#### WATER SERVICE REGULATION NO. 9

STATE OF UTAH

#### RESIDENTIAL SERVICE

#### 1. AVAILABILITY

This Schedule is for approved water to be delivered through a meter at a single Point of Delivery for a single family residence, or for commercial purposes at a single business connection.

Each separate dwelling or living unit shall be metered, except by agreement with the Company, and inthat event each dwelling or living unit shall be charged for water service by dividing the amount of water used by the number of dwelling or living units. Each dwelling or living unit shall be charged at least the minimum and any overage shall be pro-rated among all dwelling or living units.

#### 2. MONTHLY BILLING RATE

(I) The monthly Billing Rate Shall Be:

Monthly Gallons Consumed			Monthly Rate		
-	<del>0- to</del> <del>12,000</del>	<del>January</del>	1, 2008 1, 2009	Phase-In: - \$26.00 - \$34.00 - \$35.00	÷
1	.2,001 to 15,000		<del>\$3.25</del>	<del>per 1,000</del>	gallons
2	20,001 to 40,000		<del>\$3.75</del>	per 1,000	gallons
4	10,001 to 60,000		<del>\$4.25</del>	<del>per 1,000</del>	gallons

ISSUED: December 14, 2007

EFFECTIVE: January 1, 2008

60,001 to 80,000 \$5.50 per 1,000 gallons

\$7.00 per 1,000 gallons

All connections physically connected to the Company's lines shall be charged the minimum fee for -0- to-12,000 gallons (as listed above) per month per connection regardless of whether any water is consumed during any given month or months.

#### 3. STANDBY FEE

(I) All Customers owning connections which are notphysically connected to the Company's lines shall pay a stand-by fee of \$10.00 per month per connection.

#### LAKEVIEW WATER COMPANY

Notice to Water Users,

On December 29, 2007, the Public Service of—
Utah approved the Company's application for a
rate increase and a change in the rate structure.

Effective January 1, 2008, the new rates
applicable to all water users in the Company's—
service area are as follows:

First 12,000 gallons 3 Year Phase—In:

January 1, 2008 - \$26.00

January 1, 2009 - \$34.00

January 1, 2010 - \$35.00

12,001 - 20,000 gallons \$ 3.25 per 1,000 gallons
20,001 - 40,000 gallons \$ 3.75 per 1,000 gallons
40,001 - 60,000 gallons \$ 4.25 per 1,000 gallons
60,001 - 80,000 gallons \$ 5.50 per 1,000 gallons
80,001 gallons \$ 7.00 per 1,000 gallons

The new rate structure is designed toprovide ample water for your reasonable needs,
but also to encourage conservation by makingwater use which is well in excess of the Statestandards for household water consumption moreexpensive. The January 1, 2008 water bill forthe month of December, 2007, was figured on theold rates.

Lakeview Water Company

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#### WATER SERVICE REGULATION NO. 11

STATE OF UTAH

CONNECTION FEE AND MAINTENANCE

#### 1. AVAILABILITY

The Company shall, upon the signed application of the Customer or his authorized agent, connect those dwelling or living units as are authorized to the Company's system for a fee as set out below, which includes meter, necessary fitting for the meter risers and installation, meter box and cover, and connectionto the Company's main, including the valve and threefeet of galvanized copper pipe.

#### 2. CONNECTION FEES

Size of Fee Per Service Dwelling Unit (I) Type of Connection

Single Family Dwelling Unit

within a subdivision as defined in Regulation No. 14 where Company's Lines and extensions are Provided by the Developer

Other Single Family Dwelling Units and single business

connections 3/4

\$3,500

\$4,000

<del>3/4</del>

ISSUED: December 14, 2007

EFFECTIVE: January 1, 2008

#### Multiple Family Dwellings

All dwelling units shall be individually metered except by written agreement between the Customer and Company. No such agreement shall be entered into except with the owner of multiple family rental units or a home-owners association or similar responsible party in the case of condominium type developments. In any such event the connection fee shall be \$3,000 for each dwelling unit to be served through the same meter. The size of service shall be determined by the Company's engineer.

#### 3. INSTALLATION

The Company shall not be responsible for installation of customer's water lines or for excavation as may be required to install the customer's water line.

#### 4. MAINTENANCE OF WATER LINES

The Customer shall have sole responsibility tomaintain all water lines from the meter to the area ofultimate use. The Customer shall be responsible forreplacement of all defective water lines on his sideof the meter loop.

When it comes to the attention of the Company that any Customer's water line is defective or any Customer is allowing water to escape from the water lines, the Company shall give notice to the Customer of such defect or escape of water and if the defective line is not replaced or the cause of the loss of water corrected, the Company shall then have the right to discontinue water service until the defect or cause for the escape has been corrected.

## TARIFF NO. 3

## APPLICABLE TO WATER SERVICE

## **LAKEVIEW WATER CORPORATION**

 $\frac{\text{RATES AND FEES SCHEDULE}}{\text{AND}} \\ \frac{\text{RULES AND REGULATIONS}}{\text{RULES AND REGULATIONS}}$ 

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### **GENERAL PROVISIONS**

- 1. These Water Service Regulations govern the supplying and receiving of water service to assure each Customer the greatest enjoyment of water service consistent with good service and safety to themselves and other Customers and also consistent with good operating practices and the Rate Schedules of the Company.
- 2. These Regulations supersede all previous Regulations which may have been in effect, and may be revised, when occasion requires, upon approval of the Public Service Commission of Utah. Copies are available at the offices of the Company.

#### **GENERAL DEFINITIONS**

- 1. The following terms when used in this Tariff and in the application or agreement for water service shall have the meanings given below unless clearly indicated otherwise:
  - a. Company Lakeview Water Corporation.
  - b. Connection Fee The fee charged to a customer to pay for Lakeview Water's costs to extend a partial service lateral (or "stub") from the water's main line to the edge of the customer's property on which water service is required.
  - c. Customer An individual, partnership, corporation, organization, governmental agency, political subdivision, municipality, or other entity contracting with the Company for water service at one location and at one point of delivery.
  - d. Service Lateral The pipe system from the building to the water line owned, operated, and/or controlled by the Company.
  - e. Water Service The availability of water at the Customer's point of delivery whether water is used or not.
  - f. Point of Delivery The point, unless otherwise specified in the application for water service, service agreement or contract, at which the Company's service is connected with lines of the Customer being the Customer's side of the meter loop. Each Point of Deliver shall be separately metered.
- 2. These Regulations supersede all previous Regulations which may have been in effect, and may be revised, when occasion requires, upon approval of the Public Service Commission of Utah. Copies are available at the offices of the Company.

#### WATER SERVICE AGREEMENTS

- 1. Application for Service. Each prospective customer desiring Water Service may be required to sign the Company's standard form of application for Water Service or other evidence of agreement before service is supplied by the Company. For Water Service in large quantity or under special conditions, the Company may require a suitable written agreement. No such agreement or any modification thereof shall be binding upon the Company until executed by a duly authorized officer; if executed, it shall inure to the benefit of and being binding upon the heirs, administrators, executors, successors in interest and assigns of the Company and of the Customer.
- 2. Implied Service Agreement. In the absence of a signed agreement of application for service, the delivery of water by the Company and the acceptance thereof by the Customer shall be deemed to constitute an agreement by and between the Company and the Customer for delivery and acceptance of water under the terms and conditions contained in the applicable rate schedule and these Water Service Regulations.
- 3. Water Service Agreement, Rate Schedule, and Water Service Regulations. These Regulations and the applicable Rate Schedule are hereby made a part of each Water Service Agreement, expressed or implied. In case of a conflict between any of the provisions of the Water Service Agreement, Rate Schedule, and the Water Service Regulations, the provisions of the Rate Schedule will take precedence followed by the provisions of the Water Service Regulations.
- 4. Remedies of Company. For any default or breach by Customer of a Service Agreement, including failure to pay bills promptly, Company, in addition to all other legal remedies, may terminate the Service Agreement or suspend service. No such termination or suspension will be made without 48 hours written notice to Customer, stating how the Service Agreement has been violated except in cases of theft or unauthorized use or disposition of service by Customer, or in case of a dangerous condition of Customer's side of the Point of Delivery of which the Company is made aware, or in case of utilization by Customer of Service in such manner as to cause danger to persons or property or to jeopardize service to Customer or others of which the Company is made aware. Failure of the Company at any time after any such default or break either to suspend supply of service, to terminate the Service Agreement, or to resort to any other legal remedy, shall not affect Company's right thereafter to resort to or exercise any one or more such remedies for the same or any future default or breach by Customer.

#### SUPPLY AND USE OF SERVICE

- 1. Supply of Service. Each individual residential user, each separately operated business activity, and each separate building will be considered an individual customer for billing purposes, except that if several buildings are occupied and used by one customer in the operation of a single business, the Company will furnish service for the entire group of buildings through one service connection at one Point of Delivery, provided all such buildings are located on contiguous property not separated by property of other ownership or divided by public streets, roads, alleys, other public thoroughfares, railroad tracks, or waterways.
- 2. Customer's Use of Service. Water Service will be supplied only under and pursuant to such applicable rate schedule or schedules as may from time to time be lawfully fixed and to these Water Service Regulations and any modifications or additions hereto lawfully made. Service shall be used by Customer only for the purposes specified in the service agreement and applicable rate schedule for schedules. The Customer shall not extend their water facilities for service to other customers or premises and shall not resell Water Service to any other person or entity.
- 3. Continuity of Service. The Company shall use reasonable diligence to provide steady and continuous service but does not guarantee its service against irregularities and interruptions. The Company, having used reasonable diligence, shall not be liable to Customers for any damages occasion by irregularities or interruptions.
- 4. Suspension of Service for Repairs and Changes. For the purposes of making repairs to or changes in Company plant, generating equipment, transmission or distribution system, or other property, the Company may, without incurring any liability therefor, suspend service for such period as may be required by will endeavor to avoid unnecessary inconvenience to the Customer. Whenever possible, the Company will give reasonable notice to the Customer prior to such suspension of service.
- 5. Customer's Responsibilities. The Customer assumes all responsibility on Customer's side of the Point of Delivery for service supplied or taken as well as for the water installation for service supplied or taken as well as for the water installation and appliances used in connection therewith, and will indemnify, save harmless and defend the Company against all claims, demands, costs or expenses for loss, damage or injury to persons or property, in any manner directly or indirectly connected with, or growing out of the transmission or use of Water Service by the Customer, at or on the Customer's side of the Point of Delivery.
- 6. Access to Premises. The Customer shall grant all necessary permission to enable the Company to install or maintain service on the premises of the Customer and to carry out its contract. The Company shall have the right through its agents, or other employees, to enter upon the premises of the Customer at all reasonable times for the purpose of reading, inspecting, repairing, or removing the metering devices and appliances of the Company and for all other purposes incident to the supplying or discontinuance of service. In the event the Customer is not the owner of the premises occupied, the

Customer shall obtain all such permissions from the owner thereof.

7. Service Turn-on and Turn-off. Only authorized representatives of the Company shall turn water service on or off, except in case of an emergency or when special permission is granted by the Company. Service may be turned off by the Company when so requested by the Customer, when the Customer fails to abide by these regulations, or as permitted by Utah Administrative Code R746-200-7, Termination of Service. Whenever the water service is turned off at any premises, it shall not be turned on again until the Customer pays all delinquent balances owing, late charges, and turn-on fees as shown in the rate schedule.

#### **COMPANY'S INSTALLATION**

- 1. Company's Installation. Except as otherwise provided in these Service Regulations and in the Service Agreement or Rate Schedules, the Company will install and maintain its lines and equipment on its side of the Point of Delivery but shall not be required to install or maintain any lines or equipment of the customer. Only agents of the Company are authorized to connect Company meters or tap any company lines.
- 2. Company Property. All lines, apparatus, instruments, meters, and materials furnished and installed by the Company at its expense, shall be, and remain, the property of the Company, and may be removed by the Company. The Customer shall exercise proper care to protect the Company's property; and in the event of loss or damage to the Company's property, arising from neglect, carelessness, or misuse by the Customer the cost of necessary repairs or replacement shall be paid by the Customer.
- 3. Service from Existing Lines. Service will be supplied to the Customer from the Company's nearest line of sufficient capacity.
- 4. Right of Way. Customer, without expense to the Company, shall make or procure conveyance to the Company of satisfactory right-of-way easements across the property owned or controlled by Customer for the Company's lines or extensions thereof necessary or incidental to the furnishing of service to the Customer and shall permit access thereto by the Company's employees at all reasonable hours.

#### **METERING**

- 1. Installation. The Customer shall make provision for the connection of metering equipment at a convenient place, readily accessible without risk of bodily harm to Company employees, free from vibration, corrosive atmosphere, and abnormal temperatures, in which to install the Company's metering equipment and shall furnish a meter base for Company's meter. All meter locations and provisions for connecting metering equipment are subject to approval by the Company. The Company will furnish, install, and maintain at its own expense the necessary meter or meters and accessories including meter loop(s) to measure the water used by the Customer. The Customer shall provide and maintain a satisfactory location for the installation without expense to the Company. The Customer will not interfere with or alter or permit interference with or alteration of the Company's meter or other property.
- 2. Failure to Register. If the Company's meter shall fail at any time to register accurately, the Company may estimate Customer's water usage during the time of such failure on the basis of the best available data. If any appliance is found on Customer's premises which prevent the meter from accurately recording the total amount of water used on the premises, the Company may at once remove such appliance and may estimate the amount of water consumed and not registered, as accurately as it is able to do so. The Customer will immediately pay for such estimated water consumption together with the expense of removing any such appliances and restoring the equipment of the Company to its normal operating conditions. The Company may also refuse further service or require the Customer to make such changes in their water service as the Company deems proper.
- 3. Meter Tests and Adjustments. Company will test and inspect its meters regularly and maintain their accuracy of registration in accordance with generally accepted practices and the rules and standards established by the Public Service Commission of Utah and remove any which do not record 97 to 103 percent accuracy. The Company will make special tests when requested by the Customer. If the meter tests within 97 to 103 percent of accuracy, the Customer will pay for the cost of such meter test if said meter has been inspected within the previous 12 months. Billing adjustment for all services will be made only for a period of 30 days after the last meter reading.

#### **BILLING**

- 1. **Rate Schedules.** The rates prescribed by all Rate Schedules are subject to revision upon approval of the Public Service Commission of Utah.
- 2. Billing Period. Bills will ordinarily be rendered regularly at monthly or bimonthly intervals but may be rendered more or less frequently at the option of the Company. Estimated bills will be rendered when regular meter readings are not secured.
- 3. Address of Customer. Bills will be mailed to the address of the Customer appearing in the Service Agreement or to such other address as Customer may from time-to-time request. When Customer vacates the premises where they are receiving service, the Service Agreement shall continue in effect until they notify Company to cancel or transfer said Agreement to another location, or until another Customer becomes responsible for service to said premises.
- 4. Payment of Bills. Bills for Water Service supplied during the preceding billing period and bills for stand-by fees are due and payable within 15 days of the date rendered.

  Accounts remaining unpaid 30 days after being rendered will thereafter be charged interest at the rate of 1.5 percent per month from such date.

If a Customer who has prior unpaid bills tenders a payment of less than the full amount owed, the Company will apply said payment pro rata first to the charges in default and interest and the remainder, if any, to the current monthly charges unless otherwise agreed to by the Company.

#### **DEPOSITS**

- 1. Deposits. The Company at any time, in the absence of credit references satisfactory to the Company or because of habitual failure to regularly and promptly pay bills for service, may require a suitable cash deposit from any existing or prospective Customer to guarantee payment of bills. Such deposit shall not exceed three times the average monthly bill for the service desired.
- 2. Interest. Simple interest, computed from the date of deposit at the rate of 7 percent per annum will be paid by the Company upon all such deposits which have been held continuously by the Company for a period of 6 months or longer. Deposits with accrued interest, if any, will be repaid at the end of 24 months, or sooner at the option of the Company, unless the Customer has failed to regularly and promptly pay all their bills for service within 15 days after bills have been rendered. When, in the sole judgment of the Company, an extraordinary credit risk exists, the Company may hold the deposit of Customer for a period longer than 24 months even though Customer has regularly and promptly paid all their bills for service within 15 days after bills have been rendered. Upon final settlement of Customer's account, any unused balance of deposit with accrued interest, if any, will be returned to Customer less such amount as shall then be due to the Company, by the Customer, for service rendered. In computing interest, consideration shall be given only to major parts of months or dollars. (If Company has money on deposit, it must pay interest or make a refund.)
- 3. Non-Payment Bills. An applicant for water service who is a former Customer of the Company and whose service was discontinued for non-payment of bills will be required to make payments of all amounts remaining unpaid from their previous service in addition to a suitable deposit not to exceed three times the estimated average monthly bill.
- 4. Payment of Amounts Due and Owing. Company may apply all or any part of the Customer's deposit prescribed herein above to the payment of amounts due and owing the Company for service rendered and, if Customer shall fail to restore any such deposit to its full amount within 30 days after written request for restoration is mailed by the Company to Customer, Company my discontinue service until the deposit is restored to its full amount

## **RESIDENTIAL SERVICE**

1. **Availability.** This Schedule is for approved water to be delivered through a meter at a single Point of Delivery for a single-family residence.

Each separate dwelling or living unit shall be metered, except by agreement with the Company, and in that event, each dwelling or living unit shall be charged for water service by dividing the amount of water used by the number of dwelling or living units. Each dwelling or living unit shall be charged at least the minimum and any overage shall be pro-rated among all dwellings or living units.

2. **Monthly Billing Rate.** The Monthly Billing Rate Shall Be:

Water Usage Rates				
Base Rate	\$73.57 min. fee			
	\$3.00 per			
<u>-0- to 12,000 gallons</u>	1,000 gallons			
Tier 1	\$4.49 per			
12,001 to 20,000 gallons	1,000 gallons			
Tier 2	\$6.74 per			
20,001 to 40,000	1,000 gallons			
Tier 3	\$10.11 per			
40,001 to 60,000	1,000 gallons			
Tier 4	\$15.17 per			
60,001 to 80,000	1,000 gallons			
Tier 5	\$22.75 per			
80,000 or more	1,000 gallons			
Stand-By Fee				
Single Connection	<u>\$41.33</u>			

Any fraction of 1,000 gallons shall be considered to be 1,000 gallons.

All connections physically connected to the Company's lines shall be charged the minimum fee of \$73.57 per month per connection regardless of whether any water is consumed during any giving month or months.

3. **Stand-By Fee.** All Customers owning connections which are not physically connected to the Company's lines shall pay a stand-by fee of \$41.33 per month per connection.

### METER READINGS

- 1. All meters shall be read on a monthly basis whenever possible, and all billings delivered monthly. However, during those periods of time when the meters cannot be read on a monthly basis, each user shall be billed for the minimum usage as provided in these tariffs.
- 2. When the meters can again be read, the total gallonage used shall be computed by first deducting the minimum gallonage for each month the meters have not been read and then any overage shall be billed to the user at the rate as approved in these tariffs for water used in excess of the minimum usage. Such excess gallonage shall be billed in the month that the meter is read.

#### **CONNECTION FEE AND MAINTENANCE**

1. Application. The Company shall, upon the signed application of the Customer or their authorized agent, connect those dwellings or living units as are authorized to the Company's system for a fee as set out below, which includes meter, necessary fittings for the meter risers and installation, meter box and cover, and connection to the Company's main, including the valve and three feet of galvanized copper pipe.

#### 2. Connection Fees.

<b>Connection Fees</b>				
Single Family Dwelling Unit (Developments)  3/4 inch	<u>\$1,495</u>			
Other Single Family Dwelling Unit and Single Business Connections  34 inch	\$1,495			
Multiple Family Dwellings	<u>\$1,495</u>			

All dwelling units shall be individually metered except by written agreement between the Customer and Company. No such agreement shall be entered into except with the owner of multi-family rental units or a home-owners association or similar responsible party in the case of condominium type developments. In any such event the connection fee shall be \$1,495 for each dwelling unit to be served through the same meter. The size of service shall be determined by the Company's engineer. The meter and all lines, materials, and labor to make the connection shall be furnished by the owner.

- 3. **Installation.** The Company shall not be responsible for installation of Customer's water lines or for excavation as may be required to install the Customer's water line.
- 4. Maintenance of Water Lines. The Customer shall have sole responsibility to maintain all water lines from the meter to the area of ultimate use. The Customer shall be responsible for the replacement of all defective water lines on their side of the meter loop.

When it comes to the attention of the Company that any Customer's water line is defective or any Customer is allowing water to escape from the water lines, the Company shall give notice to the Customer of such defect or escape of water and if the defective line is not replaced or the cause for the loss of water corrected, the Company shall then have the right to discontinue water service until the defect or cause for the escape has been corrected.

## WATER SERVICE TURN ON

1. At any time, the Company is requested to turn on any meter that has been previously turned off, there shall be a "Turn On" fee of \$100 payable prior to service being restored to the Customer's Point of Delivery.

#### **DISCONTINUANCE OF SERVICE**

#### FORFEITURE OF SERVICE CONNECTION

- 1. Discontinuance of Service. If Customer violates the conditions under which Company supplies service under their Service Agreement and these Service Regulations, or if they fail, upon the request from the Company to pay an unsecured bill for service, Company may discontinue service upon not less than 48 hours' written notice stating the cause of such discontinuance, delivered to Customer or to the premises to which service is supplied. If the premises served is a leased or rental unit with the account billed in the name of the landlord, a copy of such written notice of discontinuance will also be sent to the tenant when the tenant makes a request for such notice of the Company and furnishes the Company with their name and address of said premises. In addition, the Company reserves the right to discontinue service upon notice for any of the following reasons:
  - a. For the use of water for any property or purpose other than that described in the application made therefor.
  - b. For failure to maintain in good order service entrance facilities or equipment owned by the Customer.
  - c. For tampering with any service facilities of the Company.
  - d. For refusal of reasonable access to property to the agent or employee of the Company for the purpose of inspecting the facilities or for testing, reading, maintaining or removing meters or lines.
  - e. For fraudulent use of service.

The right to discontinue service for any of the above reasons may be exercised whenever and as often as such reasons may occur, and neither delay nor omission on the part of the Company to enforce this rule at any one or more times shall be deemed a waiver of its right to enforce the same at any time, so long as the reason continues.

Forty-eight (48) hours' written notice will be given to the Customer before service is discontinued under this provision, except in the case of danger of life or property, when the company may discontinue service without notice.

The Company will restore service when the cause of the discontinuance has been removed and payment of all proper charges due from the Customer including the reconnection charge set forth in these Service Regulations has been paid.

2. Forfeiture of Service Connection. If the Customer's service is discontinued for any reason as described above and the Customer fails to satisfy the cause for such discontinuance, or if the Customer fails to pay any fees or other sums due the Company, and any such failure continues for ninety days after written demand delivered to the Customer, the Company may serve upon the Customer by certified mail a notice of such

failure and a notice of the Company's intent to terminate the Customer's connection. If the Customer does not satisfy the cause for discontinuance of service or pay the fees or sums due within thirty days from date of mailing such notice, the Customer's connection will be deemed terminated and forfeited and the Customer shall have no further right to service until and unless the Customer pays a new connection fee at the rates then in effect, and provided the Company has such a connection for sale.

#### **EXTENSION POLICY**

#### 1. Definitions.

- a. Extension. An extension is any continuation of, or breach from, the nearest available existing line of the Company, including any increase in the capacity of an existing line or facilities to meet the Customer's requirements.
- b. Subdivision. A subdivision is any development that requires the approval of the Weber County Planning Commission of the Weber County Commission.
- 2. Subdivision Extensions. The Company will make no extensions to or within a Subdivision. All extensions to or within a Subdivision shall be made by and at the sole cost of the developer of the Subdivision and only in strict accordance with plans and specifications approved by the Company.
- 3. Other than Subdivision Extensions. The Company will install an extension at its own cost to a Customer's point of delivery other than to or within a Subdivision if the estimated cost thereof does not exceed a sum equal to four times the annual revenue, estimated by the Company, to be derived by it from Water Service at the Customer's point of delivery. If the estimated cost of such main extension exceeds a sum equal to four times such annual revenue, the Applicant shall pay over to the Company, as a cash contribution in aid of such construction by the Company.

Joint or several applications may be made for such extension and the amount of any contribution in aid of the construction of the extension applied for shall be divided among such Applicants equally or upon such other basis as may be agreed upon by the Applicants and the Company.

4. Extensions to Become Property of Company. All extensions shall become the property of the Company free and clear of all liens and encumbrances from the moment of their connection to the lines of the Company, regardless of whether such extensions are within or without a Subdivision, and regardless of whether such extensions are made at the Company's own cost, at the cost of a Subdivision developer, or with contributions in aid of construction.

<u>Under no circumstance shall the Company be required to refund any contribution in aid of construction, connection fee, or other monies to any person in the event of subsequent extensions or connections to its lines.</u>

<u>Under no circumstance will the Company be required to permit a connection of an extension to its lines until it is satisfied that there are no liens or encumbrances against the extension to be connected to its lines.</u>

5. Cases of Insufficient Capacity. In no event will the Company make an extension where the capacity of any of its facilities is insufficient to supply the anticipated demands of water service to any Customer or group of Customers, except on such terms and conditions as shall be agreed upon between the Company and the Applicant in writing.

