

UTILITIES SERVICE APPLICATION AND AGREEMENT
PAINTSVILLE UTILITIES
EFFECTIVE MARCH 18, 2013

CUSTOMER NAME _____

DRIVER'S LICENSE NUMBER _____ SSN _____

RENTING _____ LANDLORD _____ MOVE IN DATE _____

BUYING _____ PREVIOUS OWNER _____ CLOSING DATE _____

SPOUSE NAME _____ SSN _____

SERVICE ADDRESS _____

MAILING ADDRESS _____

TELEPHONE NUMBER _____

Have you or your spouse had service with Paintsville Utilities before? _____

If so, at what address _____

SERVICE(S) REQUESTED WATER? _____ SEWER? _____ GAS? _____

PLEASE READ CAREFULLY:

THIS UTILITIES SERVICE AGREEMENT entered into this the _____ day of _____, 20____, by and between the above-named Customer and the Paintsville Utilities Commission, a subdivision of the City of Paintsville, Kentucky, having a mailing address of Post Office Box 630, Paintsville, Kentucky 41240, hereinafter referred to as "Supplier".

WITNESSETH:

WHEREAS, the undersigned Customer hereby makes application for and agrees to take from the Supplier the service or services marked above at the address set forth above;

NOW, THEREFORE, in consideration of the acceptance of this application by the Supplier and in consideration of the mutual promises set forth herein, Customer and Supplier hereby agree as follows:

SECTION ONE

AUTHORITY/INTENT TO BE BOUND

1. Customer has the authority to sign this Agreement and thereby grants license to Supplier to enter the property for the purpose of connecting, disconnecting, inspecting, testing, reading meters, repairing or removing any property of Supplier, and inspection for possible cross-connections to Supplier's system.

2. Should Supplier require an easement on the property on which Customer seeks service, Customer hereby agrees to execute such easement. If Customer is not the owner of the subject property, Customer agrees to cooperate with Supplier in obtaining the easement from the landowner.

3. The Customer hereby agrees to comply with and be bound by the Rules and Regulations of the Supplier, now in force or as hereafter duly and legally supplemented, amended or changed.

4. Customer agrees to notify the Supplier in person when any change of ownership occurs or if there is a change in a rental property. Failure to do so will result in the Customer being responsible for the bill until such information is given.

SECTION TWO

CONNECTION REQUIREMENTS

A. METERS

1. For water customers establishing service to new waterlines, a tap fee of \$750.00 is required. Customer further understands Supplier requires ten (10) to fourteen (14) days' notice from the time the tap fee is paid until installation of the meter can be made. If the requirement of a state highway permit is necessary, Customer understands that the above timeframe will be increased.

2. It is understood and agreed that Supplier reserves the right to determine the size of service connection to be used to supply the requested service to Customer. A separate meter must be installed for each residence and/or place of use on Customer's property. Should Customer connect or attempt to connect his/her service line to another residence, place of use and/or party, Supplier shall give written notice to remove the connection and if the connection is not removed within the time period given to cure, service shall be disconnected until such time as the Customer cures the condition and notifies Supplier of the same.

3. Customer shall keep and maintain Supplier's meters and equipment free of barriers, animals and vegetation. If the meters and equipment are not accessible, then Supplier shall give thirty (30) days' notice to Customer to make the meter accessible. After the notice period expires, Supplier may take action to make meters and equipment accessible and then assess Customer for any costs associated with maintaining accessibility.

4. Customer agrees not to permit anyone other than authorized agents of Supplier to molest or otherwise tamper with the property of the Supplier or to remove its seals. There shall be a charge of one hundred (\$100.00) dollars if Customer tampers or authorizes the tampering of Supplier's meters. Customer further agrees to pay for any damage, including the actual cost of replacing the same, done to Supplier's meters or equipment resulting from Customer's negligent or intentional conduct, which includes any use of Supplier's cutoff and/or pressure reducing valve, but not from damage resulting from normal wear. Because of the potential for damaging Supplier's meters and equipment through Customer use, for new services, Customer shall install a separate cutoff valve and pressure reducing valve.

5. For Water Customers, a 5/8" by 3/4" meter will be used unless Customer specifically requests and contracts for a larger meter. If Customer so requests, Customer agrees to pay the actual cost of material and labor for creation and installation of such meter. The location of the water meter will not be not less than five (5) feet nor more than ten (10) feet away from the main waterline, except for good cause shown.

6. For Gas Customers, a AC 250 gas meter will be used unless Customer specifically requests and contracts for a larger meter. If Customer so requests, Customer agrees to pay the actual cost of material and labor for creation and installation of such meter.

7. Should Customer dispute the accuracy of the meters installed upon the property to which service is provided, Customer has the right to request the meter be removed and sent to a testing laboratory for calibration. Should the testing results indicate the meter is malfunctioning, Customer's water and/or gas bill (as applicable)

shall be adjusted accordingly. Should the testing results indicate the meter was functioning properly, Customer shall be responsible for payment of (a) the outstanding charges on Customer's account and (b) the shipping and testing costs for the meter. The meter shall not be reinstalled on the premises until said charges are paid.

B. SERVICE LINES

1. Customer shall install and maintain, at his/her own expense, a service line, cutoff valve, and pressure reducing valve which shall begin at the meter and extend to the dwelling and/or place of use. The Customer shall connect his service line to the water and gas distribution system at each respective meter.

2. It is specifically understood by the Customer that the line leaving the meter extending to the dwelling and/or place of use is the sole responsibility of the Customer, which includes, but is not limited to, maintenance and repair. Specifically, any water and/or gas leak in the line after it leaves the meter shall be the sole responsibility of the Customer.

3. A plumbing permit must be obtained from the local health department and must be obtained prior to installation of service to a new waterline with a copy of the same provided to Supplier prior to meter installation. In addition, the following plumbing restrictions apply:

1. The pipe size is to be $\frac{3}{4}$ " inside diameter minimum and shall be 200 PSI.
2. The depth of the pipe must be at a depth a minimum of thirty (30) inches.
3. The location of the waterline must be ten (10) feet away from any sewer line.

4. No direct connection between public drinking water supply and potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public drinking water supply by an appropriate backflow prevention device.
5. No cross-connection between the drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.
6. No connection which allows water to be returned to the public drinking water supply is permitted.

SECTION THREE

SERVICE CHARGES

1. For Customers seeking to establish both new water/sewer services and new gas services to a location, there shall be a non-refundable service charge of seventy-five (\$75.00) dollars. For Customers seeking to establish either new water/sewer services or new gas services to a location, there shall be a non-refundable service charge of fifty (\$50.00) dollars.

2. For Customers seeking to transfer both water/sewer services and gas services from an existing location to a new location, there shall be a non-refundable service charge of sixty (\$60.00) dollars. For Customers seeking to transfer either water/sewer service or gas service from an existing location to a new location, there shall be a non-refundable service charge of forty (\$40.00) dollars.

3. For after hours dispatch at the request of the Customer, there shall be a charge of forty (\$40.00) dollars assessed to the account.

4. Effective November 6, 2012, Paintsville Utilities shall not require security deposits for new Customers. However, customers with valid security deposits on file may elect to have their respective deposit applied to the service charges listed above.

SECTION FOUR

PAYMENT FOR SERVICES

1. Customer hereby agrees to pay for all water, sewer, and gas supplied to or for the premises, at the rates now fixed or hereafter fixed by the City of Paintsville as bills are rendered. Charges to the Customer shall begin on the date service is made available by the Supplier and is not dependent upon whether Customer has connected to the system or has begun receiving utilities from Supplier. Once the meter is installed, the Customer shall, at a minimum, be responsible for the “minimum water bill”, as defined in Supplier’s Rules and Regulations.

2. All payments are to be made payable to “Paintsville Utilities”. If payment is sent by mail, the correct address to mail payment is Paintsville Utilities, Post Office Box 630, Paintsville, Kentucky 41240. Payment must be received on or before the close of business on the 15th of each month. If Customer chooses to make payment online, the website to do so is www.paintsvilleutilities.com. Please ensure your correct account number is added so your account properly receives credit for the payment. For payments by credit card, please note that there shall be a Credit Card ACH Rejection Fee of \$15.00 for all transactions made where not sufficient funds were available to cover the cost of the transaction. For customers wishing to pay in person, Supplier has a drive-thru window for your convenience, but please ensure you have your bill and payment ready.

If you do not have your bill, you are requested to enter the office so your account information may be accessed and there will be a one (\$1.00) fee for retrieving your account information. For after-hour payments, Supplier has a drop-box near the drive-thru window. Please use your bill or account number when using the drop-box to ensure your account receives credit for the payment.

3. All payments are due on or before the close of business on the 15th of each month. Customer should receive his/her statement by the 5th of each month. Supplier is not responsible for mail delivery and failure to receive a bill does not excuse non-payment thereof. Therefore, if you do not receive your bill, Customer hereby agrees to call or visit Supplier to determine the amount of his/her charges due.

SECTION FIVE

DELINQUENT ACCOUNT POLICY

1. If Customer fails to pay the charges due for utility services furnished by Supplier by the close of business on the 15th of each month, the account is delinquent and a one-time penalty of 25% of the total charges due shall automatically be added to the account.

2. At the conclusion of the 10th day of delinquency (the 25th of each month), utilities to the Customer shall be disconnected with meters being removed or locked and shall be classified as an inactive customer. No past due notices shall be sent to Customer to advise of the delinquency and/or of the intent to disconnect service.

3. All inactive (delinquent) accounts shall be subject to a monthly interest charge of 1% (12% per year) of the delinquent account balance.

4. Utilities shall not be restored until all delinquencies, including interest accumulated thereon, and a reconnection fee of \$40.00 per service provided have been paid. The reconnection fee is automatically imposed upon the Customer's account when a work order for disconnection is generated for execution.

5. Customer agrees that Supplier shall have the right to institute collection proceedings by all means available to it, including suit in a court of proper jurisdiction. The Customer further agrees to pay all costs of collection including court costs and attorney's fees.

6. A return check fee of \$45.00 shall be assessed for each dishonored check. Upon dishonor, the Customer must pay the amount due with cash or with money order within forty-eight (48) hours of notice of dishonor. If the same is not paid within the time deadline, utilities to the Customer shall be disconnected with meters being removed or locked. In such event, utilities shall not be restored until all delinquencies, including payment of the return check fee of \$45.00 and the reconnection fee of \$40.00 per service provided, have been paid.

SECTION SIX

DEFERRED PAYMENT PLAN

1. If Customer has maintained the account in good standing for the past twelve (12) months, Supplier may agree to a Deferred Payment Plan with Customer to cure any delinquencies on the account and permit the Customer to continue to receive utilities services.

2. The Deferred Payment Plan shall be subject to the following terms:

- a. For past due amounts under three hundred dollars (\$299.99 and below), the Plan shall divide the past due amount into equal portions. A portion of the amount past due shall be added to the regularly occurring future monthly charges, and repaid over a period of time not to exceed six (6) months;
- b. For past due amounts three hundred dollars (\$300.00) or above, the Plan shall divide the past due amount into equal portions. A portion of the amount past due shall be added to the regularly occurring future monthly charges, and repaid over a period of time not to exceed twelve (12) months;
- c. The past due balance carried under a Deferred Payment Plan shall carry the same interest as all delinquent accounts (1% per month);
- d. At the time of creation of the Deferred Payment Plan, Customer shall make the first payment under the Plan;
- e. There is no penalty for early repayment of the past due amount;
- f. The Deferred Payment Plan shall be in written form, signed and dated by Customer and Supplier. Customer shall receive a copy of the Plan, and the original shall remain on file at Supplier's office;
- g. Any breach or late payment under the Deferred Payment Plan shall cause Customer's account to revert to delinquent status, at which time Supplier shall terminate utilities services immediately; and
- h. After breach of the Plan, and, with disconnection or termination of utilities services occurs, Supplier will not to reconnect services until the Customer pays the past due amount in full with any and all penalties and interest accumulated on the balance.

SECTION SEVEN

MONTHLY AVERAGE PAYMENT PLAN

The Paintsville Utilities offers a Monthly Average Payment Plan, which allows customers who meet certain requirements to pay for utility services based upon the previous year's average monthly payment.

In order to qualify to participate in the Monthly Average Payment Plan, the customer must meet the following requirements:

1. The Customer must have had service with Paintsville Utilities for a period of one (1) year.
2. The Customer's account must be in good standing with Paintsville Utilities for the previous year and must have had no disconnects for non-payment.
3. The Customer must be a natural gas service user and must maintain natural gas service throughout the Payment Plan.
4. The Customer must apply for the Monthly Average Payment Plan within thirty (30) days of July 1 of the calendar year.
5. The Customer must sign an agreement which memorializes the rules and regulations guiding this Plan.
6. This Plan is only offered to customers who are single-family, owner-occupied residential accounts.

The Monthly Average Payment Plan shall be governed and administered with the following rules, policies and procedures:

1. The amount of the Customer's monthly obligation under the Plan shall be determined by calculating the Customer's average monthly charge from the previous twelve (12) months of service. At the time of the execution of the Plan, a Customer has the right to have this amount increased or decreased.
2. The Monthly Average Payment Plan runs from July 1 through June 30 of the calendar year. No changes shall be made to the Plan during the Plan Year.
3. If the Customer changes residences during the Plan year, the Plan shall be terminated.
4. At the end of the payment plan each year, Paintsville Utilities shall determine the actual cost of service for the year and compare the same to the total amount paid by Customer under the Plan. If the Customer has paid more money under the Plan than the actual cost of service, the Customer shall be entitled to a refund of amount overpaid. If the Customer has paid less money under the Plan than the actual cost of service, the Customer shall be responsible for paying the balance, and the same shall be paid in full by July 15 of the calendar year.
5. Should the Customer wish to renew their Monthly Average Payment Plan, the Customer must give notification to Paintsville Utilities of his/her intent to continue the Plan. This notification must be given to Paintsville Utilities within thirty (30) days of July 1 (i.e. the end of the Plan period for the previous year).

6. Failure to comply with the above rules, policies and procedures shall result in ineligibility to participate in the Plan for the current year and in the future. Customer shall also be responsible for any late fees, penalties and interest that may be applicable for late/non-payment of amount due.

SECTION EIGHT

REQUESTS FOR DISCONNECTION

1. Customer may request termination of utilities services by visiting Supplier's office and completing a Request to Disconnect Form.
2. A Request to Disconnect must be made by the party whose name is on the account, identifying themselves with photo identification.
3. Customer agrees to notify Supplier at least two (2) days in advance of a planned termination of service.
4. If a customer requests his/her services to be reconnected, Supplier will assess a fee of twenty (\$20.00) dollars for each service provided to resume or reconnect utility services, which includes seasonal disconnects.
5. To reconnect service, any and all past due amounts, together with any penalties and interest assessed, must be paid before utilities services can be restored.

SECTION NINE

ADJUSTMENTS FOR DOCUMENTED WATER LEAKS

1. Should Customer discover a water leak on his/her premises and receive a statement indicating higher than normal water use, the Customer shall be entitled to an adjustment to his/her water bill should the Customer meet the following requirements:
 - a. Customer must produce written documentation that a leak was present, discovered and repaired;

- b. The adjustment shall be made for no longer than a one month period; and
 - c. Customer shall only be entitled to one adjustment per twelve month period per documented water leak.
2. If Customer meets the above requirements, the Customer's water bill shall be adjusted by: (1) determining the Total Usage for the month in which the Customer seeks adjustment; (2) calculating the Customer's Average monthly water Usage for the previous twelve (12) months; and (3) subtracting the Total Usage from the Average Usage to arrive at the Leak Amount. Supplier will then divide the Leak Amount in half (1/2) to arrive at the Adjustment Amount and the same shall be credited to Customer's account.

SECTION TEN

NO GUARANTY OF CONTINUOUS SERVICE

1. Supplier makes reasonable provisions to insure satisfactory and continuous service, but it does not guarantee continuous service, and will not be liable for loss or damage caused by accidents or conditions which it could not have foreseen or over which it has no control.
2. In the event of a shortage in utilities, Supplier shall determine the allocation of gas/water to its various Customers with the protection of the public health and safety being the primary consideration. In the event of such a shortage/emergency, Supplier reserves the right to temporarily discontinue water service until such time as necessary to cure the same and services shall be restored as soon as possible.

3. Supplier may, but has no obligation or responsibility to, provide water for purposes of fire protection.

SECTION ELEVEN

MISCELLANEOUS

1. The covenants, conditions, rights, and obligations of this Agreement shall run for the full term of this Agreement. No assignment of this Agreement, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder). Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

2. If any provision of this Agreement is determined to be invalid; void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

3. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

4. This Agreement sets forth all understandings between the parties respecting each transaction subject hereto, and any prior agreements, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Agreement and any effective transaction(s). This Agreement may only be amended by a writing executed by both parties.

5. The interpretation and performance of this Agreement shall be governed by the laws of the Commonwealth of Kentucky.

6. There is no third party beneficiary to this Agreement.

7. Each party to this Agreement represents and warrants that it has full and complete authority to enter into and perform this Agreement. Each person who executes this Agreement on behalf of either party represents and warrants it has full and complete authority to do so and that such party will be bound thereby.

8. The headings and subheadings contained in this Agreement are used solely for convenience and do not constitute a part of this Agreement between the parties and shall not be used to construe or interpret the provisions of this Agreement.

9. Customer agrees that he/she has read this agreement in its entirety, understands the provisions contained herein, and agrees to be bound thereby.

IN WITNESS WHEREOF, the parties hereto have executed this Utilities Service Application and Agreement the day and year first above written.

CUSTOMER

RESIDENCE ADDRESS

COMMONWEALTH OF KENTUCKY
COUNTY OF JOHNSON

Subscribed and sworn to before me by _____,
on this the ____ day of _____, 20____.

NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

PAINTSVILLE UTILITIES COMMISSION

BY: _____

ITS: _____

COMMONWEALTH OF KENTUCKY
COUNTY OF JOHNSON

Subscribed and sworn to before me by _____,
on this the _____ day of _____, 20____.

NOTARY PUBLIC

MY COMMISSION EXPIRES: _____