

MASSANUTTEN PUBLIC SERVICE CORPORATION

DIRECTORY

Customer Account and Billing Information (866) 928-2325

System Operations Office (540) 289-7088

For: Ask For:

Customer Services MASSANUTTEN PUBLIC SERVICE COMMISSION Mr. Chandler

Plant Operations & Repair Mr. Don Smiley

SCHEDULE OF RATES, RULES AND REGULATIONS

Normal Office Hours: Monday through Friday – 8:30 am to 5:00 pm

Telephone: (866) 928-2325

The utility will maintain 24-hour telephone answering service and provide emergency service for evenings and weekends. For emergencies at other than normal office hours, customers should call the Emergency Repair number (866) 928-2325.

Should you have any questions or comments concerning overall service of the Corporation, please contact:

Mr. Bryce Mendenhall
President
Massanutten Public Service Corporation
500 West Monroe Street, Suite 3600
Chicago, IL 60661
(847) 498-8440

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Area Mgr.

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President
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500 West Monroe Street, Suite 3600
Chicago, IL 60661
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Massanutton Public Service Corporation
Schedule of Rates, Rules and Regulations

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I. Introduction

The Massanutten Public Service Corporation is a public Utility, the primary purpose of which is to provide water and sewer service to residential lots, multi-family residential units and commercial establishments in and around the project known as Massanutten Village in Rockingham County, Virginia.

The purpose of this schedule is to set forth the rates, rules and regulations which have been established so as to assure continued, equitable service to the Consumer.

II. Definitions

Customer

Customer is any unit owner or legally established owners' association receiving water or sewer service from the Utility. As pertains to availability fees, a customer may be a property owner rather than unit owner.

Developer

Any person or entity engaged in the business of subdividing and/or developing property with the intent that said property will be utilized for the construction of residential or non-residential units.

Facilities

Any piece of tangible property related to the operation of the water or sewer Utilities.

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Mains

Water: The term "water main" shall mean a transmission or distribution line having a minimum diameter of two (2) inches and designed to serve water to more than one (1) unit.

Sewer: The term "sewer main" shall mean a transmission line having a minimum diameter of eight (8) inches and designed to collect sewerage from more than one (1) unit.

Point of Service

Water: Point of service shall be defined as that point in a water service line (usually near the property line) where there is a meter, meter yoke, copper setter or valve designed by the Utility as having been installed for the purpose of regulating, metering or controlling the flow to a particular unit. In the instance that there is no valve or meter on a water service line or if it is determined that the appropriate place for the installation of such devices is at some point other than near the property line, the "point of service" shall be the property line.

Sewer: Point of service shall be defined as that point where a sewer service crosses the property line between the unit and the sewer main. If there is no property line between the unit and the sewer main, the point of service is at the sewer main.

Service Line

Water: The term water Service "line" shall mean a water line serving a specific unit and running laterally from its connection with a water main to the specific unit regardless of distance.

Sewer: The term "sewer service line" shall mean a Sewer line

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designed to serve a Specific unit and running laterally from its connection with a sewer main to the specific unit regardless of distance.

Unit

1) Residential Unit

The term "residential" unit shall mean a living unit or structure which is constructed as a single family living unit (customarily occupied by not more than eight (8) persons residing as one household) or multi-family residential unit (composed of two or more single-family residential units).

2) Commercial Unit

The term "commercial" unit shall mean a structure which is customarily used for purposes other than residential, hospitality or water park.

3) Hospitality Unit

The term "hospitality" unit shall mean a structure which is customarily used for timeshare and hotel premises.

4) Water Park Unit

The term "water park" unit shall mean a structure which is customarily used for a water park.

The Utility

The Utility is the Massanutten Public Service Corporation or its duly authorized representatives.

A. Usage Fees

Water and sewer rates will be billed on a per meter basis. The rates will be based on monthly base facilities charge (that includes no usage allowance) determined by the meter sizes set forth below and a separate charge for each 1,000 gallons of usage for residential, commercial, hospitality or water park customers. A fixed monthly charge will be charged for unmetered sewer service. These rates will apply as of the day that the utility provides a service line to the point of connection after receiving a request from the customer.

Water - Residential

Monthly Charges

5/8"	\$ 15.50
3/4"	\$ 23.25
1"	\$ 38.74
1.5"	\$ 77.49
2"	\$ 123.98
3"	\$ 232.47
4"	\$ 387.45
6"	\$ 774.90
8"	\$ 1,239.83
10"	\$ 1,782.26

Residential Usage Charges (per thousand gallons)

General Rate \$ 13.990

Water - Commercial

Monthly Charges

5/8"	\$ 15.50
3/4"	\$ 23.25
1"	\$ 38.74
1.5"	\$ 77.49
2"	\$ 123.98
3"	\$ 232.47
4"	\$ 387.45
6"	\$ 774.90
8"	\$ 1,239.83
10"	\$ 1,782.26

Commercial Usage Charge (per thousand gallons)

\$ 6.060

Water - Hospitality

Monthly Charges

5/8"	\$ 15.50
3/4"	\$ 23.25
1"	\$ 38.74
1.5"	\$ 77.49
2"	\$ 123.98

3"	\$ 232.47
4"	\$ 387.45
6"	\$ 774.90
8"	\$ 1,239.83
10"	\$ 1782.26
Hospitality Usage Charge (per thousand gallons)	\$ 9.058

Water - Water Park

Monthly Charges

5/8"	\$ 15.50
3/4"	\$ 23.25
1"	\$ 38.74
1.5"	\$ 77.49
2"	\$ 123.98
3"	\$ 232.47
4"	\$ 387.45
6"	\$ 774.90
8"	\$ 1,239.83
10"	\$ 1,782.26
Water Park Usage Charge (per thousand gallons)	\$ 3.999

Sewer - Residential

5/8"	\$ 16.78
3/4"	\$ 25.18
1"	\$ 41.96
1.5"	\$ 83.92
2"	\$ 134.28
3"	\$ 251.77
4"	\$ 419.62
6"	\$ 839.24
8"	\$ 1,342.78
10"	\$ 1,930.25
Unmetered	\$ 86.47
Residential Usage Charges (per thousand gallons) General Rate	\$ 17.201

Sewer - Commercial

5/8"	\$ 16.78
3/4"	\$ 25.18
1"	\$ 41.96
1.5"	\$ 83.92
2"	\$ 134.28
3"	\$ 251.77

4"	\$ 419.62
6"	\$ 839.24
8"	\$ 1,342.78
10"	\$ 1,930.25

Commercial Usage Charge (per thousand gallons) \$ 9.498

Sewer - Hospitality

5/8"	\$ 16.78
3/4"	\$ 25.18
1"	\$ 41.96
1.5"	\$ 83.92
2"	\$ 134.28
3"	\$ 251.77
4"	\$ 419.62
6"	\$ 839.24
8"	\$ 1,342.78
10"	\$ 1,930.25

Unmetered \$ 76.46

Hospitality Usage Charge (per thousand gallons) \$ 13.333

Sewer – Water Park

5/8"	\$ 16.78
3/4"	\$ 25.18
1"	\$ 41.96
1.5"	\$ 83.92
2"	\$ 134.28
3"	\$ 251.77
4" & Higher	\$ 419.62
6"	\$ 839.24
8"	\$ 1,342.78
10"	\$ 1,930.25

Water Park Usage Charge (per thousand gallons) \$ 11.879

B. Deposits

A security deposit for each customer may be required at the utility's option in the amount of two (2) times the monthly base facilities charges and usage charges. The utility shall not retain deposit for longer than one year or beyond termination of service unless the customer fails to maintain an acceptable history of payment with the utility. Upon return of the deposit, simple interest at the rate determined annually by the State Corporation Commission shall be paid to the depositor.

C. Connection Fees

The following Connection fees will be charged for each new dwelling unit or commercial unit when it is connected to the system:

	<u>Water</u>	<u>Sewer</u>
1. Single Family residential unit	\$500	\$500
2. Multiple-family residential per ERC	\$600	\$600
3. Non-residential or commercial unit		
5/8" or 3/4" service line per ERC	\$600	\$600
Over 3/4" service line	actual cost	actual cost
4. All connections within the Newman Area will pay a combined water and sewer fee of 1,200 per ERC.		

*ERC – equal residential connection

D. Availability Fees

1. There shall be an availability fee charged for single-family residential lots which do not receive water or sewer service but to which water or sewer service is available.
2. Where a residential customer owning two or more adjoining lots constructs a single-family dwelling which shall cross over or through a common lot line, the customer shall be considered as the owner of one lot for purposes of assessment of an availability fee.

IV. Billing Procedures and Time of Payment

A. Usage Fees

Usage fees shall be payable monthly in arrears. Meters will be read bi-monthly. An estimate will be billed every other month based on the prior twelve months usage. Actual bi-monthly meter reads will be used to true-up estimates. Each monthly bill shall be paid in full on or before the due date. In the event service is provided for only a portion of a billing period, the fee for that period shall be pro rated on the basis of actual number of days for which service is furnished.

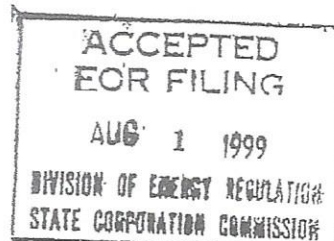
B. Availability Fees

Availability fees are due and payable semi-annually in advance in January and July. Bills for the availability fee will be rendered thirty (30) days prior to the due date. In the event the customer has paid an availability fee for a year and then receives service prior to the end of that year, a credit for the unaccrued availability fee shall be made to the customer calculated on the basis of crediting one-twelfth (1/12) of the annual fee for each month during the year for which service is to be furnished, provided the customer has completed and submitted the necessary application for service to the Utility.

C. Connection Fees

Connection fees shall be paid prior to the initiation of service and at the time of, but no earlier than, the submittal of the appropriate application for service unless otherwise agreed to by the Utility.

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3. Where a homeowner owning two adjoining lots informs the Company in writing that he considers these lots to constitute one homestead and the lots contain only one single family dwelling, the customer will receive a single bill calculated on the same basis as if he owned only one lot.

The availability charge for one lot is as follows:

Water	\$32.36 per Semi Annual Bill
Sewer	\$35.51 per Semi Annual Bill

D.	<u>Other Fees</u>	<u>Water</u>	<u>Sewer</u>
1.	Reconnection Fee (see part IX)	Cost to the utility	
2.	Account transfer fee (see V.B. 3)	\$15	\$15
3.	Diagnosis fee	Cost to the utility	
4.	Returned check – service charge	\$25	\$25
5.	Late payment – service charge	1-1/2% per month of past due balance	

* In general, it is intended that only one reconnection fee apply (either water or sewer – not both) unless both services must be physically disconnected for any applicable reason.

ABATEMENTS AND REFUNDS:

There shall be no abatement of the minimum rates, in whole or in part, by reason of the extended absence of the customer, unless the customer has requested that such service be discontinued. No abatement shall be made for leaks or for water wasted by improper or damaged service pipes or fixtures belonging to the customer; except in the following cases:

- 1) In the residential and commercial classifications, a one time, adjustment will be considered for an underground leak. This adjustment will be based upon fifty percent (50%) of the excess in billed amounts as calculated from the previous three (3) consecutive billing periods. Adjustments will not be considered for new construction, where the permanent resident has occupied the property for less than one (1) year.
- 2) In the residential classification, a one-time per five (5) year period, adjustment will be considered for a leaking toilet fixture. This adjustment will be based upon fifty percent (50%) of the excess in billed amounts as calculated from the previous three (3) consecutive billing periods. Adjustments will not be considered for new construction, where the permanent resident has occupied the property for less than one (1) year.

In each case where an adjustment is considered, satisfactory proof of repairs must be provided by the customer prior to processing of such adjustment.

D. Account Transfer Fees

Account transfer fees shall be paid upon submittal of the application for the transfer of the account from the name of one customer to another.

E. Service Charges and Diagnosis Fees

These fees shall be paid within ten (10) days of presentation of an invoice itemizing same. Service charges for past-due invoices shall accrue from the due date of the invoice and shall be charged to all accounts not paid within ten (10) days thereof.

F. Reconnection Fees

Reconnection fees shall be accompanied by the appropriate application for service. Said fee, along with any past-due charges and balances, must be paid prior to the resumption of service.

G. Customers are responsible for furnishing the Utility with their correct address. Failure to receive bills will not be considered as an appropriate reason for non-payment nor permit an extension of the date when the account will be considered delinquent.

H. The Utility reserves the right to correct any bills endorsed in error as to the service supplied.

V. Application for Service & Registration of Account

A. Application for Service

The Utility shall not be obligated to furnish service to any customer unless and until fees due in respect of such Customer's service have been paid and the customer applies for service on one of the Utility's then-current forms entitled either "Application for Sewage and Water Service" or "Application for Transfer of

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Sewage and Water Service" and agrees to be bound by the Utility's Schedules of Rates, Rules and Regulations established with the State Corporation Commission, including subsequent amendments thereof and additions thereto. No application may be filed in excess of ninety (90) days prior to the date service is requested, and no service shall be initiated until such time as the Utility has inspected and approved the customer's service connection as provided in part VI. hereof.

B. Registration of Account

1. All accounts shall be registered in the books of the Utility only in the name of the individual or entity (customer) having executed and submitted the appropriately approved application as provided for herein. All invoices for service shall be rendered to the registered customer, who shall be liable for payment thereof.
2. The Utility shall not be obligated to register separately an account for each individual living unit within a multi-family residential unit unless the owners of all such individual units therein have submitted separate and appropriately approved applications, and in addition have provided a means by which each individual unit may be individually metered and/or disconnected from the system without affecting service to any other unit.
3. After an account is registered in the name of a customer, the Utility shall charge an account transfer fee if a request is made to transfer the account into the name of another customer. This fee shall be applicable to those situations

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where service is not terminated during the period between usage by the two customers. If service is terminated, a reconnection fee applies.

VI. Installation, Connection and Ownership of Service Lines

- A. The Utility shall make all connections to the water and sewer mains and shall provide to the point of service a water or sewer line which shall normally be terminated in the case of a water service by a meter yoke, copper setter, corporation stop or other suitable meter connector. The Utility shall own all service lines from the main to the point of service.
- B. It shall be the responsibility of the customer to install and retain ownership of a water and sewer service line from the point of service to the unit. The customer shall also be obligated to provide at his expense any adaptors necessary to connect his service line to that of the Utility, to make said connection and to maintain said joint. The plumbing on all premises supplied from the Utility's water and sewerage systems shall conform to the codes adopted by Rockingham County and/or the Commonwealth of Virginia.
- C. The Utility may at its option specify the size, kind and quality of the materials which shall be installed between the point of service and unit to be supplied. However, said specification or election to exercise said option shall in no way be deemed as a transfer of any maintenance responsibility or proper service liability from the customer to the Utility. The customer's water service line will be installed in such a manner so as to be at least three (3) feet below the surface of the ground and shall be backfilled in a

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fashion so as not to promote damage or stress on the materials.

- D. The Utility may at its option inspect the customer's water or sewer service line prior to backfilling. However, said inspection or election not to exercise said option shall in no way be deemed as a transfer of any maintenance responsibility or proper service liability from the customer to the company. The customer shall be obligated to notify the Utility twenty-four (24) hours prior to backfilling a water or sewer service line.
- E. No fixtures shall be attached to or any branch made in a water or sewer service line outside the walls of the unit without the written consent of the Utility.

VI. Extension of Mains

The Utility will extend its water or sewer distribution system of mains to supply properties being developed within the approved service area under the following terms and conditions:

- A. Prior to construction, the developer of said properties must provide the following items to the Utility:
 - 1. A written request to have said mains extended.
 - 2. A description and plat of the property being developed, including the type and maximum number of units proposed for construction
 - 3. A non-interest-bearing cash deposit of one-and-one-half (1-1/2) times the estimated cost to construct the extension as determined by the Utility. Said cost shall include but not be limited to all labor and materials used in installation, plus all surveys, engineering, permits, testing and regulatory

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enses associated with same.

Developer has complied with all conditions set forth in A. above, the Utility shall as follows:

1. The Utility shall contract with the purveyors of its choice to obtain those services listed in A.3. above. The Utility shall not be obligated to obtain the lowest price available for same. The Utility shall use its sole discretion in determining the size and specifications for said extensions.
2. Upon completion of the extension, the Utility will determine the actual cost of same and will refund to the developer within 90 days any portion of the deposit in excess of the actual cost. If said actual cost should exceed the deposit, the developer will be required to pay to the Utility prior to the connection of any units to the extension the difference between the cost and the deposit. Any portion of the deposit not refunded to the developer under the terms set forth herein shall remain the property of the Utility.
3. All mains constructed in accordance with the preceding provisions shall remain the property of the Utility.

The Utility shall not be obligated to extend mains:

1. Which would serve areas designated to serve more units than the Utility has existing water or sewer treatment capacity for, or
2. For which it cannot obtain Health Department or State Water Control Board approval due to any cause, or
3. Within less than 180 days after the appropriate Health Department or State Water Control Board approvals are obtained, and
4. Unless and until all conditions set forth in section VII - A.

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of these regulations have been complied with in full.

VIII. Maintenance

- A. The Utility shall maintain and keep in good working order all water and sewer facilities owned by it. The expense of said maintenance shall be included as part of the operating expense of the Utility.
- B. The customer shall maintain and keep in good working order all water and sewer facilities owned by him. The expense of said maintenance shall be entirely and directly that of the customer.
- C. The Utility shall at its sole discretion determine what conditions constitute the maintaining of facilities in "good working order", notwithstanding ownership of same.
- D. If the Utility is requested or required to perform services intended to determine cause or location of a maintenance item and during the performance of such services it is discovered by the Utility that the maintenance item is the responsibility of the customer, said customer shall be liable for payment of an appropriate diagnosis fee as set forth in Part III hereof.
- E. The Utility may adopt a "Cross-Connection Control and Backflow Prevention Program", which, when, as and if adopted, shall become a part of the Rules and Regulations of the Utility.

IX. Continuance of Service

- A. Water or sewer service may be discontinued by the Utility after five (5) days' written notice for any of the following reasons:

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1. For willful or indifferent waste of water due to any cause.
 2. For failure to protect and maintain the service pipe or fixtures on the property of the customer in a condition satisfactory to the Utility.
 3. For molesting or tampering by the customer, or others with the knowledge of the customer, with any meters, connections, service pipes, meter cocks, seals or any other appliances of the Utility's controlling or regulating the customer's water supply or sewerage service.
 4. For failure to provide the Utility/s employees free and reasonable access to the premises supplied, or for obstructing the way of ingress to the meter or other appliances controlling or regulating the customer's water supply or sewerage service.
 5. For non-payment of any account for water supplied, for water service, for sewerage service, or for any fee or charge accruing under these Rules and Regulations and the effective Schedule of Rates.
 6. For violation of any rule or regulation of the Utility.
- B. Discontinuing the supply of water or sewer service to a premises for any reason shall not prevent the Utility from pursuing any lawful remedy by action of law or otherwise for the collection of monies due from the customer.
- C. When water or sewer service to a customer has been terminated for any of the above-stated reasons, it will be renewed only after the conditions, circumstances or practices which caused the service to be discontinued are corrected to the satisfaction of the Utility,

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and upon payment of a reconnection fee and all other charges due and payable by the customer in accordance with these Rules and Regulations and the effective Schedule of Rates.

X. Pressure and Continuity of Service

A. Interruptions of Service

1. The Utility may at any time shut off the water in the mains or service lines in case of accident or for the purpose of making connections, alterations, repairs, changes, or for other reasons, and may restrict the use of water to reserve a sufficient supply for public fire service or other emergencies whenever the public welfare may require it.
2. While it is the intention of the Utility to give notice in advance of any work which must be done that will necessitate any interruption of the water supply, such notice is to be considered an accommodation and not a requirement on the part of the Utility. Customers must so regulate their facilities connected with the water supply system that damage will not occur if water is shut off without notice.
3. The Utility does not guarantee an uninterrupted supply of water, and customers are cautioned to provide sufficient storage of water for dependent facilities where an absolutely uninterrupted supply must be assured. Customer shall also be responsible for installing and maintaining such additional facilities that may be required to protect said dependent facilities by preventing backflow due to siphonage or other cause.

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