

CANAAN UTILITIES CORPORATION
PO BOX 13, CANAAN, IN 47224-0013 (812) 839-4000
RULES AND REGULATIONS (Revised 7/1/97)

I. SERVICE APPLICATION

- a. Any bona fide occupant of a single family dwelling, or of a residential unit in an auto court, duplex, or multiple dwelling building, or any person holding property having reasonable accessibility to the Company's water supply, who is in need of having water supplied to his place of occupancy or property, may be a customer of this Company by obtaining a membership certificate from the Company. Persons who receive the approval of the Board of Directors may be admitted to membership upon subscribing for a membership certificate and by signing such agreements for the purchase of water as may be provided and required by the Company, provided that no person otherwise eligible shall be permitted to subscribe for or require a membership of the Company, if the capacity of the Company's water system is exhausted by the needs of its existing members. A fee shall be paid per membership. Only one such fee need be paid by any member, irrespective of the number of connections he subscribes for. Memberships are transferable only on the books of the corporation.
- b. The Company may reject any application for membership when the applicant is delinquent in payment of bills incurred for service previously supplied at any location.
- c. If a violation occurs of any provisions of these rules, the ByLaws or other regulation of the Company, the Company may remove the meter and discontinue service. If the meter is thereafter reinstalled, the customer shall first pay to Company a reconnection fee.
- d. The individual in whose name the membership certification is prepared shall be responsible for the payment of all bills incurred in connection with the service rendered.

II. INITIAL OR MINIMUM CHARGES

- a. The minimum monthly rate shall be payable to the Company by the customer irrespective of any seasonal use or whether any water is used at the premises at all. Upon written request by customer, the Company may remove the meter and terminate service upon three (3) days notice in advance of the date disconnection is desired; the customer shall remain responsible for all service used and the billings therefore until service is disconnected pursuant to said notice. If the Company, upon customer's request, is required to remove the meter, it shall charge to customer a fee, as applicable, to reinstall the meter as per Section XII.
- b. A tap fee shall be paid for each new meter installed if the meter is a 5/8" meter, or the actual cost of the installation of any larger meter. Each customer by paying said tap fee for each meter may subscribe for as many connections as said customer needs.
- c. Water furnished for a given lot or farmstead shall be used on that lot only. Each customer's service or services must be separately metered at a single delivery and metering point for each connection. All commercial use, including storerooms and stalls for business purposes, shall be metered separately from any residential use, and vice versa. **ONE HOUSE PER METER.**
- d. In addition to the collection of regular rates, the Company may collect from the customer a proportionate share of any privilege, sales, or use tax or impositions, based on gross revenue received by the Company.

III. COMPANY'S RESPONSIBILITY

- a. The Company will install, maintain and operate a main distribution pipe line or lines from the source of water supply, and service lines from the main distribution line or lines to the property line of each customer of the Company, at which points, designated as delivery points, meters purchased, installed, owned and maintained by the Company, shall be placed. The cost of the service line or lines from the main distribution line or lines of the Company to the property line of each customer shall be paid by the Company. The Company will also purchase and install a cut-off valve owned and maintained by the Company, and installed on some portion of the service line owned by the Company. The Company shall have the sole and exclusive right to use such cut-off valve to turn it on and off.
- b. Each customer shall be entitled to not to exceed one (1) service line from the Company's water system, unless otherwise approved by the Board of Directors, provided that the customer shall be required to pay the prevalent tap fee for each service line. No new service line or change in an existing service line may be made which will interfere with an existing service line or the delivery of water therein. Each service line shall connect with the Company's water system at a place nearest available to that of desired use by the member, if the Company's water system shall be of sufficient capacity to permit the delivery of water through a prior service line. If the Company's water system shall be inadequate to permit the delivery of water through a service line installed at such place without interfering with the delivery of water through a prior service line, then such service line shall be installed at such place as may be designated by the Company. Each customer shall be required to dig or have dug a ditch, and to purchase, install and maintain the service line or lines from the meter installed by the Company to the customer's dwelling or other place of use on his or her premises. Customer shall also install at his or her own expense a pressure reducer which shall comply with the specifications and requirements of the Company.

At the written request of customer and with consent of the Board of Directors of Company, Company may install the service line and the pressure reducer which shall be paid for by the customer prior to Company providing services to customer; however, Company shall not be responsible to member for any defects in materials, workmanship, or installation.

IV. COMPANY'S LIABILITY

- a. The Company does not assume the responsibility of inspecting the customer's piping or apparatus, and will not be responsible therefore.
- b. The Company reserves the right to refuse service unless the customer's lines or piping are installed in such manner as to prevent cross-connections or back-flow.
- c. The Company shall not be liable for damage of any kind whatsoever resulting from water or the use of water on the customer's premises, unless such damage results directly from negligence on the part of the Company. The Company shall not be responsible for any damage done by or resulting from any defects in piping, fixtures, or appliances on the customer's premises. The Company shall not be responsible for negligence of third persons or forces beyond the control of the Company, which may result in interruption of service.
- d. Under normal conditions, the customers will be notified of any anticipated interruptions of service.

V. CUSTOMER'S RESPONSIBILITY

- a. Piping on the premises of the customer must be so installed that the connections are conveniently located to the Company lines and mains.
- b. If the Company is called upon to provide additional meters, each place of metering will be considered as a separate and individual account.
- c. The customer shall provide a place of metering which is unobstructed and accessible at all times.
- d. **The Customer shall furnish and maintain a private cut-off valve on the customer's side of the meter.** The Company will provide a like valve on the Company's side of such meter.
- e. The customer's piping and apparatus shall be installed and maintained by the customer, and at his expense, in a safe and efficient manner and in accordance with the Company rules and regulations and in full compliance with sanitary regulations of the State Board of Health.
- f. No private system using water from a surface source (cistern, dug well, lake, pond or stream) may be physically connected to plumbing carrying water from the Company's water mains, unless the two systems are separated by protective devices which prevent "back-flow" of water from the private system into the Company's mains, and such devices are approved by the State Board of Health.
- g. The customer shall guarantee proper protection for the Company's property placed on the customer's premises, and shall permit access to it only by authorized representatives of the Company.
- i. In the event any loss or damage to the Company, or any accident or injury to persons or property, is caused by or results from the negligence or wrongful act of the customer, his agent or employees, the cost of the necessary repairs or replacements shall be paid by the customers to the Company and any liability otherwise resulting shall be assumed by the customer.
- j. The amount of any such loss or damage, or the cost of repairs, shall be added to the customer's bill and, if not paid, service may be discontinued by the Company.
- k. Water furnished by the Company shall be used for domestic consumption by the customer, members of his household, and employees only. The customer shall not sell water purchased from the Company to any other person or permit any other person to use said water. Water shall not be used for irrigation, fire protection, or other purpose, except when water is available in sufficient quantity without interfering with the regular domestic consumption. Disregard for this rule shall be sufficient cause for refusal or discontinuance of service.

VI. ACCESS TO PREMISES

- a. Duly authorized agents of the Company shall have access to the premises of the customer at all reasonable hours for the purpose of installing or removing Company property, inspecting piping, reading or testing meters or for any other purposes in connection with the Company's service and facilities.

b. Each customer shall grant or convey, or shall cause to be granted or conveyed to the Company a permanent easement and right of way across any property owned or controlled by the customer when such permanent easement and right of way is necessary to enable the Company to furnish service to the customer.

VII. CHANGE OF OCCUPANCY

- a. The customer must give at least (3) days written notice of voluntary request for disconnection of service.
- b. Customer shall remain responsible for all service used and the billings therefore until service is disconnected pursuant to such written notice.
- c. Upon request by a customer, Company agrees to turn a meter off or to turn same back on for the purposes of the customer, customer shall pay the appropriate reconnection fee as per Section XII.

VIII. METER READING-BILLING-COLLECTION

- a. The bill shall be rendered monthly by the Company. The Company will have its personnel read the meters. When readings do not reveal the amount of water used within the billing period, the Company shall estimate the water bill of the customer. If a customer believes that a billing error has occurred, then he or she shall give written notice of said alleged billing error to the Company, and Company shall consider this matter at its next regularly scheduled monthly meeting.
- b. Bills for water service shall be figured by Company in accordance with the Company's approved rate schedule and will be based upon either the minimum billing as estimated in said approved rates and charges, or actual water usage, whichever is greater, together with such other approved charges occurred by customer or Company and properly reimbursable to Company.
- c. Charges for service commence when a meter is installed and a connection made, whether or not used.
- d. Readings from different meters will not be combined for billing, irrespective of the fact that said meters may be for the same or different premises, or the same or different customers, or for the same or different services.
- e. A utility service bill which has remained unpaid for a period of more than seventeen (17) days following the mailing of the bill shall be a delinquent bill. If the bill is not paid seventeen (17) days after the statement is mailed, a late payment charge may be added to the bill in the amount of 10% of the first \$3.00 and 3% on the amount in excess of \$3.00. Service to a customer may be disconnected for a violation of any rules or regulations of the Company or for non-payment of a bill (after said bill has become delinquent).
- f. Failure to receive bills will not prevent such bills from becoming delinquent nor relieve the customer from payment.
- g. The Superintendent of the water company, or a meter reader, not being bonded, shall not be required to accept any payments for bills, deposits, or memberships, tap fees, or other monies due the water company.

IX. SUSPENSION OF SERVICE

- a. When a water service has been disconnected and after all monies owing to Company have been paid, the membership amount shall remain with the property until a change of ownership.
- b. Upon discontinuance of service for non-payment of bills, the deposit or the amount paid for the membership certificate will be applied by the Company toward settlement of the account. If the deposit or membership certificate amount is not sufficient to cover the bill, the Company may proceed to collect the balance in any manner provided by law.
- c. Service discontinued for non-payment of bills will be restored only after bills are paid in full, in accordance with these Rules and Regulations.
- d. The Company reserves the right to discontinue its service without notice for the following additional reasons:
- (1) To prevent fraud or abuse;
 - (2) Consumer's willful disregard of the Company's rules;
 - (3) Emergency repairs;
 - (4) Insufficiency of supply due to circumstances beyond the Company's control;
 - (5) Legal process;
 - (6) If directed by duly authorized public authority;
 - (7) Strike, riot, fire, flood, accident or any unavoidable cause.

e. The Company may, in addition to prosecution by law, permanently refuse service to any customer who has tampered with a meter or other measuring device.

X. COMPLAINTS – ADJUSTMENTS

a. If a customer believes his bill to be in error, he shall present his claim, in person or in writing, to the Board of Directors before the bill becomes delinquent. Such claim, if made after the bill has become delinquent, shall not be effective in preventing discontinuance of service, as heretofore provided. The member may pay such bill under protest and said payment shall not prejudice his claim.

XI. METER TESTS

a. Upon a written request of customer, the Company shall conduct a meter test. If the meter shall be found to have stopped or have a negative average error in excess of 2%, the utility may charge the customer an amount estimated to be an average charge for ½ of the time elapsed since the previous test, or one year, whichever period is shorter; if the meter is found to have a positive average error, in excess of 2%, the Company shall refund or credit the customer's account with the amount in excess of that determined to be an average charge for ½ of the time elapsed since the previous meter test, or one year, whichever period is shorter. Any second or subsequent test of the customer's meter may thereafter be requested after the expiration of twelve (12) months from the preceding meter test. The customer shall be required to pay the full cost of any meter test of his or her meter if requested within thirty-six (36) months after the preceding meter test and if the error of the meter is found to be in compliance with applicable Indiana Utility Regulatory Commission Rules and Regulations.

XII. VOLUNTARY DISCONNECTIONS

a. When disconnection and reconnection of service is requested for the customer's convenience, within a six (6) month period, a charge for restoration of service may be made. Such charge shall be greater of (a) reconnection charge per the approved tariff; or (b) the sum of the minimum monthly charges as prescribed by the applicable water rate for each month that service remained discontinued.

In addition, the Company reserves the right to apply any membership fee to a delinquent account and if such application is made, then a membership fee at the prevailing rate of Company as approved by the Indiana Utility Regulatory Commission must be paid to Company in addition to the reinstallation fee above.

XIII. ABRIDGMENT OR MODIFICATION OF RULES

a. No promise, agreement or representation of any employee of the Company shall be binding upon the Company, except as it shall have been agreed upon in writing, signed and accepted by the officers of the Company.

b. No modification of rates or any of the rules and regulations shall be made by any agent of the Company.

c. The word "Company" used herein applies to Canaan Utilities Corporation. The word "customer" used herein applies to the customers of said Company.

The foregoing Rules and Regulations were duly adopted by the Board of Directors of Canaan Utilities Corporation on the 4th day of June, 1968, amended on the 12th day of August, 1986, amended on the 13th day of October, 1987, amended on the 13th day of August, 1996, and amended on the 1st day of July, 1997.

The Board of Directors:

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Eric Vickers, Vice-President

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