3.2 The deposit of any Non-Residential Customer that has been held for two or more years, and earned interest will be refunded after the Non-Residential Customer has established an acceptable payment record in accordance with Rule 2.1.1.2.

2.3.3 The deposit of any Residential or Non-Residential Customer who fails to establish an acceptable payment record may be retained by the Utility until services are discontinued.

2.4 Deposits Applied to Bill. Upon discontinuance of water services, the deposit and earned interest, if any, will be applied to the balance of any outstanding bills or unbilled consumption. The remaining unapplied portion, if any, of the deposit and earned interest will be refunded to the Customer. The Customer will be billed for any balance due the Utility. The balance of any deposit and interest, after being applied to any outstanding bills which cannot be returned to the Customer after termination of service, shall be reported and disposed of as required by the Uniform Disclaimer of Property Interests Act (Indiana Code 32-17.5, et seq).

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 12

RULE 3. METER READINGS AND BILLINGS

3.1 Billings, Meter Readings and Estimates. All Meters normally will be read monthly. When for good cause, pursuant to 170 IAC 6-1-13(c), a Meter is not read on a normal interval, including failure of the Meter or remote counter to register, an estimated Meter read shall be used and so identified on the bill. The Utility will issue bills to Customers on a Monthly basis for the applicable Utility services. Bills are payable to the office of the Utility or to an authorized agent within seventeen (17) days from the date mailed. When the seventeenth (17th) day falls on a Sunday or a legal holiday, the seventeen-day period shall be considered to end the next business day.

For Customers with consumption history, estimated monthly consumption for interim billings will be based on a comparison of the most recent 12-month average and the most recent two-month average as described below. During the Winter Period, the estimated monthly consumption will be the lower of the 12-month average and the most recent two-month average. During the Summer Period, the estimated monthly consumption will be the higher of the 12-month average and the most recent two-month average. New Customers with less than a 12-month history are billed at the most recent two-month average. Under certain circumstances, a Default Value may be substituted for the use of averages.

Bills for municipal uses will be rendered monthly. Annual unmetered municipal consumption will be estimated, based on consultations, and treated as consumed evenly throughout the year as metered water.

Bills for unmetered fire service will be rendered monthly. If a Customer receives unmetered fire service through a Service Pipe in which a detector check with a bypass Meter is installed, as provided for in Rule 9.9, the Utility will read the Meter at the time of the annual fire service inspection, and the consumption shall be treated as consumed evenly over the period since the previous reading.

3.1.1 Meter readings in units of hundred cubic feet may be converted to units of thousand gallons for billing purposes. The factor used for making a conversion from hundred cubic feet to thousand gallons shall be based on one cubic foot being equivalent to seven and one-half (7.5) U.S. gallons.

3.2 Delinquent Bills. If payment for a bill from a Customer is not received by the Utility or its agent within seventeen (17) days from the date the bill is mailed, the bill shall be considered delinquent.

3.2.1 All charges follow the Customer and moving from one Premises to another in no way absolves the Customer from any unpaid charges incurred at a previous location. In the case of leased property, the landlord shall be responsible to the Utility for payment of the bill, even though the tenant may pay it.

3.2.2 The Utility may add a late payment charge to a Customer's delinquent bill as set forth on Appendix B.

3.2.3 A single charge may be made for each visit to the Customer's Premises to collect a delinquent account for applicable Utility services; such charge to the Customer shall be pursuant to the Delinquent Account Collection Charge reflected on Appendix B.

3.2.4 A single charge may be made for handling a single check from a Customer for Utility services returned unpaid by any financial institution; such charge shall be pursuant to the Returned Check Charge set forth on Appendix B.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 13

3.2.5 The Utility may provide an Automatic Bank Deduction Plan for nonindustrial Customers (e.g. a Residential Customer or commercial Customer), which will be a payment plan whereby the billed amount is deducted each month from the nonindustrial Customer's bank account by the nonindustrial Customer's authorized financial institution. The Utility shall continue to provide to the nonindustrial Customer a Monthly bill.

3.2.6 The Utility may provide a budget plan for payment of bills by the Customer whereby the annual bill as estimated by the Utility is divided into even monthly payments. The amount actually paid by the Customer shall be balanced with the amount actually billed to the Customer and any differences shall be paid by or credited to the Customer.

3.2.7 A single charge may be made for providing a Customer with usage summary by Meter beyond the twenty-four (24) month period available online; such charge to the Customer shall be pursuant to the Usage Information Charge set forth on Appendix B.

3.3 Adjustments Following Estimated Bills. Where the Utility has billed based on estimated consumption, the first charge after a Meter reading is obtained shall be adjusted by averaging consumption over the period from the last reading, or from the date service through the Meter was begun if the Meter had not been previously read, charging for each period in accordance with the Utility's Rate Schedules for the periods and allowing credit for the amount of estimated billings.

3.4 Requested Meter Readings. Upon request of a Customer, the Utility will make a special reading of the Customer's Meter at a time other than the time of a regularly scheduled reading for the charge prescribed in the Utility's Rate Schedules. The Utility, however, shall have no duty to issue a special bill based on such off-cycle reading.

3.5 Remote Meter Reading Service. Remote Meter reading service is available to Customers being served through $\frac{5}{8}$ -inch, $\frac{3}{4}$ -inch or 1-inch Meters which are installed indoors. This service allows the Utility to read Meters located inside a structure without entering the structure. A small, weatherproof totalizer will be mounted on the outside of the structure and connected by a cable to a register mounted on the Meter. The equipment to accomplish this service will be furnished, installed, maintained and replaced, if necessary, and owned by the Utility. A remote meter reading device is a fixture at the Premises where it is installed and will not be moved to another location without the Utility's written consent.

Whenever the Utility, during normal working hours (as set forth on www.citizensenergygroup.com), is unable to read a Customer's Meter for twelve consecutive months, the Utility shall require installation of a remote meter reading device. Once a remote meter reading device is installed, it will remain in service until the Service Pipe to the Premises is replaced, in which event the inside Meter shall be relocated to an outside meter pit approved by the Utility and located on the Customer's property adjacent to or near the Public Right-of-Way or Easement line.

3.6 Leakage Allowance.

3.6.1 Underground leaks. Allowance for underground Service Pipe leaks or leaks in crawl spaces or concrete floors (but not leaks in underground irrigation systems) will be 75 percent of the charge for wasted water estimated from the beginning date of the leak to the date of repair, which period shall not exceed two regular reading periods (as provided for under Rule 3.1) unless extended by missed readings. The Utility will inspect the Premises to determine the cause of the leak. Wastage will be considered as the

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 14

excess consumption over normal usage, obtained by reference to the Customer's consumption record. If there is no consumption record, the average consumption for the previous calendar year for the appropriate Customer classification will be used as the normal consumption. An adjustment will be given only after the Customer has corrected the condition causing the leak and the Premises has been inspected by the Utility to determine that repairs have been properly made.

3.6.2 Other types of hidden leaks. Allowance for other types of hidden leaks (but not leaks in underground irrigation systems) will be 50 percent of the charge for wasted water. The period adjusted shall not exceed one regular reading period (as provided for under Rule 3.1) unless extended by missed readings. Such allowance will be considered only one time per Customer per service address, and only when all the following conditions exist: (a) consumption is at least double normal usage, (b) consumption is at least 2,000 cubic feet more than normal, (c) total consumption for the reading period exceeds 2,800 cubic feet, (d) circumstances indicate that a leak exists or had existed, (e) the leak shall have been hidden from open view, including toilet leaks and other concealed plumbing leaks, and (f) repairs have been made. Wastage will be determined as indicated in Rule 3.6.1. An adjustment will be given only after the Customer has corrected the condition causing the leak to the Utility's satisfaction.

3.6.3 As set forth in Rule 4.3.1, the Utility may disconnect service to the Customer after notice as provided in Rule 4.4, for the failure to repair any leaks in the Customer's water pipes, in the Service Pipes or appurtenances between the Public Right-of-Way or Easement in which the Main is located and the Meter, or in any private fire system or unmetered facilities.

3.7 Billing Errors. All billing errors, including incorrect tariff applications, will be adjusted by the Utility to the known date of error or for a period of one year, whichever period is shorter.

3.8 Adjustments Due to Meter Error. If a Meter is found to have a percentage of error greater than two percent during a test conducted by the Utility or the Commission at the request of the Customer, in accordance with these rules, the following adjustments of bills shall be made:

3.8.1 Fast Meters. When a Meter is found to have a positive average error – i.e., is fast, in excess of two percent, the Utility will refund or credit to the Customer's account the amount in excess of that determined to be an average charge for one-half of the time elapsed since the previous test, or one year, whichever is shorter. This average charge shall be calculated on the basis of units registered on the Meter over corresponding periods, either prior to or subsequent to the period for which the Meter is determined to be fast. No part of a monthly service charge will be refunded.

3.8.2 Slow Meters. When a Meter is stopped or found to have a negative average error – i.e., is slow, in excess of two percent, the Utility will charge the Customer an amount estimated to be the average charge for one-half of the time elapsed since the previous test, or one year, whichever period is shorter. This average charge shall be calculated on the basis of units registered on the Meter over corresponding periods, either prior to or subsequent to the period for which the Meter is determined to be slow or stopped. Such charge will be made only in cases where the Utility is not at fault for allowing the stopped or slow Meter to remain in service.

3.9 Aggregated Meter Reading. Meter readings for a Premises will be aggregated for billing purposes, in lieu of installation of a master meter, where the Customer would be entitled to a master meter for the Premises under the Utility's current rules but was previously unable to install a master meter due to rules of the Utility then in effect. The monthly charge for this service will be pursuant to the Multiple Meter Aggregated Billing

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 15

Charge as reflected on Appendix A. This rule is applicable only with respect to Service Pipe and Meter installations for which a written request for aggregated Meter readings and billings was made to, and approved by, the Utility's predecessor, the Department of Waterworks of the City of Indianapolis.

3.10 Adjustment for Water Used Through a Fire Meter. If a Customer receives water service through a Service Pipe in which a Fire Meter is installed, and water is needed and used because of a fire, the Utility, upon written notice of and within 30 days after such use, will adjust the charges owed by the Customer for the metered water service to reflect water used solely for non-fire service purposes. The adjustment will be based upon the Customer's average monthly consumption for non-fire service purposes during the previous twelve months or for such period as the Customer has received water service from the Utility for non-fire service purposes if less than twelve months.

RULE 4. DISCONNECTION OF SERVICE

4.1 Upon Customer's Request. A Customer desiring disconnection of service must notify the Utility at least three (3) working days in advance of the day on which disconnection is desired. The Utility will endeavor to disconnect the service within three (3) working days of the requested disconnection date. The Customer shall remain responsible for all service used and the related billings until service is disconnected pursuant to the Customer's notice, except that the Customer shall not be liable for any service rendered more than three working days after the requested disconnection date.

4.2 Without Customer's Request and Without Notice. The Utility may disconnect service to a Customer without request by, or prior notice to, the Customer if:

4.2.1 there exists an unapproved cross-connection of a Customer's water pipes to any other source of water supply or any other condition about the Customer's Premises that might cause contamination of the public water supply or otherwise be dangerous or hazardous to life, physical safety or property;

4.2.2 there is an outstanding order of a court, the Commission or other duly empowered authority directing disconnection;

4.2.3 a fraudulent or unauthorized use of water is detected by the Utility, and the Utility has reasonable grounds to believe the Customer is responsible for such use;

4.2.4 the Meter or any of the Utility's regulating or measuring equipment has been tampered with, and the Utility has reasonable grounds to believe that the Customer is responsible for such tampering; or

4.2.5 the Customer fails to meet the terms of the Utility's 24-hour payment arrangement described in Rule 4.4.

4.3 Without Customer's Request But With Notice. The Utility may disconnect service to a Customer for any of the following reasons, provided it notifies the Customer as set forth here:

4.3.1 the Customer fails to repair any leak in the Customer's water pipes, Service Pipes or appurtenances between the Public Right-of-Way or Easement in which the Main is located and the Meter, or in any private fire system or unmetered facilities;

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 16

4.3.2 the Customer vacates the Premises or fails to pay his/her water or wastewater bills or other charges related to his water or wastewater utility service installations or facilities in accordance with these rules and the Utility's Rate Schedules, the Citizens Wastewater of Westfield, LLC's Terms and Conditions for Sewage Disposal Service, or otherwise violates any of these rules;

4.3.3 the Nonpayment of a delinquent bill;

4.3.4 the Customer installs a new Service Pipe or appurtenances or alters or removes the existing Service Pipe or appurtenances, including the Meter, without the Utility's written consent; or

4.3.5 the Customer fails to remedy a condition or use on his Premises which, in the Utility's judgment, endangers the Utility's distribution system.

If service is to be disconnected for any of the foregoing reasons, the Utility shall, at least seven (7) calendar days (fourteen (14) calendar days in the case of a Residential Customer) prior to the proposed disconnection, mail or personally deliver notice to the Customer or a responsible person on the Premises, at the address of the Customer shown on the records of the Utility. The notice will be clearly marked as a "disconnection notice" and will state the date and reason for the proposed disconnection. The notice will also contain the Utility's telephone number which the Customer may call during regular business hours for further information. In the case of disconnection of a Residential Customer, the notice will also contain a reference to the pamphlet furnished by the Utility to each of its Customers for information as to the Residential Customer's rights.

4.4 Procedure for Involuntary Disconnection of Residential Customers. Immediately preceding the disconnection of service to a Residential Customer, the Utility's employee will attempt to identify himself/herself to the Residential Customer or other responsible person then at the Premises. The employee will announce the purpose of the visit, and a record of the visit will be maintained for at least thirty (30) days. The Utility employee will also attempt to inform the Residential Customer or other responsible person of the reason for disconnection. If the reason for disconnection is nonpayment, the Utility employee will provide the Residential Customer or other responsible person with the amount of any delinquent water or wastewater bill. The Utility employee will request from the Residential Customer any available verification that the reason for disconnection of service is no longer valid (such as, but not limited to, written evidence that the delinquent bill has been paid or evidence that the conditions, circumstances or practices which caused the disconnection have been corrected) or that the reason of disconnection is currently in dispute and under review, pursuant to Rule 11.

Through its employee, the Utility may accept payment or offer the Utility's 24-hour payment arrangement as an alternative to disconnection. Upon the presentation of satisfactory evidence, or acceptable payment, or acceptance by the Customer or other responsible party of the Utility's 24-hour payment arrangement, service will not be disconnected. The Utility employee is not required to request payment or offer the Utility's 24-hour payment arrangement as an alternative to disconnection. When the employee has disconnected the service, the employee will give to a responsible person at the Residential Customer's Premises, or if no one is at home, will leave at an entry way on the Premises, a notice stating that service has been disconnected and the telephone number of the Utility where the Customer may arrange to have service reconnected.

4.5 Duplicate Notice Protection Plan. A Residential Customer may request the Utility notify a predesignated third party of a water service disconnection notice issued to the Residential Customer. Such request shall be made in writing in the form of a Duplicate Notice Protection Plan Enrollment Application. When requested, the Utility shall notify the predesignated third party, by mail, of the pending service disconnection at the time the

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 17

Utility renders the disconnection notice to the Residential Customer. The Utility may restrict the use of the Duplicate Notice Protection Plan to its Residential Customers who are elderly, handicapped, ill, or otherwise unable to act upon a service disconnection notice, as determined by the Utility.

4.6 Postponement of Disconnection of a Residential Customer for Medical Reasons. Except in the case of disconnection for any of the reasons set forth in Rule 4.2, the Utility will postpone the disconnection of service to a Residential Customer for ten (10) days if, prior to the disconnect date specified in the disconnect notice, the Customer provides the Utility with a medical statement from a licensed physician or public health official stating that such disconnection would be a serious and immediate threat to the health or safety of a designated person in the household of the Residential Customer. The postponement of disconnection will be continued for one additional 10-day period upon the Customer furnishing the Utility an additional medical statement dated on or before the end of the first 10-day period.

4.7 Other Circumstances Postponing Disconnection of Residential Customer. The Utility will not disconnect service to a Residential Customer who:

4.7.1 fails to pay for water or sewage disposal service rendered at a different Premises, metering point, residence, or location, unless such bill has remained unpaid for at least forty-five (45) days, or

4.7.2 fails to pay for water or sewage disposal service to a previous occupant of the Premises served, unless the Utility has reason to believe the Customer is attempting to defraud the Utility by using another name, or

4.7.3 prior to the disconnect date specified in the disconnect notice, establishes to the Utility's satisfaction the existence of a financial hardship as the reason for his inability to pay the full amount due and (a) pays at least \$10 or one-tenth ($\frac{1}{10}$) of the delinquent bill, whichever is less, (b) agrees to pay the remainder of the outstanding bill within three months, (c) agrees to pay all undisputed future bills for service as they become due and (d) has not breached any similar agreement with the Utility within the past twelve months. The terms of the agreement must be in writing. The Utility may add to the Residential Customer's outstanding bill a late payment charge in the amount prescribed in the Utility's Rate Schedules, or

4.7.4 is unable to pay a bill which is unusually large due to prior incorrect reading of the Meter, incorrect application of the Utility's rates schedules, incorrect connection or functioning of the Meter, prior estimates where no actual reading was taken for over two months, a stopped or slow Meter or remote meter reading device, or any human or mechanical error of the Utility, and (a) pays an amount at least equal to the Customer's average bill for the twelve (12) bills immediately preceding the bill in question, (b) agrees to pay the remainder within three months, and (c) agrees to pay all undisputed future bills for service as they become due. The terms of the agreement must be in writing. The Utility may not add to the Customer's outstanding bill any late payment charge.

4.8 Time of Disconnection. In cases of disconnection of service for nonpayment, the Utility will disconnect service between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time, except that requested disconnections and disconnections for any reasons set forth in Rules 4.2 and 4.3, above, may be made at any time. Disconnections of service for nonpayment will be made on days on which the Utility's office or call center is open to the public and before twelve noon (12:00 noon) of the day immediately preceding a day on which the Utility's office or call center is to be closed to the public.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 18

4.9 Remedies Not Exclusive. The remedies provided to the Utility in this Rule 4 shall not be exclusive and shall be in addition to any other remedies which the Utility has at law or in equity.

4.10 Continuation of Service Pending Disposition of Complaint. If a Customer receiving service has paid and continues to pay all undisputed charges, the Utility shall not disconnect any service related to the disputed charges:

- (a) while the Utility's proposed resolution is under review by the Commission's Consumer Affairs Division or the Commission; or
- (b) sooner than ten (10) days after a decision by the Commission's Consumer Affairs Division or the Commission.

If a Customer and the Utility cannot agree what portion of the charges in a bill are undisputed, to avoid disconnection, the Customer should pay on the disputed bill an amount equal to one twelfth ($\frac{1}{12}$) of the estimated annual billing for service to be rendered to the Customer. For a Customer who has been a Customer for at least twelve (12) months, the estimate will be based on the Customer's average bill for the twelve (12) months immediately preceding the disputed bill.

4.11 Reconnection. After disconnection of water service to a Premises in accordance with these rules, the Utility will reconnect the service to a Premises as soon as reasonably possible, but at least within one (1) working day after it is requested to do so, if: (1) all conditions, circumstances or practices which caused the disconnection have been corrected, (2) all unpaid bills for water or sewage disposal service have been paid, (3) the deposit, if required by the Utility in accordance with Rule 2.1 above, has been made by the Customer, (4) a responsible person is present in the Premises to see that all water outlets are closed to prevent damage from escaping water, and (5) the Customer has paid the Utility's Reconnection Charge as prescribed in the Utility's Rate Schedules on Appendix B.

RULE 5. METERS

5.1 Ownership and Size of Meter and Pit. All Meters shall be owned, installed, removed and maintained by the Utility. The Utility shall determine the kind and size of Meter to be used in connection with any Service Pipe. Except as provided in Rule 5.3, all meter pits, meter pit covers and other materials comprising the meter pit facilities shall be purchased, owned, installed, and removed, in a safe manner by the Customer. Repair to or replacement of missing or damaged meter pit lids shall be made by the Utility but at the Customer's expense. Each Customer shall pay a fee for installing a Meter as set forth in Appendix A of the Utility's Rate Schedules.

5.2 Location and Protection of Meter and Pit. Meters larger than 1-inch shall be installed in an approved meter pit or inside the structure served. However, if, in the Utility's judgment, a backflow prevention device is required, it shall be located adjacent to the Public Right-of-Way or Easement line unless otherwise approved by the Utility prior to installation. Meters shall always be placed upstream of backflow devices. See Rule 8 for more details. Unless otherwise approved by the Utility, Meters 1-inch and smaller shall be installed in a meter pit approved by the Utility located on the Customer's property adjacent to or near the Public Right-of-Way or Easement line.

Upon request of a Customer and before installation, the meter pit will be located at the point requested by the Customer if practicable and in accordance with sound utility standards. The meter pit must be constructed to protect the Meter from freezing and damage from vehicular traffic and located to be convenient and accessible for the Utility representatives. The pit location should be designed to prevent an inflow of surface water.

**Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202**

ORIGINAL PAGE NO. 19

Meters which cannot be installed in outside pits shall be located inside the structure served as approved by the Utility. An inside Meter shall be as near as possible to the point where the Service Pipe enters the building in a clean, dry, safe place, protected from freezing and hot water and not subject to wide temperature variations. In case of damage to a Meter or any of its immediate attachments by reason of any act, neglect or omission on the part of the Customer (including, but not limited to, the freezing of an inside meter), the Customer shall pay the Utility the Damaged Meter Replacement charge prescribed in Appendix B of the Utility's Rate Schedules for repair and replacement of the Meter.

The Meter shall at all times be accessible for reading, inspection and removal for testing. The Utility reserves the right to put seals on any water Meter or on its couplings for any Premises, and may turn off the supply if such seals are found broken or removed.

5.3 Change in Location. All changes in the location of a Meter shall be approved by the Utility and, except as hereinafter provided, at the Customer's expense. Whenever the Service Pipe to a Premises having an inside Meter is replaced, the Meter shall be relocated in a meter pit approved by the Utility located on the Customer's property adjacent to or near the Public Right-of-Way or Easement line, in which case the Utility, at its expense, will provide the Customer with the Meter connection, pit cover, lid and service stop, to be installed by the Customer at his/her expense.

5.4 Multiple Meters. Where water for a Premises is metered at more than one Service Pipe for the convenience or at the request of the Customer, each location shall be billed separately except as provided in Rule 3.9. If the Utility determines that water for a Premises should be metered through more than one Service Pipe for the convenience of the Utility, meter readings shall be aggregated and billed as if from a single Meter. In no event will meter readings be aggregated for two or more Premises.

5.5 Temporary Hydrant Meters. Where temporary water service is requested from one of the Utility's hydrants, the Customer will receive this service through a Hydrant Meter assembly after executing a contract with the Utility and paying the required deposit and connection charge as prescribed in the Miscellaneous Service Charges tariff of the Utility's Rate Schedules. The Hydrant Meter will be issued by the Utility and secured to the hydrant by the Customer. The Utility reserves the right to remove its hydrant connection and Meter and terminate this service at any time it deems necessary or appropriate, without prior notice. The deposit is refundable upon service termination as provided in Rule 2.4.

Each temporary Hydrant Meter depositor shall report to the Utility by the first day of each month the amount of water which passed through the Meter during the prior month. The reports may be subject to verification by the Utility and will serve as the basis for billing for water service. In the event no report of water usage is furnished to the Utility, the charges for water service will be based on estimates as provided in Rule 3.1. Any temporary Hydrant Meter depositor who fails to report water usage for any two months during the preceding 12-month period shall pay a late reporting charge for each subsequent late reporting, as prescribed in the Non-Recurring Charges tariff of the Utility's Rate Schedules.

RULE 6. METER TESTING

6.1 Records and Procedure. Whenever a Meter in service is tested, a record will be kept of the location of the Meter, the reason for making the test and the readings of the Meter before and after the test. For the determination of Meter accuracy, the Utility will use the test flows for the various types of Meters specified from time to time in 170 IAC 6-1-9 of the Commission's Rules.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 20

6.2 Frequency of Testing. Meters will be inspected and tested by the Utility in accordance with the following program, known as the "Statistical Quality Control Program:"

6.2.1 The Statistical Quality Control Program shall be based on ANSI/ASQ Z1.4, Sampling Procedures and Tables for Inspection by Attributes. Sample size code letters will be taken from Table I, General Inspection Level II. Sample size and acceptance-rejection numbers will be determined from Table II A, single sampling plan for normal inspection, using Acceptance Quality Level (AQL) 10.

6.2.2 The Meters for quality control sampling will be separated into homogenous groups by manufacturer, model, design, or other distinguishing characteristics by year set. The sample for each group will, as far as possible, be taken from routine Meter exchanges, removals, and field tests for each year, except that those Meters removed or exchanged because of known or suspected defects or for special tests may be excluded from the quality control sample.

6.2.3 If an inadequate sample of Meters is routinely exchanged or removed, the balance of Meters required for sampling will be obtained from Meters in service by removal on a randomly selected basis.

6.2.4 Beginning in the year indicated in the table below and continuing through subsequent service years, Meter groups will be sample tested annually, being allowed to continue in service until an annual sample reaches its rejection number of deviant Meters. The service life of Meter groups may be extended by this quality control program as long as ninety percent of the Meters in a sample group does not exceed an accuracy figure of 102.0 percent when tested at not less than 35% of its rated capacity.

5/8-inch Meters	9th year
3/4-inch Meters	7th year
1-inch Meters	5th year
1 1/2-inch Meters	3rd year

A Meter may be inspected and tested by the Utility at any time that the Utility suspects it of registering inaccurately.

6.3 Meter Tests Requested by Customers. The Utility will test the accuracy of a Meter upon written request by a Customer. The Customer shall pay the charge set forth in the Miscellaneous Service Charges tariff of the Utility's Rate Schedules for any Meter test after the second test of such Meter if:

- (1) the Meter
 - (a) was tested within the prior thirty-six (36) months at the Customer's request; and
 - (b) any error of the Meter is found to be in compliance with Rule 6.1; and
- (2) the test is made
 - (a) at the Customer's request; or
 - (b) due to a billing dispute; and
- (3) Meter is found to be in compliance with Rule 6.1.

A written report giving the results of the test will be made to the Customer within 10 days after the test has been completed and a complete record of the test will be kept in the office of the Utility.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 21

6.4 Tests Under Commission Supervision. Upon application of any Customer to the Commission and at the discretion of the Commission, a test will be made of a Customer's Meter by the Utility under the supervision of an employee of the Commission pursuant to 170 IAC 6-1-12 of the Commission's Rules (as may be amended from time to time).

RULE 7. SERVICE PIPES AND OTHER FACILITIES

7.1 Installation and Ownership of Service Pipes. The Service Pipe shall be installed and owned by the Customer. The type, kind and quality of all pipe and materials installed between the Main and the Meter connection shall be subject to approval by the Utility. The Meter and Tap will be furnished, installed, maintained and replaced, if necessary, by the Utility and are its property. If the Tap is installed by the Utility outside regular working hours for the convenience of the Customer, the Customer shall be charged the actual cost to the Utility of labor and equipment used in the work. The Customer or his Plumber shall install the Meter connection, which will be furnished, owned, repaired and replaced, if necessary, by the Utility. If the connection is damaged or lost by the Customer or his Plumber, the Customer shall pay the Utility the cost thereof, but the Customer will not be held responsible for loss or damage if he/she has used reasonable care to protect the Utility's property.

7.2 Maintenance of Service Pipes. The Utility will maintain, repair or replace the portion of the Service Pipe and appurtenances between the Main and the Public Right-of-Way line made necessary by leaks.

The Customer will maintain, repair or replace the portion of the Service Pipe, and appurtenances from the Public Right-of-Way line to the Premises.

The Utility shall have no duty to maintain, repair or replace Service Pipes which are connected to a pipe in a Public Right-of-Way, which pipe, prior to the dedication of the Public Right-of-Way, was a Service Pipe not owned by the Utility.

For Mains and Service Pipes installed in Easements, the Utility will maintain the Main and Tap but will not maintain the Service Pipe.

The Utility shall have no duty to maintain, repair or replace Service Pipes within a vacated Public Right-of-Way or Easements unless the Service Pipe crosses a Public Right-of-Way adjacent to the Easement.

7.3 Disconnection of Old Service Pipes. The Utility will disconnect, at its expense, inactive Service Pipes at the Tap under the following conditions: (1) when the Utility receives a "wrecking" notification for a Premises; (2) when an active Service Pipe serves the Premises; (3) when a Customer installs a new Service Pipe; or (4) when there are no existing on-site needs for water service. If the situation is not described by one of the above conditions or is unusual, the Utility will give such special considerations as the circumstances require in its sole judgment.

All Service Pipe disconnections will be scheduled by the Utility. The Utility is under no obligation to disconnect inactive Service Pipes prior to construction of new or modified Service Pipes.

Any damages to inactive Service Pipes in the Public Right-of-Way or Easement, prior to disconnections performed by the Utility, shall be the responsibility of the property owner.

7.4 Service Pipe Installation Requirements. Service Pipes, including branches, shall be installed according to the following specifications:

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 22

7.4.1 The minimum inside diameter of the Service Pipe shall be 3/4-inch (or in accordance with the building code applicable to the area).

7.4.2 The Service Pipe shall run in a straight line perpendicular to the Main or from the Main to the property line or Easement line of the Premises being served. Any exceptions to this practice must be approved by the Utility.

7.4.3 The Service Pipe shall be installed and maintained with a minimum cover of 4 1/2 feet from the Main to a point where the Service Pipe is otherwise protected from freezing.

7.4.4 The Service Pipe shall include a Service Stop of the type approved by the Utility. Service Pipes for Meters one-inch or smaller installed in an outside meter pit shall have a Service Stop with a locking device, which is a part of the Meter connection furnished by the Utility. Service Pipes for Meters one-inch or smaller which cannot be installed in an outside pit shall have a Service Stop approved by the Utility placed between the curb and the Public Right-of-Way line. Unless otherwise approved, the service stop shall be placed in the unpaved portion of the Public Right-of-Way near the curb edge of the sidewalk and shall be in front of the structure served. In streets where there are no sidewalks or curbs, such Service Stops, as a general rule, shall be placed in the Public Right-of-Way 5 1/2 feet from the right-of-way line. All Service Pipes 1 1/2-inch or larger shall have a Service Stop installed within three feet of the Main. In no case shall Service Stops be placed in vaults under the sidewalk.

7.4.5 Each Service Stop except those installed in pits shall be provided with an approved box. The top of the box shall be set level with the grade of the surrounding street, sidewalk, or ground. This box shall be originally installed and owned by the Customer and if located on private property shall be maintained and kept to proper grade by the Customer.

7.4.6 Each Service Pipe shall contain an approved shut-off valve. Where the Meter is located in a building, the valve shall be located where the Service Pipe first enters the building and on the street side of the Meter. Where the Meter is located in an outside pit, the valve shall be installed either in the basement or in a riser pipe just above the first floor so that all outlets are controlled. A drawing showing the proposed layout of Branched Service Pipes and valves shall be submitted to, and have been approved by, the Utility prior to installation of said Service Pipes and valves.

7.4.7 Any Service Pipe laid in proximity to an existing or proposed sewer or drain line shall be installed in accordance with the current plumbing rules and regulations of the State of Indiana applicable to such installation.

7.4.8 Every Premises shall receive water utility service through a separate Service Pipe unless the Utility approves and authorizes the provision of water utility service to two or more separate Premises through a primary Service Pipe and related Branched Service Pipes in accordance with Rule 7.12.

A Service Pipe shall not extend from one Premises to another across a Public Right of-Way.

A Service Pipe shall not extend across a property, lot or Easement line except in those instances where the Main to which the Service Pipe is connected is installed in a Public Right-of-Way or in an Easement parallel to the Public Right-of-Way.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 23

7.4.9 The Utility, upon request, will review a Customer's plans and specifications with respect to the type, location and arrangement for the service, Service Pipe and other facilities downstream from the Meter, but the Utility is not responsible for the adequacy of such Service Pipe and facilities downstream from the Meter or for selection by the Customer of the best or most economical type of service or Metering arrangement.

7.5 Replacement of Service Pipes. The Utility recommends against extending or reconnecting a previously installed Service Pipe to a building if such Service Pipe is or may be of inadequate capacity and invites the Customer or Plumber to obtain the advice of the Utility regarding the size of the Service Pipe which would be adequate for the proposed service. If the Customer elects to install a new Service Pipe, the installation shall be made by the Customer.

7.6 Metering Points. Unless the Customer requests additional metering points and the request is approved by the Utility, service shall be supplied through a separate Service Pipe and Meter for each Premises.

In new or unusual situations or situations not described by the existing rules, service and metering points must be reviewed and approved by the Utility prior to installation.

7.7 Relocation of Service Pipes. The Utility shall not be liable for the cost of moving or relocating a Service Pipe or related appurtenances to serve the convenience of the Customer.

If the Utility relocates a Main in connection with a public improvement project, the Utility will, at its expense, reconnect the Service Pipe from the old Main to the new Main.

If a Service Pipe must be relocated or lowered in connection with a public improvement project not involving a Utility Main relocation, the Service Pipe will be relocated or lowered at the expense of the public improvement project agency.

7.8 Undersized Service Pipes. The Utility is not responsible for inadequate or unsatisfactory service due to an undersized Service Pipe. Replacement of an undersized Service Pipe and appurtenances shall be at the Customer's expense.

7.9 Thawing Frozen Service Pipes. The Utility shall not be required to attempt to thaw Service Pipes.

7.10 Irregularly Located Service Pipes. A Service Pipe which is irregularly located shall, at the Utility's expense, be relocated and connected to a new Main abutting the Premises when subsequently installed for other purposes.

The Utility shall not be under any obligation to permit connection or to supply service to any Customer whose Premises does not abut a Main.

7.11 Modification of Facilities. Where modification of the Customer's facilities, or modification of the type or arrangement of service is required in the Utility's judgment because of changes in the use of the Premises or because of changes in the Customer's operations which affect the Utility's distribution system, such as the causing of pressure fluctuations which affect service to other Customers or damage to the Utility's system, the necessary modification shall be made at the Customer's expense at the request of the Utility. The Utility shall also

**Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202**

ORIGINAL PAGE NO. 24

be entitled to recover from such a Customer the costs of repairing its distribution system to the extent damaged by the modifications to the Customer's facilities, use of the Premises or changes in the Customer's operations.

7.12 Association of Customers. The Utility may contract, in its judgment, with two or more prospective Customers for water service from one primary Service Pipe, provided the Customers have entered into a written contract with the Utility and with each other to provide for the maintenance of the primary Service Pipe and all related branches, and to pay all associated private fire service charges.

A Service Pipe to an isolated Premises shall not extend across a property, lot or Easement line to a Main until the prospective Customer and the owner(s) of adjacent land between the isolated Premises and the Main have entered into a written contract with the Utility and with each other to provide for the maintenance of the Service Pipe and to pay all associated private fire service charges.

RULE 8. PLUMBING RESTRICTIONS

8.1 Lawn Irrigation System and Yard or Post Hydrant Installation Requirements. Customers shall construct an air gap or install a reduced pressure principle backflow preventer or pressure type vacuum breaker in accordance with Indiana Department of Environmental Management Rule 327 IAC 8-10-6, on the water line connecting the public water supply to any lawn irrigation facility buried below ground which has a sprinkling outlet located less than six (6) inches above grade and which is constructed after July 19, 1985.

Vacuum breakers installed on all yard or post hydrants shall be of the self-draining, nonfreezing type.

A drawing of each such proposed lawn irrigation and hydrant installation shall be submitted to, and have been approved by, the Utility prior to installation.

8.2 Prevention of Contamination of Utility's Distribution System. No interconnection or plumbing arrangement shall be permitted that could allow contamination to enter the Utility's distribution system. Backflow prevention devices shall be installed in Customer facilities in accordance with Indiana Department of Environmental Management Rule 327 IAC 8-10. Utility-approved backflow prevention devices as required by Indiana Department of Environmental Management Rule 327 IAC 8-10 shall be installed in the primary Service Pipe serving an association of Customers, as described in Rule 7.12. Utility approved backflow prevention or detector check devices shall be installed in all unmetered private fire service lines as described in Rule 9. Backflow prevention devices approved by the Utility shall be installed in any other Service Pipe where the Utility, in its judgment, determines that such protection is necessary.

All backflow prevention devices shall be installed at locations approved by the Utility. These devices will be selected and installed in accordance with 327 IAC 8-10-7. No connection to a Service Pipe shall be made between the Main and the backflow prevention device without the Utility's prior approval.

8.3 Prevention of Circulation in Looped Systems. Service Pipes which form a complete loop and connect to a Main at two or more points shall have double check valve assemblies installed in them. The devices shall be installed near the property line at each point of connection to the Main.

8.4 Potable Secondary Water Supply. Customers having a potable secondary water supply shall install and maintain, at their expense, proper backflow prevention devices in accordance with Indiana Department of Environmental Management Rule 327 IAC 8-10-5. This will include tanks constructed to store water furnished by the Utility's distribution system.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 25

8.5 Non-Potable Water Supply. Where a Premises has a non-potable secondary or private fire service water supply, no connection will be allowed to the potable water piping system. This is to comply with 327 IAC 8-10-5(b).

8.6 Booster Pump Installations. All plans for booster pump installations shall be submitted to the Utility prior to installation. A booster pump must be equipped with pressure sensing controls to provide shut down when the Main pressure drops below 20 psi. Requirements for backflow prevention devices, metering or flow detection will be considered at this time.

8.7 General Requirements. Backflow prevention devices shall be installed and inspected per Indiana Department of Environmental Management Rule 327 IAC 8-10. If the Utility finds noncompliance with these rules, it will report such noncompliance to the Indiana Department of Environmental Management per Rule 327 IAC 8-10-10. The Utility may also disconnect service to the Customer in accordance with Rule 4.2.1.

RULE 9. PRIVATE FIRE SERVICE

9.1 Application for Private Fire Service. Private fire service for the purpose of supplying water to be used for the extinguishment of fire shall be installed only after the approval in writing by the Utility of and subject to the terms and conditions contained in, an application for private fire service. A single charge will be made for each application. Such charge shall be pursuant to the Private Fire Protection Service Connection Charges set forth on Appendix A.

9.2 Application for Change in Private Fire Service. After the commencement of private fire service, the Customer must obtain in advance the approval of the Utility for any change, alteration, or addition in the fixtures, openings and uses specified in the Application. The Customer must complete and submit to the Utility an Application for Existing Fire Service.

9.3 Design and Installation Requirements. The type, kind and quality of all pipe and materials installed underground for fire service shall be subject to approval by the Utility. Private fire service water shall pass through a Fire Meter, double check detector check assembly or detector check with a bypass Meter unless, in the Utility's judgment, private fire service water is allowed to pass through a non-Fire Meter. A Fire Meter shall be installed only in a Service Pipe which supplies water to a Premises both for private fire service use and use other than private fire service. A detector check with a bypass meter or double check detector check assembly will be installed where required by Rule 9.9. All private fire service lines within buildings shall be installed in such a manner that all pipes will be easily accessible for inspection at any time. Underground pipes outside of buildings must be placed and maintained with a minimum cover of four and one-half feet. Unmetered connections with fire service systems are prohibited.

In the event that an additional Service Pipe for supplying water to the Premises solely for use other than private fire service is branched from a Service Pipe supplying water to the Premises for private fire service, the Customer may elect to install separate Meters in each such Service Pipe branch, in lieu of a Fire Meter in the primary Service Pipe for the combined services. Where a private fire service system is maintained under pressure from a jockey pump, the water serving the jockey pump shall be drawn from the line serving the fire pump and a separate Meter shall be installed on this line.

9.4 Alarms and Check Valves. Private fire service systems without tanks shall be equipped with a flow alarm and a double check valve assembly. Systems with tanks shall have one flow alarm and an approved

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 26

backflow prevention device. Water from the Utility's supply used for filling storage tanks or reservoirs shall be metered.

9.5 Seals on Hydrants and Other Fixtures. Hydrants and other fixtures connected to a private fire service line may be sealed by the Utility, and such seals shall be broken only in case of fire or as specially permitted by the Utility. The Customer must immediately notify the Utility of the breaking of any such seal.

9.6 Discontinuance of Service. Water service for a Customer's private fire service system may be discontinued for (1) any of the reasons set forth in Rules 4 or 9.1, except vacancy of Premises, (2) the Customer's failure to notify the Utility promptly in the case where the Utility's seals on valves, fittings, or hydrants are broken, or (3) waste or unauthorized use of water by the Customer through fire service lines.

Water service for a Customer's private fire service system will not be disconnected at the Customer's request, unless the fire department having jurisdiction of the district in which the Premises is located has approved the disconnection. Until the fire department approves the disconnection, the Customer will continue to be obligated to pay for such service. If the Customer fails to pay for their unmetered private fire service, the Utility may discontinue the metered water service as set forth in Rule 4.

9.7 Fire Meters. A Fire Meter shall be installed whenever a single Service Pipe is installed for the purpose of supplying water to a Premises both for private fire service and for use other than private fire service. The Fire Meter and Tap in the Main shall be furnished, installed and owned by the Utility. The meter pit and all other facilities within the meter pit shall be subject to the Utility's approval prior to installation and be constructed and installed by, and be the responsibility of, the Customer.

9.8 High Volume – High Pressure Industrial Systems. In the case of a private fire service system to serve an industrial complex owned and operated as a single entity by one Customer which will have significant water storage and high volume/high pressure pumping facilities, such system shall be installed in accordance with plans submitted to, and approved by, the Utility prior to installation. In the event that it is necessary that any part of such system cross or be located within a Public Right-of-Way or a Utility-owned Easement, such system shall not be deemed to violate Rule 7.4.8 if the Customer has entered into a written agreement with the Utility in which the Customer has agreed to:

9.8.1 install all of the Customer's pipes within the Public Right-of-Way or Easement in a tunnel or casing pipe extending five (5) feet onto the Customer's property on each side of the Public Right-of-Way or Easement, all details of which shall be subject to the Utility's approval,

9.8.2 pay the costs incurred by the Utility to replace with an approved pipe material any Utility Main which, in the Utility's judgment, is put in jeopardy and is located within the area disturbed by the installation of the Customer's pipes within the Public Right-of-Way or Easement,

9.8.3 maintain and repair, at the Customer's sole expense, the Customer's private fire service system, including the Customer's pipes installed within the Public Right-of-Way or Easement,

9.8.4 compensate the Utility for any and all damage to the Utility's facilities located in the Public Right-of-Way or Easement caused by the Customer, its system, installation or use,

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 27

9.8.5 indemnify the Utility against any and all liability and claims arising from damage to property or injury (whether or not alleged to be the result of the Utility's negligence) caused by the Customer's system or its installation, maintenance or use, and

9.8.6 relocate, at no expense to the Utility, its facilities installed within the Public Right-of-Way if such relocation is necessitated by a public improvement.

9.9 Detector Checks. An Underwriters Laboratory-approved detector check with a bypass Meter or double check detector check assembly shall be installed in all new private fire system Service Pipes. In addition, detector checks with bypass Meters or double check detector check assemblies shall be installed where existing private fire system Service Pipes are being modified, replaced or relocated, where existing private fire systems are being extended, and when a Customer being served has been found by the Utility to be using water, without authorization from the Utility, from an existing unmetered Service Pipe for purposes other than fire service. The detector check or double check detector check assembly shall be located after all metered Branched Service Pipe connections. The bypass Meter around the detector check or double check detector check assembly shall be sized, purchased, installed and owned by the Utility. The detector check or double check detector check assembly, meter pit or vault, and all other piping facilities within the meter pit or vault, shall be subject to the Utility's prior approval and be constructed and installed by, and the responsibility of, the Customer.

RULE 10. PUBLIC FIRE SERVICE

10.1 Public Fire Protection Service Fee. Each Customer taking service under Water Rate Nos. 1 or 2 shall pay a monthly Public Fire Protection Service Fee.

10.2 Maintenance of Public Fire Hydrant. Public fire hydrants shall be maintained by the Utility.

10.3 Uses of Public Fire Hydrants. The use of fire hydrants shall be restricted to the taking of water for the extinguishing of fires, and water shall not be taken from any fire hydrant for construction purposes, sprinkling streets, flushing trenches, sewers or gutters or for any other use, unless specifically authorized in writing by the Utility as to the time, location and use. Authorized use of fire hydrants may be subject to the terms of Rule 5.5.

10.3.1 No Person, except for the legitimate purpose of extinguishing fires, shall open any fire hydrant without the consent of the Utility in writing. Unauthorized use of public fire hydrants will be considered fraudulent use of water and will be subject to Rule 1.6

10.3.2 No hydrants shall be opened while a fire is burning or being extinguished except those actually used on the fire.

10.3.3 Any Person opening a hydrant shall remain in the immediate vicinity and in control of the hydrant during the time the hydrant is open, and shall close the hydrant immediately after its use is no longer required.

10.3.4 Any Person, who may be specifically authorized by the Utility to operate fire hydrants, shall notify the Utility as soon as possible after any hydrant has been opened.

10.3.5 The Utility shall have no responsibility or liability for any damage or injury caused by Persons operating fire hydrants. Any Persons or representatives authorized by the Utility to operate

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 28

hydrants that cause damage to a hydrant while operating shall be responsible for the cost of repairing the hydrant.

RULE 11. UTILITY'S RESPONSIBILITY FOR SERVICE

11.1 Interruptions, Pressure, and Volume. The Utility will use reasonable care and diligence to avoid interruptions and fluctuations in its service, but it cannot and does not guarantee that interruptions and fluctuations will not occur. Variations in pressure or volume of flow are to be expected. In the Utility's judgment, Customers requiring uniform service, an uninterrupted supply, or uniform pressure or volume shall make their own special provisions on their Premises. Customers needing special provisions for uninterrupted service may also be required to install multiple meters or multiple backflow devices to allow the Utility to test Meters and backflow devices or repair Meters during the Utility's normal business hours and to allow the Customer to repair its backflow devices.

11.2 Liability for Damage. The Utility shall not be liable for damages of any kind or character for any deficiency in pressure, for failure of water supply, for bursting or breaking of any mains, services, service pipes, stops, valves or fixtures, wherever located, for any deficiency in any attachment to mains, services, service branches or any other facilities used by the Utility, or for any other interruption of water supply caused by breaking of machinery, stopping for repairs or for any reason or occurrence beyond the reasonable control of the Utility. The Utility shall not be responsible for damage caused by change in water quality that may be occasioned by cleaning of pipes, reservoirs or standpipes, or the opening or closing of any gates or hydrants or any other cause when the same is not due to lack of reasonable care on the part of the Utility.

11.3 Liability for Failure or Delay in Performance. The Utility shall not be held liable for any failure or delay in performing any of the things undertaken by it under any service contract when such failure or delay is caused by strike, acts of God, unavoidable accident, or other contingencies beyond its control, and in no manner due to its fault, neglect, or omission, nor shall Utility be liable for damage caused by interruption in, or failure of service, or by sewage disposal escaping from piping on Customer's property.

RULE 12. COMPLAINT PROCEDURE

12.1 Complaint. A Customer may complain at any time prior to disconnection to the Utility about any bill, a security deposit, a disconnection notice, or any other matter relating to the Utility's service and may request a conference about such matters. The complaints may be made in person, in writing, or by completing a form available from either the Commission or from the Utility at its business office. A complaint shall be considered filed upon receipt by the Utility, except mailed complaints shall be considered filed as of the postmark date. In making a complaint or requesting a conference (hereinafter "complaint"), the Customer shall state his/her name, service address and the general nature of his/her complaint. The Utility will continue service to Customer pending disposition of a complaint in accordance with the terms of Rule 4.10.

12.2 Investigation of Complaint and Notification of Proposed Disposition. Upon receiving each such complaint, the Utility will investigate the matter, confer with the Customer when requested and notify him/her, in writing, of its proposed disposition of the matter. Such written notification will advise the Customer that he/she may, within seven days following the date on which such notification is mailed, request a review of the Utility's proposed disposition by the Commission. If the Customer requests a special Meter reading, the first reading of the Customer's Meter by the Utility during its investigation shall not be subject to the charge for a special Meter reading prescribed in the Utility's Rate Schedules. Subsequent readings, however, if requested by the Customer, will be subject to the charge.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 29

12.3 Service During Review of Complaint. In accordance with the Commission's Rules pursuant to 170 IAC 16 et al, if the Customer is receiving service at the time the complaint is received by the Utility, his/her service will not be disconnected until at least ten days after the date on which the Utility mails the notification of its proposed disposition of the matter to the Customer.

If the Customer desires review of the Utility's proposed disposition, he/she must submit a written request to the Commission in accordance with the Commission's Rules as set forth in 170 IAC 16-1-5.

12.4 Record of Complaints. The Utility's record of complaints under this rule will be available during normal business hours (as set forth on www.citizenswater.com) upon request by the concerned Customer, his/her agent possessing written authorization, or the Commission.

12.5 This rule does not preclude the right to file a complaint with the Commission as permitted by the Commission's rules and/or by statute.

RULE 13. MAIN EXTENSIONS

13.1 Definitions. The following terms as used in this rule have the following meanings:

13.1.1 "Completion date of the Main extension" means the date the Utility declares the Main extension to be in service and releases it for Taps.

13.1.2 "Cost of the Main extension" means the estimated cost of installing the Main or the actual cost of a developer-installed extension.

13.1.3 "Deposit" means the amount required to be deposited by or on behalf of each prospective Customer for a Main extension prior to the Utility commencing construction of the Main extension.

13.1.4 "Main extension" means the Mains, hydrants and appurtenances installed by the Utility to provide the water utility service requested by or on behalf of the prospective Customer or Customers, but does not include the Customer's Service Pipe.

13.1.5 "Original depositor" means a prospective Customer who enters into a Main extension agreement with the Utility and makes a deposit with the Utility prior to the completion date of the Main extension.

13.1.6 "Parcel" means a lot as platted or if the area to be served is not platted, the equivalent of a "lot" as determined in accordance with the Commission's Rule 170 IAC 6-1.5-30.

13.1.7 "Prospective Customer" or "applicant" means the person requesting the Main extension in order to receive water utility service from the Utility.

13.1.8 "Subsequent connector" means a person who was not an original depositor and who connects to the Main within 10 years after the completion date of the Main extension.

13.1.9 "Subsequent connector's fee" means the amount required to be paid to the Utility by each subsequent connector prior to his being permitted to connect to the Main.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 30

13.1.10 “Total required deposit” means the amount by which the cost of the Main extension exceeds the amount equal to three times the estimated annual revenue to be received by the Utility from the prospective Customer or Customers less the Utility’s costs of connecting said prospective Customer or Customers to the Main.

13.2 Written Agreement and Scheduling of Projects. Persons desiring Main extensions shall apply therefore in writing to the Utility. All Main extensions require a prior written agreement between the Utility and the prospective Customer or Customers, who shall contract to connect to the Main within nine months after the completion date of the Main extension and receive service from the Main extension for a period not less than three years.

All Main extension projects will be carried out in accordance with the Commission’s Rule 170 IAC 6-1.5 and this Rule 13. They will be scheduled for construction in the order in which the Utility receives the total required deposit under the Main extension agreement or the executed Main extension agreement if there is no required deposit.

13.3 Design of Main Extension. All Main extensions installed to provide domestic water service shall also provide fire protection service. Unless otherwise specifically provided for in the Main extension agreement, the Main extension will be designed to deliver domestic water service at a rate sufficient to serve the number of parcels abutting the main extension and public fire protection service at a minimum rate of 1,000 gallons per minute at 20 pounds per square inch residual pressure. In addition to the above, the Utility will determine the size of Main reasonably necessary to serve the applicant without degrading the integrity of the Utility’s distribution system.

13.4 Determination of Cost of Main Extension.

13.4.1 General. The cost of a Main extension may be either (a) the actual cost of a developer-installed extension; or (b) the estimated cost of the extension. The estimated cost of the Main extension to satisfy the design characteristics set forth in Rule 13.3 or such other design characteristics as are specifically requested by the prospective Customer or Customers will be based on the length of the Main and unit cost for installing the appropriately sized Main. All such costs will be determined annually by the Utility, based on the Utility’s actual average cost to install Mains during the previous calendar year, adjusted for known increases or decreases in materials, equipment, special construction, overhead and labor costs. The total of such estimated costs shall be the cost of the Main extension for all purposes under the Main extension agreement. If, however, one or more of the prospective Customers requests special service, such as higher flow or pressure, which the Utility determines requires the installation of a Main larger than that which would otherwise be necessary to serve the domestic and fire protection requirements of the prospective Customers generally, the Utility will compute the cost of an alternative Main extension which would meet the needs of the prospective Customer or Customers assuming no one of them required any special service, which cost will be used to determine the deposit required from each of the original depositors other than those requesting the special service and the subsequent connector’s fees.

The applicant shall be required to pay the cost of the Main extension and the full gross-up any applicable state and federal taxes associated with the cost of the extension, and the applicant shall receive refunds as provided in this Rule 13.

**Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202**

ORIGINAL PAGE NO. 31

13.4.2 Length and Location of Main Extension.

13.4.2.1 Extension of Main to Intersection or Parcel Adjacent to Parcel Having Available Service. The Main extension shall run to the end of the lot or frontage of the most remote original applicant to be served. However, if such lot or frontage abuts an intersecting street, the terminal point of the extension shall be located so that the Main to be installed ties into the existing Main in the intersecting street. If there is no Main in the intersecting street, the cost of the Main extension shall be computed on the basis of an extension of the Main to the center of the street. If the Main to be extended terminates within a parcel served thereby and the extension of such Main is to serve only the immediately adjacent parcel, the Utility, at its expense, will extend the existing Main to the mutual property line and such line will be considered the beginning point of the Main extension.

13.4.2.2 Termination of Main Extension in Permanent Cul-De-Sac. If the public thoroughfare in which the Main is to be installed dead ends in a permanent cul-de-sac, the Main will be installed to wrap around the cul-de-sac in the unpaved portion of the Public Right-of-Way, so that the Service Pipe to serve each parcel abutting the public thoroughfare may be connected to the Main without disturbing the paved portion of the public thoroughfare in the cul-de-sac and without crossing any property line other than the right-of-way line.

13.4.2.3 Termination of Main Extension Against Natural or Physical Barrier. If the public thoroughfare in which the Main is to be installed dead ends against a railroad, creek, river or other physical or natural barrier, or if the Main is to serve the last lot or last facing pair of lots in a street, the Main to be installed may terminate at the physical or natural barrier, at the point where the most remote Service Pipe is to be connected to the Main, or at a point perpendicular to the farthest corner of the house or structure located on the parcel adjacent to the barrier, whichever the Utility in its reasonable engineering judgment determines is the most appropriate under the circumstances.

13.4.2.4 Mains to be Installed in Public Thoroughfare. The Utility shall not have a duty to locate a Main other than in a public thoroughfare. In its discretion, the Utility may install a Main in an Easement or right-of-way granted to the Utility where installation of the Main in the public thoroughfare is impracticable or installation of the Main in an Easement will, in the Utility's engineering judgment, benefit the Utility's distribution system.

13.5 Determination of Revenue Allowance. The revenue allowance for each Main extension shall be equal to three times the estimated annual revenue to be received from the Customer or Customers to be attached to the Main less the estimated cost of connecting the prospective Customer or Customers to the Main, which cost shall be based on the size of the Tap and Meter through which the prospective Customer or Customers will receive service. If the revenue allowance exceeds the cost of the Main extension, the Main extension shall be a "free extension," subject to the terms and conditions described in Rule 13.6.

In determining the revenue allowance, the Utility will estimate the annual revenue to be received by it from each of the prospective Customers based on the average annual revenue received from Customers of the same classification having similar characteristics during the previous calendar year. If there is evidence available that would indicate that such an estimate would be inapplicable, the Utility will estimate the annual revenue based on such evidence.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 32

Where the Main extension will serve Residential Customers, an immediate revenue allowance will be allowed only for existing residences or residential units where construction of the building containing the units has commenced above the first floor and where the prospective Customer or developer, as the case may be, agrees to take service within nine months following the completion date of the Main extension. Where the Main extension is to serve a proposed commercial or industrial real estate development, no immediate revenue allowance will be allowed for prospective commercial or industrial Customers unless, in the Utility's judgment, sufficient construction has commenced and pertinent data is available to the Utility to permit it to identify the prospective commercial or industrial Customers in order to determine anticipated water demands and estimate the annual revenue to be received from such prospective Customers.

13.6 Guarantee to Insure Connection to Free Extension. If the Main extension is estimated to be a "free extension," as identified in Rule 13.5, the Utility may require each prospective Customer to make a reasonable deposit, not to exceed three years' estimated revenue from such Customer, to guarantee that such prospective Customer connects to, and takes service from, the Main extension within nine months after the completion date of the Main extension. Each such deposit will be returned as soon as practicable after the prospective Customer commences service from the Main extension. If a prospective Customer fails to connect to and take service from the Main extension, the Utility will retain the deposit as liquidated damages for the loss resulting to it from the prospective Customer's failure to commence service as anticipated and relied upon by the Utility, unless a sufficient number of other prospective Customers become Customers so as to qualify the Main extension as a free extension. If the deposit amount exceeds the actual cost, the Utility will refund the difference between the actual cost and the deposit to the Customer. However, if the actual cost exceeds the deposit amount, the Utility will retain the deposit in total and will bill the Customer for the difference.

13.7 Allocation of Total Required Deposit Where There is More Than One Prospective Customer. Unless otherwise agreed upon among the prospective Customers, each shall pay to the Utility his proportionate share of the total required deposit based on the ratio of the number of parcels for which each Customer requests water service to the total number of parcels for which water service is requested by all of the prospective Customers. When a prospective Customer owns more than one parcel but does not elect to arrange for service to all parcels, he may designate which of the parcels are to be served and shall make deposits for each of the parcels to be served. A separate Main extension agreement shall be entered into with respect to each parcel for which water service is requested.

13.8 Cash or Secured Deposits. A prospective Customer's deposit shall be made in cash or, in lieu of cash, it may be secured by an irrevocable letter of credit acceptable to the Utility and issued by a national bank or a bank chartered under the laws of the State of Indiana. In all cases, said letter of credit shall permit the Utility upon request to draw funds for the purchase of materials to be used for the Main extension and unconditionally guarantee payment of the remainder of the deposit within three days after the completion date of the Main extension.

13.9 When Deposits Collected are Less than Total Required Deposit. In the event that the amount of deposits collected by the Utility from the original depositors is less than the total required deposit when the Utility is ready to commence installation of the Main, the Utility may elect either to cancel the project and return all deposits or to proceed with the Main extension. If the Utility elects to proceed with the Main extension, the amount by which the total required deposit exceeds the deposits collected shall be identified as the Utility's "repayable investment," and no refunds will be made to depositors until the Utility has recovered all of its repayable investment, with interest at the annual rate of one percent (1%) over local prime at the time the proposed written agreements for the Main extension are sent by the Utility to the prospective Customer or Customers.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 33

13.10 Return of Deposits Upon Failure to Commence Construction. Upon receipt and retention by the Utility of the total required deposit, no refund of any deposit will be made unless within 180 days after the Utility's receipt of the total required deposit, construction of the Main extension shall not have begun. In the event that the Utility has not commenced installation of the Main extension within 180 days after receipt of the total required deposit from the original depositors, the Utility shall, upon written request from an original depositor, refund his/her deposit. Unless such refunded deposit and all other refunded deposits are replaced by the same or other original depositors within 90 days thereafter, the Utility may cancel the project and refund all remaining deposits thereon. The Utility shall not be liable for damage to any person, firm, corporation, organization or other entity for failure to install the Main extension within any particular period of time, regardless of the type of damage claimed.

13.11 Connection and Service. An original depositor shall be entitled to one Service Pipe connection for each parcel for which a deposit is made. An original depositor shall connect to and receive water service from the Main extension within nine months after the completion date of the Main extension and shall use and pay for such service for a period of at least three years. In the event the original depositor fails to connect to and take service from the Main extension within nine months after the completion date of the Main extension, the revenue allowance for such prospective Customer shall be identified as the Utility's repayable investment and no refunds will be made to the original depositors until the Utility has recovered all of its repayable investment, with interest at the annual rate of one percent (1%) over local prime at the time the proposed written agreements for the Main extension are sent by the Utility to the prospective Customer or Customers. The Utility may also require a bond to enforce the faithful performance of the prospective Customer's connection and service obligations.

13.12 Utility May Install Larger Mains. The Utility may install Mains larger than the size of Mains used to determine the cost of the Main extension in order to provide for future extensions. The additional cost of installing such larger Mains shall be the Utility's expense.

13.13 Subsequent Connector's Fee. If the owner or occupant of any unconnected parcel abutting the main but not included in the original application for the Main extension, requests water service any time within ten years after the completion date of the Main extension, the owner shall, prior to the Utility permitting the connection of said parcel to the Main, pays a subsequent connector's fee for each parcel for which service is requested. The amount of the subsequent connector's fee shall be the cost of the Main extension divided by the number of parcels abutting the Main used to compute the cost per parcel in determining the amount of the total required deposit from the original depositors for the Main extension, unless otherwise determined in accordance with Rule 13.4.1. If the owner of land which abuts the Main extension and was unplatted on the completion date of the Main extension and said owner or his heirs, successors or assigns (hereinafter, collectively the "owner") subdivides said land within 10 years after the completion date of the Main extension in such a manner that some or all of the parcels will not require service directly from the Main extension, and the owner requests a lateral Main extension from the Main extension to serve such land, the owner shall pay to the Utility a subsequent connector's fee for each parcel abutting the earlier Main extension, regardless of whether such parcels are to be served by the earlier Main extension or by the lateral Main extension. Applicants for service connections for parcels within subdivision developments included in a Main extension agreement shall not be required to pay a subsequent connector's fee. The subsequent connector's fee shall be in addition to any other charges which the subsequent connector must pay to the Utility in order to connect to and receive service from the Utility.

13.14 Provisions Regarding the Refund of Deposits.

13.14.1 All Main extensions are the Utility's property. The Utility shall have the right to make further extensions therefrom without the original depositors being entitled to any refund by reason of such further extensions or connections thereto, except as provided in Rule 13.13.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 34

13.14.2 No refund shall be based on connections to the Main extension made more than 10 years after the completion date of the Main extension. In no event shall the total amount of the refunds to an original depositor exceed the amount of his deposit. No interest shall be paid on any deposit made pursuant to this Rule 13.

13.14.3 No refund of any deposit shall be made on account of any Customer connecting to the Main extension for whom a final revenue allowance was allowed in establishing or adjusting the amount of such deposit, or whose property does not directly abut upon the particular section of the public thoroughfare in which the Main extension is installed.

13.14.4 In the event that more than one party contributes to the total required deposit, refunds shall be divided among the parties making the total required deposit in the same proportion as their contributions bear to the total required deposit, unless otherwise provided for in the Main extension agreement.

13.14.5 The Utility shall notify the original depositor or depositors of the completion date of the Main extension. Within 30 days after the first anniversary of said completion date, and within 30 days after the next nine anniversaries of said completion date, the Utility shall compute credits toward its repayable investment, if any, and the refunds due the original depositor or depositors. Such credits shall consist of the sum of the following:

(a) The subsequent connector's fees collected by the Utility from Customers connected to the Main extension after the completion date of the Main extension and for whom no credit has been previously allowed.

(b) A revenue allowance in the amount specified in the Main extension agreement for each single family residential Customer who connected to the Main after the completion date of the Main extension and for whom no credit has previously been allowed.

(c) A revenue allowance for each Non-Residential or multi-dwelling complex Customer for whom no credit was previously allowed in the amount of three times the first normal 12-months' Metered and private fire protection service bills paid by such Customer within four years after connection to the Main, less the Utility's cost of so connecting them. If the connection occurs in the tenth year after the completion date of the Main extension, the credit under this subparagraph (c) shall be based on the Utility's estimate of the first normal 12-months' revenue from that Customer for each nonresidential or multiple dwelling unit complex Customer who connected to the Main extension and for whom no credit has previously been allowed.

(d) A revenue allowance for each Non-Residential or multi-dwelling complex Customer for whom a partial credit was previously allowed in the amount of three times the first normal 12-months' metered and private fire protection service bills paid by such Customer, less the amount of the partial credit previously allowed.

13.14.6 All credits shall first be applied to pay the Utility its repayable investment and accrued interest thereon, if any. After the Utility's repayable investment and interest thereon has been fully paid, all further credits shall be refunded to the original depositor or depositors by check mailed to the original depositor's last known address, as shown on the Utility's books and records. Any refund which cannot be

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 35

made after the refund becomes due and payable because the Utility is unable to locate the intended recipient will be reported as unclaimed property to the State of Indiana in accordance with the Disclaimer of Property Interests Acts (Indiana Code 32-17.5, et. Seq.), as the same may be amended from time to time.

13.14.7 In the case of a phased residential real estate development where the preliminary plat of the entire development, in a form satisfactory to the Utility, is provided to the Utility at the time of the first request by the developer for a Main extension, refunds may be aggregated as follows: During the ten-year period, beginning with the date that the first Main extension for that development is placed in service, the amount of any refunds generated in excess of the deposit made on any phase of the development shall be applied against the deposit made for any earlier phase of the development, so long as the total amount of refunds to the original depositor does not at any time exceed the total amount of his deposits during such period.

13.15 Optional Surcharge Main Extension in Developed Residential Area. The Utility will install a Main extension for owners of single or double family dwellings along an existing street in a developed residential area in accordance with the terms and conditions hereinafter described, provided each of said owners enters into a Main extension agreement with the Utility in which said owners, for themselves and their successors in interest in the Premises (hereinafter the "owner"), agree to become and remain Customers of the Utility for at least 60 consecutive months following the completion date of the Main extension and abide by the terms and conditions set forth in this Rule 13.15. Upon request by the Utility, applicants for such a Main extension shall provide the Utility with proof of their property ownership.

The cost of the Main extension shall be determined in accordance with Rule 13.4.1. To determine each owner's share of that cost, the Utility will divide the cost of the Main extension by the number of dwellings whose owners enter into the Main extension agreement. That amount, plus the estimated cost of connecting the owner to the Main, will be the responsibility of each owner and is hereinafter referred to as the "Full Owner's Share". Each owner entering into the Main extension agreement will have the option of either paying to the Utility for each affected dwelling at the time of the execution of the Main extension agreement (1) the Full Owner's Share," less the Utility's revenue allowance, for each dwelling or (2) a "Partial Owner's Share," which shall be equal to the greater of (a) 10% of the Full Owner's Share or (b) the percentage of the Full Owner's Share required so that the monthly Main extension surcharge (as hereinafter described) will not exceed a maximum amount fixed by the Utility from time to time. For those owners paying a Partial Owner's Share, the remainder of the Full Owner's Share (the "Remaining Balance") shall be paid to the Utility through a "main extension surcharge" on his monthly water bill, over a 60-month period commencing the month following that in which the main is placed in service. The amount of such monthly Main extension surcharge will be approximately 1/60th of the Remaining Balance. The Utility shall not be entitled to any interest on the Remaining Balance, and an owner electing the Partial Owner's Share option shall not be entitled to a revenue allowance.

Subsequent connectors to a Main extension installed pursuant to this Rule 13.15 within 10 years following the in-service date of the Main extension shall pay to the Utility a subsequent connector's fee in an amount computed in accordance with Rule 13.13. Until such time as the Utility has recovered its investment in the Main extension, less any revenue allowances made for a Full Owner's Share (Utility's "investment"), the Utility will not be obligated to refund any subsequent connector's fees or revenue allowances connected therewith. The Utility shall review all projects as of each anniversary of the in-service date of the Main extension. If at that time the Utility has recovered its investment, the Utility will thereafter, until the end of the contract term, make refunds from subsequent connector fees and related revenue allowances, and from Main extension surcharge payments as hereinafter described. Such fees, allowances and payments will be divided equally, per dwelling, among all depositors of Full and Partial Owner's Shares. Those who have deposited a Full Owner's Share will be refunded the resulting amounts.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 36

The same amounts will be credited against the unpaid portion of the Remaining Balance on the contract obligation of the current owner of a Premises for which a Partial Owner's Share was deposited. No owner, however, shall be refunded, or credited for, amounts in excess of the sum of deposits and any payments made by such owner ("owner's investment"). When the Utility has recovered its investment and all owners have recovered their owners' investment, the Main extension contract shall terminate and no further refunds will be made or subsequent connector fees collected.

An owner that pays a Partial Owner's Share, but does not connect a Service Pipe to the Main, shall be known as a "surcharge Customer". Since such a Customer will not be receiving a monthly water bill, the Utility will send the surcharge Customer a separate monthly bill for the Main extension surcharge. A monthly Main extension bill which remains unpaid for a period of more than 17 days following the mailing of the bill by the Utility shall be delinquent. If such bill remains delinquent for 7 days following the Utility's mailing of a delinquency notice, said Customer shall be deemed to have forfeited to the Utility his Partial Owner's Share and all monthly surcharge payments previously made to the Utility. During the term of the Main extension contract, any subsequent applicant for water service to the owner's Premises, including a defaulting surcharge Customer as provided for in the foregoing sentence, shall be deemed a subsequent connector and pay a subsequent connector's fee for such service.

An owner that occupies a dwelling served by a Service Pipe connected to the Main extension installed pursuant to this Rule 13.15 must pay all Main extension surcharges by the due date of the accompanying water bill. A monthly Main extension surcharge which remains unpaid for a period of more than 17 days following the mailing of the bill by the Utility shall be delinquent. If such bill remains delinquent for 7 days following the Utility's mailing of a disconnect notice, the Utility may declare the entire unpaid amount of the owner's Remaining Balance immediately due and payable, and upon non-payment thereof, may disconnect water service to the owner's Premises. An owner leasing to others a dwelling served by a Service Pipe connected to the Main extension shall agree with the Utility, for the years that the monthly surcharge payment will remain in effect, that the owner is the Customer and will receive and pay the monthly bills for water service and the Main extension surcharges. Said owner shall further agree that if the monthly Main extension surcharges are not received by the Utility within 7 days following the Utility's mailing of a disconnect notice, the Utility may declare the entire amount of the owner's unpaid Remaining Balance immediately due and payable, and upon non-payment thereof, may disconnect water service to the owner's Premises with notice and in accordance with Rule 4. In the event of a disconnection of water utility service under this Rule 13.15, such service may thereafter be restored only when the entire amount of the owner's Remaining Balance and the Utility's disconnect and reconnect charges have been paid.

The failure of one or more owners that paid a Partial Owner's Share to pay all of his or their monthly Main extension surcharges shall not preclude the Utility from collecting monthly Main extension surcharge payments from other owners and subsequent connector fees until its repayable investment has been recovered.

13.16 Special Contracts for Rate Surcharge in Developed Residential Area. Pursuant to 170 IAC 6-1.5-40, the Utility will make a Main extension to an unserved, developed residential area ("designated area") if the owners of at least 50% of the dwellings in the area contract ("Special Contract") for service, on terms acceptable to the Utility, providing for the Utility's recovery of the cost of the Main extension ("main extension cost") and its cost of connecting Customers' Service Pipes to the Main through Monthly Area Rate Surcharges and Area Rate Tap fees, as prescribed in the Miscellaneous Service Charges tariff of the Utility's Rate Schedules, applicable to all Customers and potential Customers in the designated area until the Utility has recovered the Main extension cost. If owners of fewer than 50% of the dwellings in an area enter into a Special Contract for the area, the Utility may elect not to proceed with a Main extension under this rule.

Citizens Water of Westfield, LLC
2020 N. Meridian Street
Indianapolis, Indiana 46202

ORIGINAL PAGE NO. 37

The Monthly Area Rate Surcharge will be determined by dividing the Main extension cost by the number of potential Customers in the designated area and dividing the resulting remainder by no fewer than 120 months.

An owner who contracts for service and pays the Area Rate Tap fee, but fails to connect to the Main within six months after the date the Main is placed in service, or one who does not contract for service and does not pay such fee before a Main is installed, shall, prior to commencement of service, pay the Utility at the time the owner connects to the Main and in addition to the Area Rate Tap fee, the Secondary Connector Fee prescribed in the Miscellaneous Service Charges tariff of the Utility's Rate Schedules for the designated area which fee will be credited against the Main extension cost.

13.17 Other Rules. All Main extensions shall be installed, service connections made and water service rendered by the Utility in accordance with all applicable rules and standards prescribed by the Commission and the Utility's rates, charges and rules approved by the Commission as revised, supplemented, and replaced from time to time.

Citizens Water of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202

Original Page No. 101

WATER RATE NO. 1

RESIDENTIAL WATER SERVICE

APPLICABILITY:

This rate schedule applies to all metered water service rendered to a Residential Customer by Citizens Water of Westfield, LLC ("Utility"). Metered accounts will be billed monthly.

SPECIAL PROVISIONS:

Incorporated herein, and made part of this rate schedule, are the Terms and Conditions for Water Service, as amended from time to time. Capitalized terms used in this rate schedule are defined in the Terms and Conditions for Water Service.

All Meters will be read monthly, and will be billed on the basis of actual consumption.

MONTHLY BASE CHARGE:

Each Residential Customer shall pay a Monthly Base Charge per Meter:

	2013	2014	2015	2016
Residential Monthly Base Charge	\$9.63	\$10.11	\$10.41	\$10.62

VOLUMETRIC CHARGE:

Each Residential Customer shall pay a monthly Volumetric Charge based on the amount of water consumed, as follows:

<u>Monthly Usage</u>		<u>Rate per 1,000 gallons</u>			
		2013	2014	2015	2016
First	5,000 gallons	\$3.50	\$3.68	\$3.79	\$3.87
Next	5,000 gallons	\$3.50	\$3.68	\$3.79	\$3.87
Next	15,000 gallons	\$5.00	\$5.25	\$5.41	\$5.52
Over	25,000 gallons	\$3.00	\$3.15	\$3.24	\$3.30

**Current rates effective pursuant to
I.U.R.C. Order in Cause No. 44273**

Effective: _____

Citizens Water of Westfield, LLC
 2020 North Meridian Street
 Indianapolis, Indiana 46202

Original Page No. 101B

RESIDENTIAL WATER SERVICE (Cont'd)

PUBLIC FIRE PROTECTION SERVICE FEE:

Residential Customers shall pay a Monthly Public Fire Protection Service Fee in accordance with the following applicable size of Meter installed at the Customer's Premises:

<u>Meter Size</u>		<u>Area Ratio</u>	<u>Monthly</u>			
			<u>Public Fire Protection Service Fee</u>			
			<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5/8-3/4	inch or less	1.0	\$3.11	\$3.27	\$3.37	\$3.44
1	inch meter	2.5	\$7.78	\$8.18	\$8.43	\$8.60
1.25	inch meter	4.0	\$12.44	\$13.08	\$13.48	\$13.76
1.5	inch meter	5.8	\$18.04	\$18.97	\$19.55	\$19.95
2	inch meter	10.0	\$31.10	\$32.70	\$33.70	\$34.40
3	inch meter	23.0	\$71.53	\$75.21	\$77.51	\$79.12
4	inch meter	40.0	\$124.40	\$130.80	\$134.80	\$137.60
6	inch meter	91.0	\$283.01	\$297.57	\$306.67	\$313.04

Current rates effective pursuant to
 I.U.R.C. Order in Cause No. 44273

Effective: _____

Citizens Water of Westfield, LLC
 2020 North Meridian Street
 Indianapolis, Indiana 46202

Original Page No. 102

WATER RATE NO. 2

NON-RESIDENTIAL WATER SERVICE

APPLICABILITY:

This rate schedule applies to all metered water service rendered to a Non-Residential Customer by Citizens Water of Westfield, LLC ("Utility"). Metered accounts will be billed monthly.

SPECIAL PROVISIONS:

Incorporated herein, and made part of this rate schedule, are the Terms and Conditions for Water Service, as amended from time to time. Capitalized terms used in this rate schedule are defined in the Terms and Conditions for Water Service.

All Meters will be read monthly, and will be billed on the basis of actual consumption.

MONTHLY BASE CHARGE:

Each Non-Residential Customer shall pay a Monthly Service Charge per Meter in accordance with the following applicable size of Meter installed:

<u>Meter Size</u>		<u>Area Ratio</u>	<u>Base Charge per Meter per Month</u>			
			<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5/8-3/4	inch or less	1.0	\$9.63	\$10.11	\$10.41	\$10.62
1	inch meter	2.5	\$22.00	\$23.10	\$23.79	\$24.27
1.25	inch meter	4.0	\$35.20	\$36.96	\$38.06	\$38.83
1.5	inch meter	5.8	\$51.04	\$53.59	\$55.19	\$56.31
2	inch meter	10.0	\$88.00	\$92.40	\$95.16	\$97.08
3	inch meter	23.0	\$202.40	\$212.52	\$218.87	\$223.28
4	inch meter	40.0	\$352.00	\$369.60	\$380.64	\$388.32
6	inch meter	91.0	\$800.80	\$840.84	\$865.96	\$883.43
8	inch meter	161.8	\$1,423.84	\$1,495.03	\$1,539.69	\$1,570.75

VOLUMETRIC CHARGE:

Each Non-Residential Customer shall pay a monthly Volumetric Charge based on the amount of water consumed, as follows:

<u>Monthly Usage</u>		<u>Rate per 1,000 Gallons</u>			
		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
First	5,000 Gallons	\$3.50	\$3.68	\$3.79	\$3.87
Next	5,000 Gallons	\$3.50	\$3.68	\$3.79	\$3.87
Next	15,000 Gallons	\$5.00	\$5.25	\$5.41	\$5.52
Over	25,000 Gallons	\$3.00	\$3.15	\$3.24	\$3.30

Current rates effective pursuant to
 I.U.R.C. Order in Cause No. 44273

Effective: _____

Citizens Water of Westfield, LLC
 2020 North Meridian Street
 Indianapolis, Indiana 46202

Original Page No. 102B

NON-RESIDENTIAL WATER SERVICE (Cont'd)

PUBLIC FIRE PROTECTION SERVICE FEE:

Non-Residential Customers shall pay a Monthly Public Fire Protection Service Fee in accordance with the following applicable size of Meter installed at the Customer's Premises:

<u>Meter Size</u>		<u>Area Ratio</u>	<u>Monthly Public Fire Protection Service Fee</u>			
			<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5/8-3/4	inch or less	1.0	\$3.11	\$3.27	\$3.37	\$3.44
1	inch meter	2.5	\$7.78	\$8.18	\$8.43	\$8.60
1.25	inch meter	4.0	\$12.44	\$13.08	\$13.48	\$13.76
1.5	inch meter	5.8	\$18.04	\$18.97	\$19.55	\$19.95
2	inch meter	10.0	\$31.10	\$32.70	\$33.70	\$34.40
3	inch meter	23.0	\$71.53	\$75.21	\$77.51	\$79.12
4	inch meter	40.0	\$124.40	\$130.80	\$134.80	\$137.60
6	inch meter	91.0	\$283.01	\$297.57	\$306.67	\$313.04

Current rates effective pursuant to
 I.U.R.C. Order in Cause No. 44273

Effective: _____

Citizens Water of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202

Original Page No. 201

APPENDIX A

MISCELLANEOUS SERVICE CHARGES

APPLICABILITY:

This schedule applies to all Citizens Water of Westfield, LLC (“Utility”) Customers.

SPECIAL PROVISIONS:

Incorporated herein, and made part of this rate schedule, are the Terms and Conditions for Water Service, as amended from time to time. Capitalized terms used in this rate schedule are defined in the Terms and Conditions for Water Service.

1. ESTABLISH ACCOUNT AND INSTALL METER:

Each Customer shall pay a fee for establishing an account and installing a Meter, based upon the size of the Meter installed, as follows:

Meter Size		
5/8 or 3/4	inch meter	\$19.00
1	inch meter	68.00
1 1/2	inch meter	81.00
2	inch meter	95.00
3	inch meter	160.00
4	inch meter	200.00
6	inch meter	337.00

2. SPECIAL METER READ AT CUSTOMER REQUEST \$16.00 per request

3. METER TEST AT CUSTOMER REQUEST WITHIN 36 MONTHS OF FIRST TEST \$58.00 per request

4. MULTIPLE METER AGGREGATED BILLING \$0.75 per meter per month in excess of one

Current rates effective pursuant to
I.U.R.C. Order in Cause No. 44273

Effective: _____

Citizens Water of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202

Original Page No. 201B

MISCELLANEOUS SERVICE CHARGES (Cont'd)

- | | |
|---|-------------------------------|
| 5. <u>TEMPORARY HYDRANT CONNECTION</u>
(exclusive of water consumption) | \$50.00 per connection |
| 6. <u>TEMPORARY HYDRANT METER DEPOSIT</u> | \$200 per meter |
| 7. <u>DAILY HYDRANT METER CHARGE</u>
(exclusive of water consumption) | \$1.00 per day |
| 8. <u>AREA RATE SURCHARGES:</u> | |

The Area Rate Surcharges apply to Customers receiving water service through a Main extension installed under the Utility's Rule 13.16. The Area Rate Surcharges are in addition to the rates and charges under Water Rate Nos. 1 and 2.

Area Rate Tap Fee	\$200.00
Secondary Connector Fee	\$500.00
Monthly Area Rate Surcharge:	

The Monthly Area Rate Surcharge will be determined by dividing the Main extension cost by the number of potential Customers in the designated area and dividing the resulting remainder by no fewer than 120 months.

- | | |
|--|-----------------|
| 9. <u>PRIVATE FIRE PROTECTION SERVICE CONNECTION CHARGES:</u> | |
| Establish Account and Install Fire Meter | \$827.00 |
| Establish Account and Turn on Unmetered Fire Line | |
| New installation or modification of existing installation | \$150.00 |
| Turn on only | 79.00 |

Current rates effective pursuant to
I.U.R.C. Order in Cause No. 44273

Effective: _____

Citizens Water of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202

Original Page No. 201C

MISCELLANEOUS SERVICE CHARGES (Cont'd)

10. BULK WATER SALES:

Bulk water sales may be made available at the sole discretion of the Utility, pursuant to the terms of a Bulk Water Sales Agreement entered into between the Utility and Customer. The sole delivery point for bulk water sales is at the Utility's hydrant located at 2706 E. 171st St., Westfield, Indiana. Customer shall be billed monthly for bulk water sales.

Account Set Up Fee **\$50.00**

Trip Charge per Each Bulk Water Fill **\$15.00**

Volume Charge **The Non-Residential Volumetric
Charge that is in effect at the time of the trip**

**Current rates effective pursuant to
I.U.R.C. Order in Cause No. 44273**

Effective: _____

Citizens Water of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202

Original Page No. 202

APPENDIX B

NON-RECURRING CHARGES

APPLICABILITY:

This schedule applies to all Citizens Water of Westfield, LLC ("Utility") Customers.

SPECIAL PROVISIONS:

Incorporated herein, and made part of this rate schedule, are the Terms and Conditions for Water Service, as amended from time to time. Capitalized terms used in this rate schedule are defined in the Terms and Conditions for Water Service.

1. **LATE PAYMENT CHARGE:** **10% of first \$3.00**
3% of excess

All bills for Utility Services and Private Fire Protection Service not paid within seventeen (17) days from the date the bill is mailed, shall be subject to the Late Payment Charge of ten percent (10%) of the first three dollars (\$3.00) of water service charges and three percent (3%) on the amount in excess of three dollars (\$3.00).

2. **DELINQUENT ACCOUNT COLLECTION CHARGE:** **\$14.00 per visit**

A single charge may be made for each visit to the Customer's Premises to collect a delinquent account for applicable Utility Services.

3. **RECONNECTION CHARGE:** **\$25.00 per reconnection**

In addition to the cost of excavation, after any water service is discontinued to any Customer serviced by the Utility for any reason, whether at the request of the Customer, or because of failure to pay water or sewage disposal service bills, there shall be imposed a charge for turning on the water service.

4. **RETURNED CHECK CHARGE:** **\$11.00 per returned check**

Each Customer that causes a check for Utility Services to be returned by their financial institution due to their account not having sufficient funds to allow such check to be processed, shall be charged eleven dollars (\$11) to cover the cost the Utility incurs to re-process the original transaction.

5. **LATE REPORTING OF TEMPORARY HYDRANT
METER WATER USAGE** **\$25.00 per occurrence**

Citizens Water of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202

Original Page No. 202B

NON-RECURRING CHARGES (Cont'd)

6. USAGE INFORMATION CHARGE:

**\$18.00 per customer usage
Summary per Meter**

A summary of Customer usage by Meter for the most recent twenty-four (24) month period may be accessed at www.citizensenergygroup.com. A Usage Information Charge shall be assessed to the Customer for requests for usage summary by Meter beyond the twenty-four (24) month period.

7. DAMAGED METER REPLACEMENT:

		Charge per Meter Replaced
5/8	inch meter	\$49.00
3/4	inch meter	70.00
1	inch meter	133.00
Over 1	inch meter	Cost of time and materials

Current rates effective pursuant to
I.U.R.C. Order in Cause No. 44273

Effective: _____

**SEWAGE DISPOSAL SERVICE TARIFF
RATES, TERMS AND CONDITIONS
FOR SEWAGE DISPOSAL SERVICE WITHIN
WESTFIELD, INDIANA
AND CONTIGUOUS AREAS**

Issued By

Citizens Wastewater of Westfield, LLC

**2020 North Meridian Street
Indianapolis, Indiana 46202**

**Michael D. Strohl
President**

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 1

TABLE OF CONTENTS

	<u>Page Number</u>
1	Definitions 3-7
2	Rates and Uniform Conditions of Service 8
3	Written Application or Contract For Service May Be Required 8-9
4	Written Application and Permit Required for New Connection 9-12
5	Sewer Construction Requirements 12
6	Mandatory Inspection and Right of Entry 12-13
7	Deposits 13-14
8	Billing and Payment of Bills 14-18
9	Discontinuance of Service 19-20
10	Prohibited Disconnections 20-21
11	Notice of Disconnection 22-23
12	Reconnection of Service 23
13	Interruption of Service 23
14	Complaints and Review 23-24
15	Prohibition Against Clear Water Discharges 24-25
16	Dewatering Discharge 25
17	Sewage Restrictions 25-28
18	Required Installation of Food Waste Disposer 29
19	Grease Interceptor 29
20	Industrial Customer Waste Discharge 29-30
21	Accidental Discharge 30-31
22	Maintenance of Service Pipe Connections 31-32
23	Main Extensions 32-39
24	Utility Liability 39
25	Incorporation By Reference 40

Active Available Sewer Rates

	<u>Page Number</u>
Rate No. 1	Residential Sewage Disposal Service 101
Rate No. 2	Non-Residential Sewage Disposal Service 102 – 102B

Appendices

	<u>Page Number</u>
A	Miscellaneous Non-recurring Charges 201-201B

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 2

**RULES
APPLICATION**

The terms and conditions for service, as set forth here and as amended and supplemented from time to time, shall govern all Sewage Disposal Service rendered or to be rendered by the Utility. They shall be binding upon every Customer and the Utility, and shall constitute a part of the terms and conditions of every contract for Sewage Disposal Service.

**SEWAGE DISPOSAL SERVICE TERMS AND CONDITIONS
I.U.R.C. CAUSE NO. 44273**

EFFECTIVE: _____

Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202

ORIGINAL PAGE NO. 3

1. DEFINITIONS

Except where the context indicates a different meaning or intent, the following terms, when used in any Section of the Utility's Rates and Terms and Conditions for Sewage Disposal Service, shall have the meanings ascribed below:

1.1 ACCIDENTAL DISCHARGE

An unintentional release of a material that could potentially violate the requirements of Section 17 of these Terms and Conditions for Sewage Disposal Service.

1.2 APPLICANT

Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution or group thereof applying to receive or use the Utility's Sewage Disposal Service.

1.3 BIOCHEMICAL OXYGEN DEMAND ("BOD")

The quantity of oxygen used in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20°C, (68°F) expressed in milligrams per liter. BOD measurements are used as a measure of the organic strength of wastes in water.

1.4 BUILDING DRAIN

That part of the lowest horizontal piping of a drainage system that receives the discharge from solid waste and other drainage pipes inside the walls of the building and conveys it to the Building Sewer, beginning five (5) feet (one and one-half (1.5) meters) outside the inner face of the building wall.

1.5 BUILDING SEWER

The extension from the Building Drain to the Public Sewer or other place of disposal and shall include that portion of the drain within the public right-of-way.

1.6 CLEAN WATER ACT

The primary federal law in the United States governing water pollution, which is codified at 33 U.S.C. § 1251 *et seq.*

1.7 COMMISSION

The Indiana Utility Regulatory Commission.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 4

- 1.8 COMMISSION'S RULES**
Rules, Regulations and Standards of Service for Utilities Rendering Sewage Disposal Service in Indiana pursuant to 170 IAC 8.5-1 et al, as revised, supplemented and replaced from time to time.
- 1.9 COOLING WATER**
The water discharged from any system of condensation, air conditioning, cooling, refrigeration or other, but which shall be free from odor and oil. Cooling Water shall not contain polluting substances that would produce BOD or Suspended Solids each in excess of ten (10) milligrams per liter.
- 1.10 CUSTOMER**
Any individual, partnership, association, firm, public or private corporation, limited liability company, government agency, institution or group that has agreed, orally or otherwise, to pay for Sewage Disposal Service from the Utility.
- 1.11 DOMESTIC WASTEWATER**
Wastewater of the type commonly introduced into Sewage Disposal System by residential users.
- 1.12 EQUIVALENT DWELLING UNIT ("EDU")**
Shall be determined in accordance with industry standards and shall reflect the greater of the actual daily flow requirements (per 327 IAC 3), the area ratio of the water meter size serving a particular user, or such means of determination deemed appropriate by the Utility. One (1) EDU shall be estimated as equal to three hundred ten (310) gallons per day.
- 1.13 FOUNDATION DRAINS**
Any network of pipes, pumps or drainage mechanism located at, near or under a footing, foundation or floor slab of any building or structure that intentionally or unintentionally conveys groundwater away from a building or structure.
- 1.14 GARBAGE**
Solid wastes from the domestic and commercial preparation, cooking and dispensing of food and from the handling, storage and sale of produce.
- 1.15 HEAT PUMP DISCHARGE**
Water discharged from a heat pump or other device that uses water as a heat source or heat sink.
- 1.16 INDUSTRIAL CUSTOMER**
Any Customer of Utility who discharges, causes or permits the discharge of nondomestic wastewater into the Sewage Disposal System.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 5

1.17 INTERFERENCE

Any discharge that, alone or in conjunction with a discharge or discharges from other sources, both: (1) inhibits or disrupts the Sewage Disposal System, its treatment processes or operations, or its sludge processes, use or disposal; and (2) therefore is a cause of a violation of any requirement of the Sewage Disposal System's National Pollutant Discharge Elimination System ("NPDES") permit (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the following statutory provisions and regulations or permits issued thereunder (or more stringent state or local regulations): Section 405 of the Clean Water Act, the Solid Waste Disposal Act (SWDA) (including Title II, more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and including state regulations contained in any state sludge management plan prepared pursuant to Subtitle D of the SWDA), the Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.

1.18 MONTH

One-twelfth (1/12) of a year, or the period between two (2) consecutive readings of the Utility's meters, as nearly every thirty (30) days as practicable.

1.19 NH3-N

Denotes ammonia nitrogen. All of the nitrogen in water, sewage or other liquid waste present in the form of ammonia, ammonia ion or in the equilibrium $\text{NH}_4^+ \rightleftharpoons \text{NH}_3 + \text{H}^+$.

1.20 NON-INDUSTRIAL CUSTOMER

All Customers of the Utility that discharge into the Sewage Disposal System Sewage Normally Discharged by a Residence.

1.21 NON-RESIDENTIAL CUSTOMER

A person being supplied with Sewage Disposal Service by the Utility that is not used for residential purposes.

1.22 NPDES PERMIT

A permit issued under the National Pollutant Discharge Elimination System for discharge of wastewaters to the navigable waters of the United States pursuant to 33USC1251.

1.23 PASS-THROUGH

A discharge that exits the Sewage Disposal System into waters of the State in quantities or concentrations that, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the Sewage Disposal System's NPDES Permit (including an increase in the magnitude or duration of a violation).

1.24 PH

The logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 6

1.25 POLLUTANT

Includes, but is not limited to, any dredged spoil, solid waste, incinerator residue, sewage, garbage, sewage sludge, munitions, chemical materials, chemical wastes, biological materials, Radioactive Materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, and industrial, municipal and agricultural waste discharged into water.

1.26 PREMISES

One contiguous piece of property owned by a single Customer, which is not intersected by a public right-of-way or thoroughfare.

1.27 PROPERLY SHREDDED GARBAGE

Wastes from the preparation, cooking and dispensing of food that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in Public Sewers, with no particle greater than one-half (½) inch (one and twenty-seven one-hundredths (1.27) centimeters) in any dimension.

1.28 PUBLIC SEWER

Any combined or sanitary sewer or lift station located within the public right-of-way or a dedicated easement.

1.29 RADIOACTIVE MATERIAL

Any material (solid, liquid or gas) that spontaneously emits ionizing radiation and that is regulated by the Nuclear Regulatory Commission or the Indiana State Board of Health. This may include naturally occurring radioactive material, by-product material, accelerator produced material, source material or special nuclear material.

1.30 RESIDENTIAL CUSTOMER

A person being supplied with Sewage Disposal Service by the Utility exclusively for residential purposes and introduces only Domestic Wastewater into the Sewage Disposal System.

1.31 SEWAGE DISPOSAL SERVICE

Utility service whereby liquid and solid waste, sewage, night soil and industrial waste (except as limited by the Rules and Regulations of the Commission) of any single territorial area is collected, treated, purified and disposed of in a sanitary manner, and includes all sewage treatment plant or plants, main Sewers, submain Sewers, local and/or lateral Sewers, intercepting Sewers, outfall Sewers; force mains, pumping stations, ejector stations and all other equipment and appurtenances necessary or useful and convenient for the rendition of such service.

1.32 SEWAGE DISPOSAL SYSTEM

The system by which the Utility provides Sewage Disposal Service, which includes the sewage treatment plant or plants, main Sewers, submain Sewers, local and/or lateral Sewers, intercepting Sewers, outfall Sewers; force mains, pumping stations, ejector stations and all other equipment and appurtenances necessary or useful and convenient for the rendition of such service.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 7

- 1.33 SEWAGE NORMALLY DISCHARGED BY A RESIDENCE**
The liquid waste contributed by a residential living unit and shall not exceed a volume of ten thousand five hundred (10,500) gallons per Month, thirty (30) pounds of BOD per month, and thirty-five (35) pounds of Suspended Solids per Month.
- 1.34 SEWER**
A pipe or conduit for carrying sewage.
- 1.35 SLUG**
Any discharge of wastewater that, in concentrations of any given constituent, as measured by a grab sample, exceeds more than five (5) times the allowable discharge limits as specified in these Terms and Conditions for Sewage Disposal Service and/or in quantity of flow exceeds more than five (5) times the user's average flow rate as authorized in the user's industrial discharge permit, for a period of duration longer than fifteen (15) minutes.
- 1.36 SUSPENDED SOLID ("SS")**
Solids that either float on the surface of, or are in suspension in, water, sewage or other liquids and that are removable by laboratory filtering.
- 1.37 UPSET**
An exceptional incident in an Industrial Customer's facility, in which there is unintentional and temporary noncompliance with applicable pretreatment standards because of factors beyond the reasonable control of the Industrial Customer. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventive maintenance or careless or improper operation.
- 1.38 UTILITY**
Citizens Wastewater of Westfield, LLC, 2020 North Meridian Street, Indianapolis, Indiana 46202 or any professional management firm that has been retained by Citizens Wastewater of Westfield, LLC to operate its Sewage Disposal System and that is acting in its capacity as the agent or representative of the Citizens Wastewater of Westfield, LLC.
- 1.39 UTILITY'S RATE SCHEDULES**
The Utility's schedules of rates and charges as approved by the Commission and as revised, supplemented, and replaced from time to time. The schedule of rates and charges is available at <http://www.citizensenergygroup.com>.
- 1.40 WASTEWATER HAULER**
Any person who engages in the activity, service, business or leasing of vehicles for the purpose of transporting domestic wastewater to another location for disposal.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 8

2. RATES AND UNIFORM CONDITIONS OF SERVICE

- 2.1 A copy of all rates and charges and these Terms and Conditions for Sewage Disposal Service is on file with the Commission and may be inspected by the public in the principal office of the Utility at 2020 North Meridian Street, Indianapolis, Indiana 46202 or on the Utility's website at www.citizensenergygroup.com.
- 2.2 All Sewage Disposal Service furnished by the Utility shall be subject to said rates and charges and these Terms and Conditions for Sewage Disposal Service, which are by reference made a part of all standard contracts for service, (except when modified by special contract approved by the Commission or as otherwise provided herein).
- 2.3 The failure of the Utility to enforce any rate and/or provision of these Terms and Conditions for Sewage Disposal Service shall not be deemed a waiver of its rights to do so.

3. WRITTEN APPLICATION OR CONTRACT FOR SERVICE MAY BE REQUIRED

- 3.1 A written application or contract properly executed in a form acceptable to the Utility, may be required from the Customer before the Utility is obligated to supply Sewage Disposal Service to the Customer, or as a condition for the continued supply of Sewage Disposal Service, provided, however, that the Utility shall have the right to reject an application for service if the applicant is unwilling or unable to comply with terms of service required by these rules.
- 3.2 No proposed connection or inlet shall be permitted, if in the opinion of the Utility, such inlet and connection would overburden such sewer. All opinions shall be validated by sound engineering judgment.
- 3.3 The taking of Sewage Disposal Service shall constitute a contract between the Customer and the Utility, obligating the Customer to pay for, and the Utility to furnish, service as specified herein and to comply with all applicable provisions of these Terms and Conditions for Sewage Disposal Service.
- 3.4 Where two or more parties join in one application for Sewage Disposal Service, such parties shall be jointly and severally liable there under, and only one bill shall be rendered for service supplied in accordance therewith.
- 3.5 No promises, agreements or representations of any agent, employee or authorized representative of the Utility, or its predecessor, shall be binding upon the Utility unless the same shall have been incorporated in a written contract or application.
- 3.6 Sewage Disposal Service furnished to any Customer is for the use of that Customer on his or her designated Premises, and shall not be resold or extended by Customer to serve additional lots, Premises or improvements as an alternative to that person or entity receiving Sewage Disposal Service from the Utility, unless otherwise specifically included in its agreement with the Utility for service.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 9

3.7 Any contractor, builder or developer shall be liable for the minimum monthly charge from the time of connection until notification of occupancy, if such contractor, builder or developer fails to notify the Utility of such occupancy.

4. WRITTEN APPLICATION AND PERMIT REQUIRED FOR NEW CONNECTION OR WORK ON LATERALS

4.1 No person shall be allowed to connect to the Utility's system until after he has obtained a permit to do so from the Utility. If any person connects to the Sewage Disposal System without obtaining said permit, the Utility shall have the right to disconnect such Customer from its system and refuse to connect him to the Utility's system until the Utility has been reimbursed for any expense incurred in disconnecting such person from its system.

4.2 No person shall do any form of work on or in connection with lines or facilities owned by the Utility until he has received a lateral permit from the Utility to do such work. A lateral permit is required to construct, repair, modify, connect, or abandon any lateral within the Utility's service area. All work must be in compliance with the Utility's Sanitary District Standard Specifications.

4.3 An application for a new connection to the Sewage Disposal System shall be made on a form prescribed by the Utility and may require the following information:

4.3.1 Name and address of the owner;

4.3.2 Name, address and telephone number of the contractor;

4.3.3 Address and, if necessary, the legal description of the Premises where the work is to be done;

4.3.4 Plans for the Building Sewer and connections, which at a minimum must consist of drawing(s) of the building, the parcel boundaries, the connection detail, including grease interceptor connection detail where applicable, materials of construction and installation method; and

4.3.5 Any other information as may be deemed reasonable and necessary by the Utility.

4.4 Application for a connection to the Sewage Disposal System shall be made only by a plumbing contractor licensed by the State of Indiana.

4.5 All Sewer work and other construction actually performed on or associated with the Building Drain, Building Sewer and the connection of the Building Sewer to the Sewage Disposal System shall be in accordance with the rules and regulations of the Indiana Fire Prevention and Building Safety Commission and standard specifications of the Utility.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 10

- 4.6** The permit granted by the Utility to connect to the Sewage Disposal System shall be given in writing and expire by operation of law and shall no longer be of any force or effect if work is not initiated within one hundred eighty (180) days from the date thereof. The Utility may, however, for good cause shown in writing, extend the duration of the permit for an additional period that is reasonable under the circumstances to allow commencement of the construction activity. In no event shall the extension exceed a period of sixty (60) days.

If the construction activity has been commenced but only partially completed, and thereafter substantially no construction activity occurs on the construction site over a period of one hundred eighty (180) days, the permit shall expire by operation of law and no longer be of any force or effect; provided, however, the Utility may, for good cause shown in writing, extend the authority to connect to the Sewage Disposal System for an additional period that is reasonable under the circumstances to allow resumption of construction activity. The fee for an extension under this Section shall be as provided for in Appendix A, and the extension shall be confirmed in writing.

- 4.7** After the Utility has granted the permit, the plumbing contractor or contractor as defined in Section 4.4 shall give prompt written notice to the Utility of any addition to or change in the information contained in the permit application.

- 4.8** After the Utility has in writing, granted authority to connect to the Sewage Disposal System, any material deviation or change in the information contained in the application or the plans shall be considered an amendment subject to approval by the Utility. Before construction has begun, the contractor shall file with the Utility a written request for amendment, including a detailed statement of the requested change and the submission of any amended plans. The Utility shall give the contractor written notice that the request for amendment has been approved or denied. The fee for the amendment of an application for connection is set forth in Appendix A.

- 4.9** A permit may be transferred with the approval of the Utility to a person, partnership or corporation that would be eligible to obtain such authority in the first instance (hereinafter called "Transferee"), after both the payment of a fee as provided in Appendix A and the execution and filing of a transfer form furnished by the Utility. Such transfer form shall contain, in substance, the following certifications, release and agreement:

- 4.9.1** The person who obtained the original connection approval from the Utility or a person who is employed by and authorized to act for the obtainer (hereinafter called "Transferor") shall:

- a. Certify under penalties for perjury that such person is familiar with the sanitary Sewer construction activity to be accomplished pursuant to the permit; such person is familiar with the construction standards and procedures of the Utility; and to the best of such person's knowledge, information and belief the construction activity, to the extent performed, is in conformity with all standards and procedures required by the Utility; and
- b. Sign a statement releasing all rights and privileges secured under the permit granted by the Utility to the Transferee.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 11

4.9.2 The Transferee shall:

- a. Certify that the Transferee is familiar with the information contained in the original application requesting authority to connect to the Sewage Disposal System, the design plans and specifications, and any other documents filed in support of the application;
- b. Certify that the Transferee is familiar with the present condition of the Premises on which the construction activity is to be accomplished pursuant to the permit; and
- c. Agree to adopt and be bound by the information contained in the original application, the design plans and specifications, and other documents supporting the original application; or in the alternative, agree to be bound by such application plans and documents modified by plan amendments submitted to the Utility for approval.

The Transferee shall assume the responsibilities and obligations of and shall comply with the same procedures required of the Transferor, and shall be subject to any written directives issued by the Utility. Authority granted by the Utility for construction activity at a specified location may not be transferred to construction activity at another location.

4.10 The Utility may revoke a permit when:

4.10.1 The application, plans or supporting documents contain a false statement or misrepresentation as to a material fact; or

4.10.2 The application, plans or supporting documents reflect a lack of compliance with the requirements of these Terms and Conditions for Sewage Disposal Service.

4.11 The Utility may order the suspension of the pertinent construction activity (“Stop-Work Order”) if the Utility determines that:

4.11.1 Construction activity is proceeding in an unsafe manner;

4.11.2 Construction activity is proceeding in violation of a requirement of these Terms and Conditions for Sewage Disposal Service;

4.11.3 Construction activity is proceeding in a manner that is materially different from the application, plans, or supporting documents; or

4.11.4 Construction activity for which Utility authority under this Section is required is proceeding without such authority having been obtained. In such an instance, the Stop-Work Order shall indicate that the effect of the order terminates when the required authority is obtained.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 12

- 4.12** The Stop-Work Order shall be in writing and shall state the reason for its issuance. The Stop-Work Order shall be posted on the property in a conspicuous place and, if conveniently possible, shall be given to the person doing the construction and to the owner of the property or his or her agent. The Stop-Work Order shall state the conditions under which construction may be resumed.

5. SEWER CONTRUCTION REQUIREMENTS

- 5.1** Except for Building Sewers serving single- or double-family residences (i.e. stand alone) or single-owner industrial facilities, connection permits will not be issued by the Utility for Building Sewers exceeding six hundred (600) feet in length as measured from the outside of the building to the center of the Public Sewer, unless the Sewer is constructed in a dedicated easement or right-of-way. No more than one hundred (100) feet of a Building Sewer shall exist within a public right-of-way.
- 5.2** No more than one (1) building will be permitted to connect to a Building Sewer. Sewers with more than one (1) connection must be constructed as a Public Sewer in a dedicated easement, unless the Utility determines that an exception is justified.
- 5.3** It shall be the responsibility of the property owner(s) whose property is benefitted to provide for, install and make private connections for the use of their Premises to an existing Public or Building Sewer. As further provided in Section 22 of these Terms and Conditions for Sewage Disposal Service, it shall be the responsibility of the owner to make all necessary repairs, extensions, relocations, changes or replacements thereof, and of any accessories thereto.

6. MANDATORY INSPECTION AND RIGHT OF ENTRY

- 6.1** Upon completion of the work described in a permit, it shall be the duty of the permit holder to notify the Utility that the work is available for inspection before backfilling the Building Sewer trench. The Utility will conduct inspections on Building Sewer connections from 8:00 a.m. to 3:00 p.m., local time, Monday through Friday, except for observed holidays. The Building Sewer, in its entirety from the foundation to the connection with the Public Sewer or existing lateral, must be exposed for inspection and be properly bedded in accordance with the Utility's standard specifications to one-half (½) the diameter of the Building Sewer.

It is further the duty of the permit holder to install safety barricades, fences or other safety measures while waiting for an inspection. The permit holder may backfill the Building Sewer trench if the Utility has not made an inspection within a twenty-four (24) hour period after notice has been given to the Utility. In the event the Building Sewer is not completed and ready for inspection upon the inspector's arrival or if the notification is made after 1:00 p.m., local time, Monday through Friday, the permit holder shall make the Building Sewer and connection available for a four (4) hour period on the following Utility work day. An inspection may be waived with or without conditions with the approval of the Utility.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 13

- 6.2** The Utility shall have the right of entry to, upon or through any Premises for purposes of inspection of Sewer work and any other construction activity performed on or associated with the connection of the Building Sewer to the Sewage Disposal System including inspection for clear water discharges into the Sewage Disposal System.

7. DEPOSITS

- 7.1** In accordance with the Rules and Regulations of the Commission pursuant to 170 IAC 8.5 et al, the Utility may require a Residential Customer or Applicant to pay a cash deposit as a condition of receiving or continuing to receive Sewage Disposal Service, if the Utility determines that the Residential Customer or Applicant does not meet the criteria for creditworthiness set forth in 170 IAC 8.5-2-3 of the Rules and Regulations of the Commission.

- 7.2** The Utility may require Non-Residential Customers or Applicants who are determined to be uncreditworthy to make a cash deposit at any time to assure payment of bills, and as a condition of receiving or continuing to receive Sewage Disposal Service.

- 7.2.1** The Utility shall determine the creditworthiness of a Non-Residential Applicant or Customer in an equitable, non-discriminatory manner.

- 7.2.2** A Non-Residential Customer shall be deemed creditworthy if it has no delinquent bills to the Utility for sewage disposal service within the last twenty-four (24) months and, within the last two (2) years has not: (a) had service disconnected for nonpayment or (b) filed a voluntary petition, has a pending petition, or has an involuntary petition filed against it, under any bankruptcy or insolvency law. For purposes of this determination, a contested bill shall not be considered delinquent.

- 7.2.3** In determining the creditworthiness of non-residential Applicants, the Utility shall consider the size of the credit exposure and the availability of objective and verifiable information about the Non-Residential Applicant. The Utility may consider the Non-Residential Applicant's payment and billing history (at least twenty-four (24) months) from other utilities and verifiable conditions, such as: Non-Residential Applicant's credit history with the Utility or independently audited annual and quarterly financial statements. The Utility will treat all financial information provided by the Non-Residential Applicant as confidential to the extent allowed under applicable law and will return or at the request of the Non-Residential Applicant destroy materials after review has been completed. If a Non-Residential Applicant refuses to provide the information above for the Utility to determine their creditworthiness, the Non-Residential Applicant will be deemed uncreditworthy.

- 7.2.4** If the Utility requires a deposit as a condition of providing service, the Utility must: (a) provide written explanation of the facts upon which the Utility based its decision; and (b) provide the Non-Residential Applicant or Customer with an opportunity to rebut the facts and show other facts determining its creditworthiness.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 14

- 7.2.5** Such deposit shall be payable in cash and not less than forty dollars (\$40.00) nor more than an amount equal to the Non-Residential Customer's three (3) highest months' usage based upon the most recent twelve (12) months historical usage or three (3) months of projected usages for a Non-Residential Applicant. If the deposit required is in excess of \$120.00, it may be paid in equal installments over a period not to exceed three months, except where the deposit is required as a result of disconnection of service for nonpayment of bills, in which case full payment of the deposit will be required prior to reconnection. For Non-Residential Customers with multiple accounts, each account will be treated individually for the purposes of this Rule except in the case of bankruptcy under Section 7.2.2. A Non-Residential Customer with multiple accounts that is assessed a deposit by virtue of delinquent payments on one account, will be assessed a deposit on only the delinquent accounts.
- 7.3** Any deposit held for more than thirty (30) days will earn interest calculated monthly at the authorized rate of interest for the current month from the date the deposit is paid in full to the Utility. The rate of interest will be the same as that established for gas utilities by the Commission in a general administrative order pursuant to 170 IAC 5-1-15(f)(2) for each calendar year.
- 7.4** Deposits and earned interest will be returned after Customer establishes an appropriate credit history with the Utility.
- 7.4.1** Deposits from Residential Customers and earned interest will be refunded after the Residential Customer has established an acceptable payment record in accordance with the Commission's Rules.
- 7.4.2** The deposit of any Non-Residential Customer that has been held for two or more years, and earned interest will be refunded after the Non-Residential Customer has established an acceptable payment record in accordance with Section 7.2.2.
- 7.4.3** The deposit of any Residential or Non-Residential Customer who fails to establish an acceptable payment record may be retained by the Utility until services are discontinued.
- 7.5** Upon discontinuance of Sewage Disposal Service, the deposit and earned interest, if any, will be applied to the balance of any outstanding bills or unbilled amounts. The remaining unapplied portion, if any, of the deposit and earned interest will be refunded to the Customer. The Customer will be billed for any balance due the Utility. The balance of any deposit and interest, after being applied to any outstanding bills that cannot be returned to the Customer after termination of service, shall be reported and disposed of as required by the Disclaimer of Property Interests Act (Indiana Code 32-17.5 *et seq.*).

8. BILLING AND PAYMENT OF BILLS

- 8.1** The Utility will issue bills to Customers on a Monthly basis for Sewage Disposal Service. Bills are payable to the office of the Utility or to an authorized agent within seventeen (17) days from the date mailed. When the seventeenth (17th) day falls on Sunday or a legal holiday, the seventeen-day period shall be considered to end with the next business day.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 15

- 8.1.1** If payment for a bill from a Customer is not received by the Utility or its agent within seventeen (17) days from the date the bill is mailed, the bill shall be considered delinquent. All charges follow the Customer and moving from one Premises to another in no way absolves the Customer from any unpaid charges incurred at a previous location. In the case of leased property, the landlord shall be responsible to the Utility for payment of the bill, even though the tenant may pay it.
- 8.1.1.1** The Utility may add a late payment charge to a Customer's delinquent bill as set forth in Appendix A.
- 8.1.1.2** A single charge may be made for each visit to the Customer's Premises to collect or attempt to collect a delinquent account; such charge to the Customer shall be pursuant to the Delinquent Account Collection Charge reflected on Appendix A.
- 8.1.1.3** A single charge may be made for handling a single check or electronic payment (e.g., ABD) from a Customer returned unpaid by any financial institution; such charge shall be pursuant to the Returned Check Charge set forth in Appendix A.
- 8.1.1.4** A single charge may be made for providing a Customer with usage summary by meter beyond the twenty-four (24) month period available online; such charge to the Customer shall be pursuant to the Usage Information Charge set forth in Appendix A.
- 8.1.2** The Utility may provide an Automatic Bank Deduction Plan for Non-Industrial Customers, which will be a payment plan whereby the billed amount is deducted each month from the Non-Industrial Customer's checking account by the Non-Industrial Customer's authorized financial institution. The Utility shall continue to provide to the Non-Industrial Customer a Monthly bill.
- 8.1.3** The Utility may provide a budget plan for payment of bills by the Customer whereby the annual bill as estimated by the Utility is divided into even monthly payments. The annual amount actually paid by the Customer shall be balanced with the annual amount actually billed to the Customer and any differences shall be paid by (or credited to) Customer.
- 8.2** The Utility shall measure usage and bill Customers in the following manner:
- 8.2.1** To the extent possible, bills to Customers will be based on the Customer's metered water usage or estimated water usage in any given month as provided for in Section 8.2.2.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 16

8.2.2 In the event a Customer is not served by a public water supply or water used is not completely metered, the Utility shall estimate the volume and strength of the waste and use such estimate for the purposes of billing rates and charges. The foregoing estimates shall be based upon analyses and volumes of a similar installation to the Customer or the volume and analysis as determined by measurements and samples taken by the Utility or an estimate determined by the Utility or by any combination of the foregoing or other equitable method.

8.3 The Utility shall measure usage and bill Industrial Customers in the following manner:

8.3.1 The Utility may require any Industrial Customer to construct at the Industrial Customer's own expense, facilities to allow inspection, sampling and flow measurement and may also require sampling or metering equipment to be provided, installed and operated at the Industrial Customer's expense. When required by the Utility any Industrial Customer served by a building sewer carrying industrial wastes shall install a suitable control manhole in the building sewer to facilitate observation, sampling and measurement of the wastes. Such manhole, when required, shall be accessible and safely located and shall be constructed in accordance with plans approved by the Utility in Section 20.5. The manhole shall be installed so as to be safe and accessible at all times.

8.3.2 To the extent the Utility does not require installation of metering equipment as provided in Section 8.3.1, each Industrial Customer shall report to the Utility by the twenty-fifth (25th) day of the following Month on a form prescribed by the Utility an estimate of the volume discharged in the prior Month and a representative value of the strength of the waste including, but not limited to, BOD, SS and NH₃-N, unless alternate reporting procedures are otherwise specified in writing by the Utility. All measurements, tests and analyses of the characteristics of such waste shall be determined in accordance with the latest edition of "Standard Methods for the Examination of Water and Sewage" as published jointly by the American Public Health Association and the Water Pollution Control Federation consistent with 40 CFR Part 136 or by other methods generally accepted under established sanitary engineering practices and approved by the Utility. The reports submitted shall be subject to verification by the Utility but may serve as the basis for billing with all necessary adjustments in the amounts to be made after verification. In the event an analysis and volume of the industrial waste are not furnished to the Utility by the aforementioned time, the charges shall be based upon estimates made by the Utility, in the manner provided in Section 8.2.2.

8.3.3 In the event that a self reporting Industrial Customer described in section 8.3.2 fails to submit the report required by Section 8.3.2 by the twenty-fifth (25th) day of the following Month, the Industrial Customer shall pay late reporting charges according to the schedule set forth in Appendix A.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 17

- 8.3.4** The Utility shall have the right to enter upon the land of any Industrial Customer to access the control manhole and to set up such equipment as is necessary to certify the reports submitted. It shall be the duty of the Industrial Customer to provide all necessary clearance before entry and not to unnecessarily delay or hinder the Utility in carrying out the measuring and sampling. The right of entry shall exist during any time the Industrial Customer is operating or open for business. In the event that a control manhole has not been required, the control manhole shall be considered to be the nearest downstream manhole in the public sewer to the point at which the building sewer is connected.
- 8.3.5** In cases where measurements are difficult to make, or the industrial waste composition changes frequently, or representative samples are difficult to get, or where other methods of measurement are necessitated for other sound engineering reasons as determined by the Utility, the Utility shall have the authority to use such other basis for determining such charges as shall be reliably indicative of volume and BOD, SS and NH₃-N strengths of particular industrial waste, such as, but not limited to, water purchase or usage, character of products, comparisons between the Industrial Customer data and collected data from like industries.
- 8.3.6** The cost of all tests, measurements and analyses taken by the Utility pursuant to the above Sections or otherwise shall be charged to the Industrial Customer tested in an amount equal to the actual average cost of such test, measurement or analysis as determined at the close of each Year. These costs shall be due and payable as provided in Section 8.1.
- 8.3.7** No statement contained herein shall be construed as preventing any special agreement or arrangement between the Utility and any Industrial Customer whereby an industrial waste of unusual strength or character may be accepted by the Utility for treatment, subject to payment by the Industrial Customer pursuant to a special agreement which has been approved by the Commission.
- 8.4** The Utility may make adjustments to bills for Sewage Disposal Service as described below:
- 8.4.1** If any meter, on which a Sewage Disposal Service bill is based, shall be found to have a percentage of error greater than two percent (2%), the following provisions for the adjustment of bills shall be observed:
- 8.4.1.1** When a meter is found to have a positive average error, *i.e.*, is fast, in excess of two percent (2%), the Utility shall refund or credit the Customer's account with the amount in excess of that determined to be an average charge for one-half of the time elapsed since the previous meter test, or one (1) year, whichever period is shorter. This average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be fast. No part of a minimum service charge shall be refunded.

Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202

ORIGINAL PAGE NO. 18

- 8.4.1.2** When a meter is stopped or has a negative average error, *i.e.*, is slow, in excess of two percent (2%), the Utility will charge the Customer an amount estimated to be an average charge for one-half of the time elapsed since the previous meter test or one (1) year, whichever period is shorter. The average charge shall be calculated on the basis of units registered on the meter over corresponding periods either prior or subsequent to the period for which the meter is determined to be slow or stopped. Such action may be taken only in cases where the Utility is not at fault for allowing the stopped or slow meter to remain in service.
- 8.4.1.3** In the event the Customer's service is interrupted for a reason other than the act of the Customer or the condition of Customer-controlled equipment, and the service remains interrupted for more than two (2) days after being reported or found to be out of order, appropriate adjustments or refunds may be made to the Customer.
- 8.4.2** When an error is discovered in any billing or when billing is omitted, the Utility may adjust such error to the known date of error, but in any event within not more than twelve (12) Months from the date of such billing.
- 8.4.3** Upon detecting a device or scheme which has been utilized to avoid or attempted to avoid full payment for Sewage Disposal Service, the Utility may, after estimating the volume of waste:
- 8.4.3.1** Immediately disconnect water or Sewage Disposal Service without notice pursuant to Rule 9.1.3.
- 8.4.3.2** Bill and demand immediate payment from the person benefiting from such device or scheme the actual cost of the volume of waste, corrections and repairs, or two hundred dollars (\$200.00), whichever is more.
- 8.4.3.3** Bill any and all damages as provided by Indiana Code 34-24-3-1 et seq. based upon the Utility's reasonable and customary estimate thereof.
- 8.4.4** Where a metered water supply is used for fire protection as well as for other uses, the Utility may, at its sole discretion, make adjustments in the Sewage Disposal Service charge as may be equitable. In such cases the burden of proof as to the type of water usage shall be upon the Customer. Where a metered water supply is used for fire protection only, the sewer user charge shall not apply.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 19

9. DISCONTINUANCE OF SERVICE

- 9.1** Water and/or Sewage Disposal Service rendered under any application, contract, agreement or otherwise may be discontinued by the Utility without request by the Customer and without notice, and the Utility may remove any of its property from the Customer's Premises without legal process for any one of the following reasons:
- 9.1.1** Where a condition dangerous or hazardous to life, physical safety, or property exists.
 - 9.1.2** Upon order by any Court, the Commission, or other duly authorized public authority, or upon written instruction by a law enforcement agency acting within its jurisdiction pursuant to Indiana Code 35-45-5-4(c).
 - 9.1.3** A fraudulent or unauthorized use of Sewage Disposal Service is detected and the Utility has reasonable grounds to believe the affected Customer is responsible for such use, including when the Utility has reasonable evidence that a Customer who is indebted to the Utility for Sewage Disposal Service at his present or other location is receiving Sewage Disposal Service under the same or a different name.
 - 9.1.4** Where the Utility's equipment has been tampered with and the Utility has reasonable grounds to believe that the affected Customer is responsible for such tampering.
 - 9.1.5** Detection of a device or scheme that has been used to avoid or attempt to avoid full payment for Sewage Disposal Service as defined by Indiana Code 35-43-5-6.
 - 9.1.6** The Customer fails to meet the terms of the Utility's 24-hour payment arrangement set forth in Section 11.5.
- 9.2** Water and/or Sewage Disposal Service rendered under any application, contract, agreement or otherwise may be discontinued by the Utility with notice as provided in Section 11 of these Terms and Conditions for Sewage Disposal Service for any of the following reasons:
- 9.2.1** For failure to protect and maintain the Customer service pipe or other fixtures on the Customer's property in a condition satisfactory to the Utility, and consistent with Section 22 of these Terms and Conditions for Sewage Disposal Service and the provisions of the Indiana Plumbing Code.
 - 9.2.2** For violation of the Sewage Restrictions set forth in Sections 15, 16 and 17 of these Terms and Conditions for Sewage Disposal Service.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 20

- 9.2.3 For failure to provide the Utility's employees free and reasonable access to the Premises or property served, or for obstructing the way of ingress to Customer or Utility Sewer laterals, fixtures, or other appliances.
 - 9.2.4 Nonpayment of a delinquent bill.
 - 9.2.5 For failure of the Customer to make a cash deposit as provided for in Section 7 of these Terms and Conditions for Sewage Disposal Service, or failure to pay for the same class of service rendered at a different meter point, residence, or location, provided such bill has remained unpaid for at least forty-five (45) days. A Residential Customer shall not be disconnected for indebtedness incurred for Sewage Disposal Service at a different location if such bill has remained unpaid for less than forty-five (45) days.
 - 9.2.6 In case of vacancy of the Premises by the Customer, when no one has assumed responsibility for payment of the bill for service to the Premises.
 - 9.2.7 For material misrepresentation in an application as to the Premises or property to be supplied service or type of service to be supplied or failure to report a change in the type of service.
 - 9.2.8 When continuation of Sewage Disposal Service to the Customer creates conditions that jeopardize the integrity of the service provided to other Customers.
- 9.3 A Residential Customer may request the Utility notify a predesignated third party of a water or Sewage Disposal Service disconnection notice issued to the Residential Customer. Such request shall be made in writing in the form of a Duplicate Notice Protection Plan Enrollment Application. When requested, the Utility shall notify the predesignated third party, by mail, of the pending service disconnection at the same time the Utility renders the disconnection notice to the Residential Customer as provided in Rule 11. The Utility may restrict the use of the Duplicate Notice Protection Plan to its Residential Customers who are elderly, handicapped, ill, or otherwise unable to act upon a service disconnection notice, as determined by the Utility.
- 9.4 Customers requesting temporary discontinuance of Sewage Disposal Service for repairs within their property will be charged a sum equal to the costs to the Utility for disconnecting and restoring service.
- 9.5 Discontinuance of the water or Sewage Disposal Service to a property or Premises under the provisions of these Terms and Conditions for Sewage Disposal Service shall not prevent the Utility from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due.

10. PROHIBITED DISCONNECTIONS

- 10.1 The Utility shall postpone the disconnection of water or Sewage Disposal Service for ten (10) days if, prior to the disconnect date specified in the disconnect notice, the Residential Service Customer provides the Utility with a medical statement from a licensed physician or public health official, which states that a disconnection would be a serious and immediate threat to the health or

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 21

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

- 10.2** The Utility may not disconnect water or Sewage Disposal Services to a Residential Customer: (a) Upon his or her failure to pay for the service rendered at a different metered point, residence or location if such bill has remained unpaid for less than forty-five (45) days; or (b) Upon his or her failure to pay for services to a previous occupant of the Premises to be served, unless the Utility has good reason to believe the Customer is attempting to defraud the Utility by using another name; or (c) Upon his failure to pay for a different form or class of Sewage Disposal Service.
- 10.3** The Utility may not disconnect water or Sewage Disposal Services to the Residential Customer if he or she shows cause for his or her inability to pay the full amount due (financial hardship shall constitute cause) and (a) the Customer pays a reasonable portion (not to exceed \$10.00 or one tenth of the bill, whichever is less, unless the Customer agrees to a greater portion) of the bill; and (b) he or she agrees to pay the remainder of the outstanding bill within three (3) Months; and (c) he or she agrees to pay all undisputed future bills for service as they become due, and (d) he or she has not breached a similar agreement with the Utility made pursuant to this rule within the past twelve (12) Months. Such agreement shall be put in writing. The Utility may add to the Customer's outstanding bill a Late Payment Charge in the amount prescribed in the schedule set forth in Appendix A.
- 10.4** If a Customer is unable to pay a bill that is unusually large due to (1) prior incorrect reading of the meter, (2) incorrect application of the rate schedule, (3) incorrect connection or functioning of the meter, (4) prior estimates where no actual reading was taken for over two Months, (5) stopped or slow water meter, or (6) any human or mechanical error of the Utility, the Utility shall not disconnect the Customer provided the Customer (a) pays a reasonable portion of the bill, not to exceed an amount equal to the Customer's average bill for the twelve bills immediately preceding the bill in question; (b) agrees to pay the remainder within three months; and (c) agrees to pay all undisputed future bills for service as they become due. Any such agreement shall be put in writing. In case of such an agreement, no late fee shall be assessed.
- 10.5** If a Customer requests a review pursuant to the Commission's Rules, the Utility will disconnect only as provided in Section 14.3 of these Terms and Conditions for Sewage Disposal Service.
- 10.6** The Utility shall disconnect water or Sewage Disposal Service only between the hours of 8:00 a.m. and 3:00 p.m., prevailing local time. Disconnections pursuant to Section 9.1 are not subject to this limitation.
- 10.7** The Utility shall not disconnect water or Sewage Disposal Service for nonpayment on any day on which the Utility office is closed to the public, or after 12:00 noon of the day immediately preceding any day when the Utility office is not open to the public.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 22

11. NOTICE OF DISCONNECTION

- 11.1** Except as otherwise provided by these Terms and Conditions for Sewage Disposal Service, water and/or Sewage Disposal Service to any Non-Industrial Customer shall not be disconnected for a violation of these Terms and Conditions for Sewage Disposal Service or for the nonpayment of a bill, except after fourteen (14) days prior written notice to the Customer by either:
- 11.1.1** Mailing the notice to such Residential Customer at the address shown on the records of the Utility; or
 - 11.1.2** Personal delivery of the notice to the Residential Customer or a responsible member of his or her household at the address shown on the records of the Utility. No disconnect notice for nonpayment may be rendered by the Utility prior to the date on which the account becomes delinquent.
 - 11.1.3** To alert the Customers that they are in danger of losing service, disconnection notices mailed or hand delivered to Residential Customers shall be in envelopes that are appropriately marked and distinguishable from envelopes used for other purposes.
- 11.2** The language of a disconnect notice must be clear, concise and easily understandable to a layman and shall state in separately numbered large type or printed paragraphs:
- 11.2.1** The date of the proposed disconnection;
 - 11.2.2** The specific actual basis and reason for the proposed disconnection;
 - 11.2.3** The telephone number of the Utility office at which the Customer may call during regular business hours in order to question the proposed disconnection or seek information concerning his or her rights; and
 - 11.2.4** A reference to these Terms and Conditions for Sewage Disposal Service furnished to the Customer for information as to the Customer's rights, including appropriate website address.
- 11.3** Immediately preceding the actual disconnection of water and/or Sewage Disposal Service, the employee of the Utility designated to perform such function shall make a reasonable attempt to identify himself to the Customer or any other responsible person then upon the Premises and shall make a record thereof to be maintained for at least thirty (30) days.
- 11.4** The employee shall have in his or her possession information sufficient to enable him or her to inform the Customer or other responsible person of the reason for the disconnection, including the amount of any delinquent bill of the Customer, and shall request from the Customer any available verification that the outstanding bill has been satisfied or is currently in dispute pursuant to review under the Commission's Rules. Upon the presentation of such credible evidence, service shall not be disconnected.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 23

11.5 Through its employee, the Utility may accept payment or offer the Utility's 24-hour payment arrangement as an alternative to disconnection. Upon presentation of satisfactory evidence, or acceptable payment, or acceptance by the Customer or other responsible party of the Utility's 24-hour payment arrangement, service will not be disconnected. The Utility employee is not required to request payment or offer the Utility's 24 hour payment arrangement as an alternative to disconnection. When the employee has disconnected the service, the employee will give to a responsible person at the Residential Customer's Premises, or if no one is at home, will leave at an entry way on the Premises, a notice stating that service has been disconnected and the telephone number of the Utility where the Customer may arrange to have service reconnected.

11.6 When the employee has disconnected water or Sewage Disposal Service, he or she shall give a responsible person on the Premises, or if no one is at home, shall leave at a conspicuous place on the Premises, a notice stating that service has been disconnected and stating the address, telephone number and business hours of the Utility where the Customer may arrange to have the service reconnected.

12. RECONNECTION OF SERVICE

12.1 Restoration of Sewage Disposal Service or reconnection of a Customer Sewer lateral connection will be made at the Utility's discretion as soon as reasonably possible but at least within five (5) working days after requested if conditions permit after the Customer has:

12.1.1 Paid all unpaid bills for Sewage Disposal Service;

12.1.2 Made a required deposit to ensure future payment of Sewage Disposal Service bills;

12.1.3 Reimbursed the Utility for any labor, material and associated restoration costs involved in disconnecting and reconnecting Sewage Disposal Service (which disconnection and reconnection charges are set forth in Appendix A); and

12.1.4 Corrected any condition found in violation of any applicable provision of these Terms and Conditions for Sewage Disposal Service.

13. INTERRUPTION OF SERVICE

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

14. COMPLAINTS AND REVIEW

14.1 Complaint. A Customer may complain at any time prior to disconnection to the Utility about any bill, a security deposit, a disconnection notice, or any other matter relating to the Utility's service and may request a conference about such matters. The complaints may be made in person, in writing, or by completing a form available from either the Commission or from the Utility at its business office located at 2020 N. Meridian Street,

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 24

Indianapolis, Indiana 46202, or the Utility's website at www.citizensenergygroup.com. A complaint shall be considered filed upon receipt by the Utility, except mailed complaints shall be considered filed as of the postmark date. In making a complaint or requesting a conference (hereinafter "complaint"), the Customer shall state his/her name, service address and the general nature of his/her complaint. The Utility will continue service to Customer pending disposition of a complaint.

14.2 Investigation of Complaint and Notification of Proposed Disposition. Upon receiving each such complaint, the Utility will investigate the matter, confer with the Customer when requested and notify him/her, in writing, of its proposed disposition of the matter. Such written notification will advise the Customer that he/she may, within seven days following the date on which such notification is mailed, request a review of the Utility's proposed disposition by the Commission. If the Customer requests a special Meter reading, the first reading of the Customer's Meter by the Utility during its investigation shall not be subject to the charge for a special Meter reading prescribed in the Utility's Rate Schedules. Subsequent readings, however, if requested by the Customer, will be subject to the charge.

14.3 Service During Review of Complaint. If the Customer is receiving service at the time the complaint is received by the Utility, his/her service will not be disconnected until at least ten days after the date on which the Utility mails the notification of its proposed disposition of the matter to the Customer.

If the Customer desires review of the Utility's proposed disposition, he must submit a written request to the Commission within seven days after the mailing by the Utility of its proposed disposition of the matter. In the event that the Commission supports the Utility's proposed disposition of the matter, the Utility will not disconnect the Customer's service, except as provided under these Rules.

14.4 Record of Complaints. The Utility's record of complaints under this rule will be available during normal business hours (as set forth on www.citizenswater.com) upon request by the concerned Customer, his agent possessing written authorization, or the Commission.

14.5 This rule does not preclude the right to file a complaint with the Commission as permitted by the Commission's rules and/or by statute.

15. PROHIBITION AGAINST CLEAR WATER DISCHARGES

15.1 Except as specifically provided in this Section, no person shall cause or allow the connection of a Building Sewer to the Sewage Disposal System or other Building Sewer when such Building Sewer has any of the following sources of clear water connected to it:

15.1.1 Foundation/footing drains;

15.1.2 Sump pumps with Foundation Drains connected;

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 25

- 15.1.3 Roof drains;
- 15.1.4 Heat Pump Discharge;
- 15.1.5 Cooling Water; or
- 15.1.6 Any other sources of clear water.

15.2 In addition to any other provision provided herein, any person found violating any provision listed in Section 15.1 above may be required to correct such connections at his expense.

15.3 In the event an industrial or commercial entity finds it necessary to discharge clear water consisting of Cooling Water and/or steam condensate into the Sewage Disposal System and the Sewage Disposal System has capacity to receive such clear water without affecting existing or future Customers, the Utility may enter into an agreement for such discharge that will define a merging system and any other requirement deemed necessary to measure the flow. The rate for such discharge shall be calculated as set forth in the Utility's applicable Rate Schedules.

16. DEWATERING DISCHARGE

16.1 No person shall discharge the water resulting from dewatering activity to the Sewage Disposal System, whether such activity is temporary or permanent, without a valid connection permit issued by the Utility. As a condition to the issuance of a permit, the Applicant shall install, maintain and operate at the Customer's expense a metering device to measure the flow associated with such discharge.

16.2 Based upon the volumes determined by the measurements, the Customer will be charged appropriate fees as set forth in the Utility's applicable Rate Schedules.

16.3 The Customer shall be required to submit Monthly reports, subject to verification by the Utility, to serve as the basis for billing, with any necessary adjustments in the amount made after verification.

17. SEWAGE RESTRICTIONS

17.1 No person shall discharge or cause to be discharged into any sanitary Sewer any wastewater or Pollutants, which cause, threaten to cause or are capable of causing, either alone or by interaction with other substances:

17.1.1 Fire or explosion hazard;

17.1.2 Corrosive structural damage to the Sewage Disposal System, but in no case water with a pH lower than 5.0 or higher than 9.0;

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 26

- 17.1.3 Obstruction to the flow in the Sewers or other disruption to the proper operation of the Sewage Disposal System;
- 17.1.4 An Interference; or
- 17.1.5 A Pass-through.
- 17.2 No person shall discharge or cause to be discharged any of the following described waters or wastes into any sanitary Sewer:
 - 17.2.1 A Slug or a flow rate and/or Pollutant discharge rate which is excessive over a relatively short time period so that there is a treatment process Upset and subsequent loss of treatment efficiency;
 - 17.2.2 Heat in amounts which will inhibit biological activity at the wastewater treatment plant but in no case greater than sixty-five (65) degrees centigrade (one hundred fifty (150) degrees Fahrenheit) or heat in such quantities that the temperature at the wastewater treatment plant exceeds forty (40) degrees centigrade (one hundred four (104) degrees Fahrenheit);
 - 17.2.3 Waste products of septic tanks, cesspools, dry wells, privies, or other waste disposal systems;
 - 17.2.4 Any wastewater containing toxic Pollutants or any discharge which could result in toxic gases, fumes or vapors in sufficient quantity, either singly or by interaction with other Pollutants, to injure or interfere with any wastewater treatment process, constitute a hazard to humans or animals, create a toxic effect in the receiving waters of the Sewage Disposal System, or to exceed applicable categorical pretreatment standards;
 - 17.2.5 A wastewater with a closed cup flash point of less than one hundred forty (140) degrees Fahrenheit or any liquids, solids or gases which, by reason of their nature or quantity, are or may be sufficient, either alone or by interaction with other substances, to cause fire or explosion or be injurious or hazardous in any other way to the Sewage Disposal System or to the operation of the wastewater treatment plant. At no time shall a discharge cause a reading on a meter capable of reading L.E.L. (lower explosive limit) to be greater than ten (10) percent at the point of discharge to the Sewage Disposal System or at any point in the Sewage Disposal System;
 - 17.2.6 Any noxious or malodorous liquids, gases or solids which, either singly or by interaction with other wastes, are sufficient to create a public nuisance or hazard to life or are sufficient to prevent entry into the Sewers for maintenance and repair;

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 27

- 17.2.7** Solid or viscous substances and/or other Pollutants which may cause obstruction to the flow in a Sewer or other Interference with the operation of the Sewage Disposal System such as, but not limited to, grease, Garbage other than Properly Shredded Garbage, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, whole blood, feathers, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, wastepaper, wood, plastics, tar, asphalt residues from refining or processing of fuel or lubricating oil, mud or glass grinding or polishing wastes, or tumbling and deburring stones;
- 17.2.8** Any substance that may cause the Sewage Disposal System's effluent or any other product of the wastewater works such as residues, sludges or scums to be unsuitable for reclamation and reuse or to interfere with the reclamation process. In no case shall a substance discharged to the Sewage Disposal System cause the Sewage Disposal System to be in noncompliance with sludge use or disposal criteria, guidelines or regulations developed under section 405 of the Federal Water Pollution Control Act;
- 17.2.9** Any substance that will cause the Sewage Disposal System to violate its NPDES permit or the receiving stream's water quality standards;
- 17.2.10** Any wastewater with objectionable color not removed in the treatment process, such as, but not limited to, dye wastes, inks and vegetable tanning solutions;
- 17.2.11** Any wastewater containing Radioactive Material above limits contained in regulations, licenses or orders issued by the appropriate authority having control over their use. The disposal of any licensed Radioactive Material must meet applicable local, state or federal requirements;
- 17.2.12** Any wastewater containing a total petroleum hydrocarbons concentration as determined by a procedure deemed appropriate by the Utility in excess of two hundred (200) mg/l. This limitation shall apply at the point of discharge to the Sewage Disposal System and is the maximum concentration allowed in any single grab sample collected from the waste stream;
- 17.2.13** Any gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, carbides, hydrides, stoddard solvents, sulfides, epoxides, esters, amines, polynuclear aromatic hydrocarbons, pyridines, new and used motor oil, or antifreeze, except at concentrations that do not exceed levels of such substances that are routinely present in the normal wastewater discharge and do not otherwise violate the conditions of an industrial discharge permit or a special agreement;
or
- 17.2.14** Polychlorinated biphenyls (PCBs) in any detectable concentrations.

Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202

ORIGINAL PAGE NO. 28

- 17.2.15** Any waters or waters containing strong acid iron pickling wastes, or concentrated plating solutions whether neutralized or not.
- 17.2.16** Unusual concentrations of inert, suspended solids (such as but not limited to Fullers earth, lime slurries and lime residues), or dissolved solids (such as but not limited to sodium chloride and sodium sulfate).
- 17.3** No person shall discharge or cause to be discharged a wastewater that has a twenty-four-hour composite value in excess of the values shown below:

Parameter	Instantaneous Grab Sample (mg/l)	(Composite Samples) Daily Maximum Concentration (mg/l)	(Average of Composite Samples) 30 Day Average Concentration (mg/l)
Cyanide (Amendable)	0.40	0.20	0.08
Cyanide (Total)	1.28	0.64	0.24
Chromium (V1)	0.50	0.25	0.09
Chromium (Total)	8.4	4.2	1.6
Copper	4.0	2.0	1.0
Nickel	7.2	3.6	1.8
Zinc	6.8	3.4	1.5
Lead	1.6	0.8	0.4
Cadmium	2.0	1.0	0.5
Tin	4.0	2.0	1.0
Fluoride	60.0	30.0	30.0

- 17.4** The limitations set forth in Section 17.3 apply at the point of discharge to the Sewage Disposal System. The limitations for amenable cyanide, total cyanide and phenols apply to twenty-four-hour composite samples only in those cases where the composite sample is preserved according to EPA approved methods prior to collection. Otherwise, the values set forth for amenable cyanide, total cyanide and phenols or, with the approval of the Utility, any other listed Pollutants shall apply to an instantaneous grab sample taken during prevailing discharge conditions and representative of the facility's discharge in general. The limitations and requirements imposed in Sections 17.1 and 17.2 apply at the point of discharge to the Sewage Disposal System unless specified otherwise.
- 17.5** No Customer shall change substantially the character or volume of the Pollutants discharged to the Sewage Disposal System without prior notification to the Utility.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 29

18. REQUIRED INSTALLATION OF FOOD WASTE DISPOSER

18.1 Except as hereafter provided, no person shall discharge or cause to be discharged any of the following described waters or wastes into any sanitary Sewer: any Garbage that has not been properly shredded through a disposal unit or other shredding device, with no particle greater than one-half (1/2) inch in any dimension.

19. GREASE INTERCEPTOR

19.1 A grease interceptor shall be installed in the waste line leading from sinks, drains and other fixtures or equipment in restaurants, cafes, lunch counters, cafeterias, bars and clubs, hotels, hospitals, factories or school kitchens; or other establishments where grease may be introduced into the drainage or sewage system in quantities that can affect line stoppage or hinder sewage treatment. The characteristics, size and method of installation of the grease interceptor shall meet the requirements imposed by the Indiana Fire Prevention and Building Safety Commission and shall be reviewed and approved by the Utility prior to the commencement of installation. Approval of proposed facilities or equipment does not relieve the person of the responsibility of enlarging or otherwise modifying such facilities to accomplish the intended purpose. A grease interceptor is not required for individual dwelling units or for any private living quarters.

19.2 Where installed, all grease interceptors shall be maintained by the Customer, at his or her sole expense, in continuously efficient operation at all times.

19.3 The Customer shall provide evidence, such as invoices, that grease interceptors are cleaned and maintained regularly. This evidence shall be retained by the customer for a period of at least 24 months. The Utility may discontinue water and/or Sewage Disposal Service to Customers for their refusal to provide evidence that the grease interceptor has been cleaned and regularly maintained.

20. INDUSTRIAL CUSTOMER WASTE DISCHARGE

20.1 Neither the Applicant, Customer nor any occupant of the property or Premises shall discharge, or cause to be discharged, into the service pipe or into the collection Sewer any "industrial wastes" consisting of solids, liquids or gaseous wastes resulting from any industrial or manufacturing operation or process, or from the development of any natural resource, without first obtaining written permission for such discharge, or significant increase in such discharge, from the Utility, and from any regulatory authority or governmental unit having jurisdiction over such a discharge of wastes.

20.2 Where necessary in the Utility's opinion, the Applicant or Customer shall provide, at the Applicant or Customer's expense, such pretreatment as may be necessary to reduce objectionable characteristics or constituents to within the maximum limits provided for in these Terms and Conditions for Sewage Disposal Service or that may be necessary to ensure that the discharge does not cause or contribute to an exceedance of the Sewage Disposal System's NPDES permit.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 30

- 20.3** Industrial Customers shall comply with all categorical pretreatment standards, found in 40 CFR 403.
- 20.4** Where preliminary treatment facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Customer at the Customer's expense.
- 20.5** Where necessary in the Utility's opinion, the Industrial Customer shall provide, at the Customer's expense, such measures as may be necessary to control the quantities and rates of discharge of waters or wastes. Plans, specifications and any other pertinent information relating to pretreatment or control facilities shall be submitted for approval of the Utility, and no construction of such facilities shall be commenced until approval, in writing, is granted. Where such facilities are provided, they shall be maintained continuously in satisfactory and effective operating order by the Industrial Customer at its expense and shall be subject to periodic inspection by the Utility to determine that such facilities are being operated in conformance with applicable Federal, State, and local laws and permits. The Industrial Customer shall maintain operating records and shall submit to the Utility a monthly summary report of the character of the influent and effluent to show performance of the treatment facilities and for comparison against monitoring records.
- 20.6** The Utility may require a special contract for the discharge of industrial wastes to the system that contains inspection, monitoring, recordkeeping, and reporting requirements deemed necessary by the Utility to implement the provision of these Terms and Conditions.

21. ACCIDENTAL DISCHARGE

- 21.1** Each Industrial Customer shall provide protection from Accidental Discharge of substances identified in Section 17 of these Terms and Conditions for Sewage Disposal Service. Facilities to prevent Accidental Discharge shall be provided and maintained at the Customer's own cost and expense. Detailed plans showing facilities and operating procedures to provide this protection shall be available to the Utility for review and approval, as necessary. No Industrial Customer who commences contribution to the Sewage Disposal System shall be permitted to introduce Pollutants into the system until Accidental Discharge procedures are available.
- 21.2** In the case of an Accidental Discharge, it is the responsibility of the Industrial Customer to immediately telephone and notify the Utility of the incident. The notification shall include:
- 21.2.1** Name of Customer;
- 21.2.2** Location of Accidental Discharge;
- 21.2.3** Type of waste discharged;

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 32

- 22.3** The Customer shall not allow the Customer's portion of the service pipe to become broken, obstructed, inferior, defective, leaky or imperfect so that sewage or drainage escapes into surrounding soil, adjacent Premises, ground or surface water or other matter enters the Sewage Disposal System. When such conditions are discovered, the Utility reserves the right to discontinue service unless immediate repairs or replacements are made. Such replacements or repairs shall be made by, and at the expense of the Customer or Applicant. Non-compliance with the foregoing requirement exists when any connections or facilities are found by the Utility that will permit storm water, surface water, groundwater, or other non-sanitary sewage drainage to enter into the Sewage Disposal System, regardless of whether actual flow is observed.
- 22.4** The service pipe shall be as specified in the Indiana Plumbing Code. It shall be constructed of materials approved by the Utility and be installed under the inspection of the Utility.
- 22.5** If a Customer requests for his or her convenience or by his or her actions requires that Utility facilities be redesigned, re-engineered, relocated, removed, modified or reinstalled, the Utility will require the Customer to make payment of the full cost of performing such service.

23. MAIN EXTENSIONS

23.1 DEFINITIONS

The following terms as used in Section 23 of these Terms and Conditions for Sewage Disposal Service have the following meanings:

- 23.1.1** "Applicant" means a Person requesting the Main Extension in order to receive sewer utility service from the Utility.
- 23.1.2** "Completion Date of the Main Extension" means the date the Utility declares the Main Extension to be in service and releases it for Taps.
- 23.1.3** "Cost of Connecting" means the average of the Utility's costs for the same size service connection incurred during the preceding calendar year including, if provided by the Utility, the Service Pipe, Tap, and installation thereof or portions thereof; however, the Cost of Connecting shall not be applicable under Section 23 of these Terms and Conditions for Sewage Disposal Service for those portions of such cost recovered from an Applicant by the Utility in the form of a Tap or similar charge.
- 23.1.4** "Cost of the Main Extension" means the cost of installing the Main as determined in Sections 23.5 through 23.7 of these Terms and Conditions for Sewage Disposal Service.
- 23.1.5** "Customer" means a Person being supplied with sewer utility service.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 33

- 23.1.6** “Deposit” means the amount required to be deposited by or on behalf of each Applicant or Prospective Customer for a Main Extension prior to the Utility commencing construction of the Main Extension.
- 23.1.7** “Estimated Annual Revenue” for an Applicant connecting to the Main means the Utility’s average annual revenue per applicant from comparable Customers in the calendar year preceding such connection, adjusted to reflect any changes in the applicable rates and charges of the Utility for such service.
- 23.1.8** “Frontage” means the footage, ten (10) feet minimum length, of a Lot or tract (but not an easement) boundary that is parallel to or curvilinear to, and immediately adjacent to a Main Extension in a Public Thoroughfare or easement.
- 23.1.9** “Immediate Revenue Allowance” means the amount of three (3) times the Estimated Annual Revenue less the Cost of Connecting for an Applicant.
- 23.1.10** “Lot” means a parcel of land as platted, or if the area to be served is not platted, the equivalent of a parcel of land as determined in accordance with Section 23.4 of these Terms and Conditions for Sewage Disposal Service.
- 23.1.11** “Main” means a pipe owned by the Utility that connects to Service Pipes for transmitting sewage effluent.
- 23.1.12** “Main Extension” means the Mains and appurtenances installed by the Utility to provide the sewer utility service requested by or on behalf of the Applicant or Prospective Customer, but does not include the Service Pipes.
- 23.1.13** “Original Depositor” means an Applicant who enters into a Main Extension agreement and makes a Deposit with the Utility.
- 23.1.14** “Person” means an individual, firm, corporation, governmental agency, or other entity.
- 23.1.15** “Prospective Customer” means a Person who is not an Original Depositor, but whose Lot or Frontage directly abuts the Main Extension between its original beginning and its original end point.
- 23.1.16** “Public Thoroughfare” means a road, street, or way that has been dedicated for use by the public and accepted by the appropriate governmental authority.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 34

- 23.1.17** “Refund” means the Subsequent Connector's Fees, Subsequent Connector's Revenue Allowances, and Revenue Allowances from Depositor-Authorized Connections of Lots included in the Original Depositor's Main Extension agreement that must be paid by the Utility to the Original Depositor for ten (10) years after the Completion Date of the Main Extension.
- 23.1.18** “Revenue Allowance from Depositor-Authorized Connection” means the amount of three (3) times the Estimated Annual Revenue less the Cost of Connecting that the Utility may refund to Original Depositor for connections for Lots or unplatted areas owned, controlled, or designated by the Original Depositor and does not include an Immediate Revenue Allowance.
- 23.1.19** “Service Pipe” means a sanitary sewer line leading directly from the Premises to the Main adjacent to such Premises.
- 23.1.20** “Subsequent Connector” means a Person who was not an Original Depositor but subsequently applies for sewer service and who connects to the Main within ten (10) years after the Completion Date of the Main Extension.
- 23.1.21** “Subsequent Connector's Fee” means the cash fee equal to the cost per lot of the Main Extension determined in accordance with Sections 23.4 through 23.6 of these Terms and Conditions for Sewage Disposal Service, multiplied by the number of Lots for which service is requested.
- 23.1.22** “Subsequent Connector's Revenue Allowance” means three (3) times the Estimated Annual Revenue for the Subsequent Connector less the Cost of Connecting.
- 23.1.23** “Tap” means a fitting owned by the Utility and inserted by it into a Main to which a Service Pipe is attached.
- 23.1.24** “Total Required Deposit” means the amount by which the Cost of the Main Extension exceeds the Immediate Revenue Allowance for the Original Depositor.

23.2 WRITTEN AGREEMENT

Persons desiring Main Extensions shall apply therefore in writing to the Utility. All Main Extensions require a prior written agreement between the Utility and the prospective Customer or Customers, who shall contract to connect to the Main within nine months after the completion date of the Main Extension and receive service from the Main Extension for a period not less than three years.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 35

23.3 FREE EXTENSION

The Utility shall extend a Main and connect the Applicant free of charge to provide the service requested if:

23.3.1 The Cost of the Main Extension does not exceed the Immediate Revenue Allowance for the Applicant; and

23.3.2 The Applicant agrees to take service within nine (9) months following the Completion Date of the Main Extension.

23.4 MAIN EXTENSION; EXCEPTION TO COMMISSION APPROVAL

If the Cost of the Main Extension is greater than the free extension cost, that extension shall be made, upon receipt by the Utility of a signed agreement and a Deposit from the Applicant, without specific approval by the Commission.

23.5 EXTENSION EXCEPTION

The Utility shall not be required to make Main Extensions unless the Applicants to be initially served by those extensions contract to use the service for a period of three (3) years. A bond may be required of the Applicant in this situation.

23.6 SPECIAL CONTRACT

The Utility may require a special contract when: (a) the requested Main Extension is of such length and the prospective business to be developed by it is so meager as to make it doubtful whether the business from the extension would ever pay a fair return on the Utility investment involved in such extension; (b) the prospects are that the patronage and demand will not be of such permanency as to warrant the capital expenditure involved; (c) there are industrial installations requiring extensive sewer utility investment and where the demand for sewer service is expected to be slight, irregular, or of unknown quantity; or (d) there are other abnormal or extraordinary circumstances.

23.7 MAIN EXTENSION ROUTE

23.7.1 The Utility shall use good engineering and sewer utility practices in determining the route for all Main Extensions. Any facilities installed in connection with Main Extensions shall become the property of the Utility.

23.7.2 The Utility shall determine the total length of the Extension from its existing Main to serve the extension to the end of the Lot or Frontage of the most remote Applicant to be served.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 36

23.7.3 If the end Lot or Frontage is a corner Lot or Frontage abutting an intersecting street in which no Main is located, the end of the new extension may not extend beyond the intersecting street corner of that Lot.

23.7.4 If the street in which the Main is to be laid dead ends in a cul-de-sac or appears to be permanently dead ended against a railroad, creek, river, or other major physical or natural barrier, the end point of the Main Extension, if serving the most remote Lot or Frontage, shall be the point of the most remote Service Pipe connection, which connection point shall be at least ten (10) feet beyond the Lot line.

23.8 NUMBER OF LOTS SERVED BY MAIN EXTENSION

A determination shall be made of the number of Lots to be served by the Main Extension. The determination may include only Lots that directly abut the Main Extension between its original beginning and its original end point. If any part of the Main Extension is located within an area platted or to be platted, the number of Lots shown within the plat to be served shall be included in the determination. If any part of the Main Extension is located in an unplatted area, the number of Lots to be included shall be determined by dividing the total Frontage of the Main Extension within the unplatted area on either or both sides of the Public Thoroughfare or easement in which the Main is located by one hundred (100) feet and rounded to the nearest whole number of Lots, provided either or both sides are available for future development and not restricted against usage because of limited access or other reasons. The determination of the number of Lots for a particular extension may include a combination of platted and unplatted Lots as defined in this Section. Any further Main Extension subsequently connected to the original Main Extension shall, for all purposes under Section 23 of these Terms and Conditions for Sewage Disposal Service, constitute a separate Main Extension.

23.9 MAIN EXTENSION COST

23.9.1 The Cost of the Main Extension may, as determined by the Utility, be either:

23.5.1.1 The estimated cost of the extension; or

23.5.1.2 The actual cost of a developer-installed extension.

23.9.2 For any special construction, or for any other facility involved in a Main Extension, the cost shall be the Utility's best estimate of the cost of the Main, special construction, or related facilities based upon current available information.

23.9.3 If the Utility's future extension plans require a larger Main than is reasonably necessary to serve the Applicants and Prospective Customers, the difference in the cost for the larger Main size and increased material and installation cost, if any, shall be borne by the Utility.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 37

23.9.4 The estimated cost shall be adjusted to the actual cost by the Utility, in which event the actual cost as finally determined shall constitute the Cost of the Main Extension. If the Main Extension agreement provides for the adjustment of the estimated Cost of the Main Extension to the actual cost, the adjustment shall be made upon completion of the Main Extension. If the actual cost of the extension is less than the estimated cost, the Utility shall refund the difference to the Original Depositor as soon as the actual cost has been determined. If the actual cost of the extension exceeds the estimated cost, then the Utility shall bill the Original Depositor for, and such depositor shall pay, the difference between the estimated cost and the actual cost.

23.9.5 For the Main Extension, the Applicant shall be required to pay the Cost of the Main Extension, and the full gross-up any applicable state and federal taxes associated with the cost of the extension and the Applicant shall receive Refunds as provided in Section 23.9 of these Terms and Conditions for Sewage Disposal Service.

23.10 COST PER LOT

The cost per lot shall be determined by:

23.10.1 The total number of Lots to be served by the Main Extension divided into the Cost of the Main Extension; or

23.10.2 The Cost of the Main Extension shall be divided proportionately on the basis of respective Lot Frontage for all Lots to be served by the Main Extension.

23.11 TOTAL REQUIRED DEPOSIT

23.11.1 The Total Required Deposit for a Main Extension may either be made in a cash payment or it may be secured by an irrevocable letter of credit acceptable to the Utility and issued by a national banking association or a bank chartered under the laws of the state. The Deposit may also be secured in any other manner that is mutually acceptable to the parties and that guarantees payment of the Deposit immediately upon completion of the Main Extension.

23.11.2 If permitted by the Utility, the Main Extension may be installed by the developer or the developer's contractor according to the extension and installation policies of the Utility, and the actual cost of the developer-installed extension shall be considered the Total Required Deposit.

23.11.3 The Utility may allocate, or permit Original Depositors to allocate, the Total Required Deposit on the basis of the number of Lots, the respective Lot Frontage, or any other basis mutually acceptable to the Original Depositors.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 38

23.12 SUBSEQUENT CONNECTOR FEE

- 23.12.1** Within ten (10) years after the Completion Date of the Main Extension, the Utility shall not permit a Subsequent Connector to connect to a Main Extension until after the Subsequent Connector has paid the required Subsequent Connector's Fee to the Utility.
- 23.12.2** Applicants for service connections for Lots in subdivision and tract developments that are included in the Original Depositor's Main Extension agreement, are not required to pay a Subsequent Connector's Fee, unless otherwise specifically provided for in the Main Extension agreement.
- 23.12.3** If a Prospective Customer with Frontage land that was unplatted on one (1) or both sides of the street at the time the Main Extension was installed later subdivides this Frontage prior to the expiration of the ten (10) years after the Completion Date of the Main Extension in such a manner that some or all Lots will not require service directly from that Main Extension, the Customer is considered to have requested another extension from that Main Extension to serve the Customer's land. The Utility in that case shall collect from the Prospective Customer prior to installing the requested second extension, a Subsequent Connector's Fee for each equivalent Lot of the Frontage land used in determining the Main Extension cost per lot and which will not be served directly by the original Main Extension.

23.13 REFUNDS

- 23.13.1** Refunds shall be paid for a period of ten (10) years after the Completion Date of the Main Extension to the Original Depositor in proportion to the respective Deposits. A Deposit shall be held by the Utility as a Customer's advance for construction. Any Deposit that is not subject to refund because of the running of the ten (10) year period shall be transferred by the Utility to contributions in aid of construction.
- 23.13.2** However, no Refunds shall be required to be made by the Utility until the number of Customers actually connected to the Main Extension equals the number of Applicants for which an Immediate Revenue Allowance was included in computing the Total Required Deposit for the Main Extension. The Refunds shall be paid annually or more frequently at regular intervals at the discretion of the Utility.
- 23.13.3** Total Refunds to any Original Depositor shall not exceed the amount of the original Deposit except in the case of a phased residential real estate development. In this situation the preliminary plat must be submitted to the Utility at the time of the first request for a Main Extension. During the ten (10) year period beginning with the completion date of the first Main Extension, the amount of any Refunds generated in excess of the Deposit made on any phase of the development must be applied against the Deposit made for any other phase of the development, so long as the total amount of Refunds to the Original Depositor shall not at any time exceed the total amount of his Deposits during the period. The Utility shall not require any Subsequent Connector's Fee that is in excess of the unrefunded balance of the aggregate of Deposits received from all Original Depositors.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 39

23.13.4 The Refund shall be made by mailing the payment to the Original Depositor's last known address as shown on the books and records of the Utility. Any Refund distribution that cannot be returned to an Original Depositor after the Refund becomes due and payable must be reported as required by Indiana Code 32-17.5, et seq.

23.14 BASIS FOR COST

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

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

24. UTILITY LIABILITY

24.1 The Utility shall not be liable for damages of any kind or character for any deficiency or failure of Sewage Disposal Service, for the blockage or breaking or Sewer overload of any collection Sewer, wherever located, for any deficiency in any Utility or Customer lateral, attachment or fixtures to any collection Sewer, or any other facility used by the Utility, or for any other interruption of Sewage Disposal Service caused by breaking of machinery, stopping for repairs or for any reason or occurrence beyond the reasonable control of the Utility. The Utility shall not be liable for any damage to any property caused by any of the foregoing reasons or for any other cause beyond the reasonable control of the Utility.

24.2 The Utility shall not be held liable for any failure or delay in performing any of the things undertaken by it under any service contract when such failure or delay is caused by strike, acts of God, unavoidable accident, or other contingencies beyond its control, and in no manner due to its fault, neglect, or omission. Nor shall Utility be liable for damage caused by interruption in, or failure of service, or by sewage disposal escaping from piping on Customer's property.

24.3 The Utility shall not be liable for the failure, interruption or malfunction, including backup, of its system and service caused by flood, earthquake, high water, war, riot, or civil commotion, vandalism, acts of others, or acts or failure of action of any local governmental authority to enforce or provide proper surface drainage or ditches for surface runoff, or other circumstance over which Utility has no control, where the Utility has used reasonable care in installing and maintaining its system in accordance with acceptable standards in the sewer utility business.

**Citizens Wastewater of Westfield, LLC
2020 N. Meridian St.
Indianapolis, IN 46202**

ORIGINAL PAGE NO. 40

25. INCORPORATION BY REFERENCE

- 25.1** All laws of the United States of America, including the Environmental Protection Agency, the State of Indiana, Rules and Regulations of the Indiana Utility Regulatory Commission and Ordinances of the City of Indianapolis applicable to the rendering of Sewage Disposal Service in the City of Indianapolis, Marion County, Indiana and contiguous areas (including those set forth in Chapters 536 and 672 of the Revised Code of the Consolidated City of Indianapolis, Marion County, Indiana) are hereby incorporated herein by reference.

Citizens Wastewater of Westfield, LLC
 2020 North Meridian Street
 Indianapolis, Indiana 46202

Original Page No. 101

SEWER RATE NO. 1

RESIDENTIAL SEWAGE DISPOSAL SERVICE

AVAILABILITY:

The Residential rates and charges shall be applied to all Residential Customers of the Utility as defined in Section 1 of the Utility's Terms and Conditions for Sewage Disposal Service. The Monthly Base Charge, together with the variable Treatment Charges, are subject to the Monthly Minimum Charge as noted in the table below.

RATE:

All Residential Customers of the Utility shall pay a fixed Monthly Base Charge per connection and a variable Treatment Charge per 1,000 gallons as shown in the table below.

<u>Monthly Metered Charges</u>	<u>Monthly Base Charge</u>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Base Charge	\$14.73	\$15.32	\$15.78	\$16.10
Minimum Treatment Charges 0-5,000 gallons	\$32.00	\$33.30	\$34.30	\$35.00
Total Minimum Charges	\$46.73	\$48.62	\$50.08	\$51.10
<u>Treatment Charge per 1,000 Gallons</u>				
All usage over 5,000 gallons	\$6.40	\$6.66	\$6.86	\$7.00

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Monthly Unmetered Charge</u>	\$72.33	\$75.26	\$77.52	\$79.10

MINIMUM BILL PER MONTH:

Each Residential Customer will pay a Total Minimum Charge if the monthly usage is 5,000 gallons or less. Seasonal customers will receive bills during all Months of the year even when only the Total Minimum Charge is due.

BILLING DURING SUMMER MONTHS:

For the months of May-October, usage billed will be based upon the lesser of actual or 125% of the average winter water usage. Winter average water usage shall be calculated using 125% of each customer's average for the previous November-February. If no reliable history is available, the winter average will equal 9,000 gallons. In no event will the sewer usage billed be less than 5,000 gallons, which is the minimum charge.

PAYMENT:

If the bill is not paid within seventeen days after its date of issue, a Late Payment Charge will be added as provided in Appendix A.

Citizens Wastewater of Westfield, LLC
 2020 North Meridian Street
 Indianapolis, Indiana 46202

Original Page No. 102

SEWER RATE NO. 2

NON-RESIDENTIAL SEWAGE DISPOSAL SERVICE

AVAILABILITY:

The Non-Residential rates and charges shall be applied to all Non-Residential Customers of the Utility as defined in Section 1 of the Utility's Terms and Conditions for Sewage Disposal Service. The Monthly Base Charge, together with the variable Treatment Charges, are subject to the Monthly Minimum Charge as noted in the table below.

RATE:

All Non-Residential Customers of the Utility shall pay a fixed Monthly Base Charge per connection and a variable Treatment Charge per 1,000 gallons as shown in the table below.

<u>Meter Size</u>	<u>Monthly Base Charge</u>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5/8 – 3/4 Inch Meter	\$14.73	\$15.32	\$15.78	\$16.10
1 Inch Meter	\$36.82	\$38.29	\$39.44	\$40.23
1 1/4 Inch Meter	\$36.82	\$38.29	\$39.44	\$40.23
1 1/2 Inch Meter	\$36.82	\$38.29	\$39.44	\$40.23
2 Inch Meter	\$36.82	\$38.29	\$39.44	\$40.23
3 Inch Meter	\$36.82	\$38.29	\$39.44	\$40.23
4 Inch Meter	\$36.82	\$38.29	\$39.44	\$40.23
6 Inch Meter	\$36.82	\$38.29	\$39.44	\$40.23
8 Inch Meter	\$36.82	\$38.29	\$39.44	\$40.23

<u>Meter Size</u>	<u>Min Gallons</u>	<u>Monthly Minimum Treatment Charge</u>			
		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
5/8 – 3/4 Inch Meter	5,000	\$46.73	\$48.62	\$50.08	\$51.10
1 Inch Meter	12,500	\$113.62	\$118.21	\$121.76	\$124.23
1 1/4 Inch Meter	20,000	\$113.62	\$118.21	\$121.76	\$124.23
1 1/2 Inch Meter	29,000	\$113.62	\$118.21	\$121.76	\$124.23
2 Inch Meter	50,000	\$113.62	\$118.21	\$121.76	\$124.23
3 Inch Meter	115,000	\$113.62	\$118.21	\$121.76	\$124.23
4 Inch Meter	200,000	\$113.62	\$118.21	\$121.76	\$124.23
6 Inch Meter	455,000	\$113.62	\$118.21	\$121.76	\$124.23
8 Inch Meter	809,000	\$113.62	\$118.21	\$121.76	\$124.23

**Citizens Wastewater of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202**

Original Page No. 102B

SEWER RATE NO. 2 – NON-RESIDENTIAL SEWAGE DISPOSAL SERVICE (Cont'd)

	<u>Treatment Charge per 1,000 Gallons</u>			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
All Usage over Minimum Gallons	\$6.40	\$6.66	\$6.86	\$7.00

MINIMUM BILL PER MONTH:

Each Non-Residential Customer will pay a Monthly Minimum Charge consisting of the combined Base Charge and Minimum Treatment Charges if the monthly usage is the applicable minimum gallons or less for the Non-Residential Customer's meter size. Seasonal customers will receive bills during all Months of the year even when only the Monthly Minimum Charge is due.

PAYMENT:

If the bill is not paid within seventeen days after its date of issue, a Late Payment Charge will be added as provided in Appendix A.

Citizens Wastewater of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202

Original Page No. 201

APPENDIX A

MISCELLANEOUS NONRECURRING CHARGES

1. INDUSTRIAL CUSTOMER LATE REPORTING CHARGE

In the event that an Industrial Customer fails to submit the report required under Section 8 of the Utility's Terms and Conditions for Sewage Disposal Service by the twenty-fifth (25th) day of the following Month, the Industrial Customer shall pay late reporting charges according to the following schedule:

Late Reports Filed in any Year	Charge
First late report	No charge
Second late report	No charge
Each subsequent late report	\$100.00

2. LATE PAYMENT CHARGE

A bill that has remained unpaid for a period of more than seventeen (17) days following the mailing of the bill shall be considered delinquent in accordance with Section 8 of the Utility's Terms and Conditions for Sewage Disposal Service. In such event, a Late Payment Charge will be added to the bill in the amount of ten percent (10%) of the first three dollars (\$3.00) of Sewage Disposal Service and three percent (3%) on the amount in excess of three dollars (\$3.00).

3. DELINQUENT ACCOUNT COLLECTION CHARGE

A charge may be made for each visit to the Customer's Premises to collect a delinquent account. Such charge to the Customer shall be fourteen dollars (\$14.00).

4. RECONNECTION CHARGE

When Sewage Disposal Service is turned off for non-payment of a bill, or for any reason beyond the control of the Utility, and a reconnection of Sewage Disposal Service is required by any one Customer, a charge will be made by the Utility to cover the cost of discontinuance and reconnection of service; such charge shall be forty-four dollars (\$44.00) per Meter or Customer. The Customer shall pay the Reconnection Charge, along with any Sewage Disposal Service arrears due, and comply with all other requirements set forth in Section 12 of the Utility's Terms and Conditions for Sewage Disposal Service before Sewage Disposal Service will be reconnected.

5. RETURNED CHECK CHARGE

Each Customer that causes a check for Sewage Disposal Service to be returned by their financial institution due to their account not having sufficient funds to allow such check to be processed, shall be charged eleven dollars (\$11.00) per check to cover the cost the Utility incurs to re-process the original transaction.

6. RATE FOR TEMPORARY USERS

Sewage Disposal Service furnished to temporary users, such as contractors, shall be charged on the basis of schedules set forth in Rate 1 or Rate 2 depending on the characteristics of the temporary user. The amount of usage shall be estimated and established by the Utility before service is rendered.

**Current base rates effective pursuant
to I.U.R.C. Order in Cause No. 44273**

Effective: _____

**Citizens Wastewater of Westfield, LLC
2020 North Meridian Street
Indianapolis, Indiana 46202**

Original Page No. 201B

MISCELLANEOUS NONRECURRING CHARGES (Cont'd)

7. USAGE INFORMATION CHARGE

A summary of Customer usage by meter for the most recent twenty-four (24) month period may be accessed at www.citizensenergygroup.com. A Usage Information Charge shall be assessed to the Customer for requests for usage summary by meter beyond the twenty-four (24) month period. Such charge to the Customer shall be eighteen dollars (\$18.00) per customer usage summary per meter.

8. EXTENSION, AMENDMENT, OR TRANSFER OF AUTHORITY TO CONNECT TO THE SEWAGE DISPOSAL SYSTEM

The fee for extending the authority granted by the Utility to connect to the Sewage Disposal System beyond 180 days shall be \$30. The fee for amending an application for connection shall be \$30. The fee for transferring the authority granted by the Utility to connect to the Sewage Disposal System, which transfer must be done with the consent of the Utility shall be \$30.