Ketron Island Water, Inc.
P.O. Box 88459
Steilacoom, WA 98388
Ph (253) 589-8699
Fax (253) 589-1159

NAMING RATES FOR

Water Service

At

Ketron Island, Washington

And

Containing rules and regulations

Governing service

Issued March 29, 2001 Effective May 1, 2001

Issued by Ketron Island Water, Inc Telephone 253-589-8699

By Ron Karlson, Title: President FAX (253) 589-1159
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**Issued by** Ketron Island Water, Inc  
**Telephone** 253-589-8699  
**By** Ron Karlson, **Title:** President  
**FAX** (253) 589-1159
WATER SERVICE
RULES AND REGULATIONS

Rule 1 Adoption of Rules of Regulatory Authorities

The rules regulating water service prescribed by the Washington Utilities and Transportation Commission, after this called the Commission, are adopted and by this reference are made a part of this tariff.

Rule 2 – Schedules and Conditions

The schedules and conditions specified in this tariff for water service are subject to change according to the public service laws of the State of Washington. The amount of water furnished is subject to the Department of Health required standards of quantity and quality. All schedules for water service apply to applicants for or customers receiving water service from the utility.

Rule 3 – Application and Agreement for Service

Each prospective customer desiring water service will be required to sign the utility’s standard form of application before service is supplied.

An application for service is notice that the prospective customer desires water service from the utility and represents agreement to comply with the utility’s rules and regulations on file with the Commission. In the absence of signed application for water service, the delivery of water by the utility through a standard connection and the taking thereof by the customer will constitute an agreement by and between the utility and the customer for the delivery and acceptance of service under the applicable rate schedules and these rules and regulations.

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WATER SERVICE
RULES AND REGULATIONS

Rule 4 – Definition of Service

Service will be supplied as described in these rules and under the applicable rate schedules. Service will be supplied only to those who secure their source of water exclusively from the utility, unless otherwise provided under written contract. Water service will be used only for the purpose specified in the service agreement and applicable rate schedules. A customer will not sell or permit others to use such service, unless authorized to do so under written contract with the utility.

The customer will not increase demand or use of service as stated in the application for service without giving prior notice of such increase. In the event of such increase, the customer is required to pay the utility’s regularly published rates for the increased service from the date of connection and use of the service.

Whenever the customer wants to permanently discontinue the use of water through any fixtures mentioned in the original application, the customer must cause the fixture to be removed and the branch pipe or service supplying the same to be capped or plugged, and must notify the utility in writing before any reduction in charge will be made.

No verbal agreements between any customer or agent of the company will be honored. All agreements must be in contract form and approved by the utility and the Commission, where Commission approval is needed.

Rule 5 – Reconnection Charge / Disconnection Visit Charge

A reconnection charge, as specified in Schedule 5, will apply for reconnection of the customer’s service to the utility’s distribution system. Such charge is to apply only in cases where service has been discontinued for non-payment of delinquent account or the request of the customer (seasonal reconnection), or refusal to make proper repairs or similar cause. No charge will be made for reconnection of service if the shut-off was made for the convenience of the utility in making repairs, changes, etc.

When a utility employee is dispatched to disconnect service, that person must accept payment of a delinquent account and disconnect visit charge as specified in Schedule 5. If amount owing is tendered in cash, the utility employee will not be required to dispense change for excess of the amount due and owing. Any excess payment will be credited to the customer’s account. The utility will restore service when the cause of discontinuance has been removed and payments of all proper charges due from the customer have been made.

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WATER SERVICE
RULES AND REGULATIONS

Rule 6 – Installation of Service Pipes and Meters

Where the utility agrees to provide service, the utility will construct service connections of a proper size from its distribution mains to the customer’s property. The utility reserves the right to refuse to construct a service connection to any property if the applicant’s pipes are not properly constructed and protected or the utility does not have the capacity to provide service, or the applicants property is outside the utility’s water service area, or for other reasons set out in WAC 480-110-345.

Meter installation (Utility) - the utility may meter any flat rate service at its discretion. The utility’s metered service rates will become effective, after the customer has received 30 days written notice. All meters so placed will be installed and maintained by the utility without direct retrofit cost to the customer.

Nothing in this tariff shall be construed to require the utility to construct a main extension.

Rule 7 – New Hookups-Service Connection Charge

New hookups will only be connected if the properties are adjacent to the water main. A connection fee will be charged and paid to the utility prior to connection to the water system. This charge covers the utility’s services for the processing of water service applications, plan review, 3/4-inch service saddle, corporate stop and mainline tap, meters and any other costs incurred during normal single family water service connections. The charge and conditions for this service are specified in Schedules 4 and 5.

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WATER SERVICE
RULES AND REGULATIONS

Rule 8 – Responsibility for, and Maintenance of, Services

The point at which water will be delivered to and received by the customer will be on the property line (Point of Delivery) of the customer’s property at a point designated by the utility. The utility will install its meter or other connection device at the Point of Delivery, except, at its option, the utility may install its meter at some other agreed point on the property of the customer, provided that in such event the property line will nevertheless be deemed the point of delivery.

The customer will assume all responsibility after Point of Delivery for water supplied by the utility. The utility will be exempt from all liability for loss or damage caused by leakage or escape of water furnished by the utility, after water has passed the Point of Delivery.

All service pipes and fixtures on the customer’s side of the Point of Delivery shall be provided and must be maintained and protected from freezing at the customer’s expense. Where there are leaking or defective pipes or fixtures, the water may be turned off at the option of the utility until properly repaired. The utility may require any service to be equipped with freeze prevention devices to be used during cold weather conditions instead of permitting water to run continuously from faucets.

Rule 9 – Access to Premises

The utility’s regularly authorized agents or employees will have access to the premises of the customer at reasonable hours for meter reading, inspection, connection, disconnection, repair or removal of the utility’s property.

Rule 10 – Interruption to Service

The utility will make a diligent effort to render uninterrupted service and supply of water. In cases where shut-off is necessary for repair, reconstruction, damage prevention or similar cause, the utility will give one day’s advance notice to its customers of such scheduled shut-off. However, the utility will not be responsible for any damage that may result from any cessation of services such as above outlined, nor for failure to give notice of shut-off when circumstances are such that it is impossible to give notice as stated above.

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WATER SERVICE
RULES AND REGULATIONS

Rule 11 - Bills/Late Payment Charge
All payments for water service shall be paid monthly in arrears and are due and payable on the first day of the month and are considered delinquent no less than fifteen (15) days after that date. Statements will be deemed received upon personal delivery to customer or three (3) days following the deposit of the bill in the US Mail addressed to the customer’s last known address. Where the meter has not been read, a minimum remittance will be rendered.

A late payment charge as specified in Schedule 5 of the unpaid balance shall be added to each account for each month the account is unpaid. The late payment charge will not be applied to any disputed amount unless such amount remains unpaid for more than fifteen (15) days after the dispute has been resolved.

Rule 12 – Deposits
The utility may require a deposit in situations where a customer’s service has been disconnect for nonpayment of amounts owed to the utility or when a customer is unable to establish or maintain credit with the utility.

The Commission’s rules on credit and deposits, currently WAC 480-110-335 will control. The following is provided as information and is not meant to replace the Commissions rules.

The deposit will not be more than an average of two-twelth of the estimated annual billing.

Interest on deposits will be accrued at the rate calculated as a simple average of the effective interest rate for new issues of one year treasury bill, computed from December 1 of each year, continuing through November 30 of the following year. Interest is computed from the time of deposit to the time of refund and is compounded annually.

Deposits, plus any accrued interest, less any amount owed for service rendered, will be refunded to the customer: (1) Where the customer has for 12 consecutive months paid for service when due; or (2) Upon termination of service.

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WATER SERVICE
RULES AND REGULATIONS

Rule 13 – Responsibility for Delinquent Accounts

The utility will not refuse or discontinue service to an applicant, who is not in arrears to the utility even though there are unpaid charges due from the premises occupied by the applicant or a due to the unpaid bill of a prior tenant unless there is evidence of intent to defraud.

The property owner is the sole responsible party for all water service to their property and shall be referred to as the customer. The tenant/renter of the property shall be responsible to the property owner for any water service account in the arrears.

The utility may not permanently deny service to an applicant because of a prior obligation to the utility.
WATER SERVICE RULES AND REGULATIONS

Rule 14 – Discontinuance of Service

The utility reserves the right to discontinue service to its customers for:
A. Unpaid bills, as provided for in this tariff, or the Commission rules.
B. Water uses for purposes or properties other than those specified in the customer’s application for service.
C. Willful waste of water through improper or defective piping, equipment, or otherwise.
D. Piping or equipment that does not meet the company’s standards or fails to comply with other applicable codes and regulations.
E. Tampering with the company’s property.
F. Vacating the premises.
G. Nonpayment of any proper charges, including deposit, as provided in this tariff.
H. Refusing to allow access as required in the Commission Rules.
I. Violating rules, service agreements, or effective tariffs, including violation of outdoor watering instructions given to customers in order to curtail water use during time of shortage or fire.
J. Use of equipment that detrimentally affects the company’s service to its other customers.
K. Service obtained by fraud.

The right to discontinue service may be exercised whenever and as often as any of the foregoing situations occur, and neither delay nor omission by the utility to enforce this rule any time will be deemed a waiver of its right to discontinue service.

Discontinuance of Service by a Customer. Customer shall be required to give ten (10) days notice to the utility of their intention to discontinue service.

Discontinuance of Service by the Utility. The utility shall follow the procedures established by the Commission, see WAC 480-110-335, for discontinuance of service.

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Issued by Ketron Island Water, Inc Telephone 253-589-4669

By Ron Karlson, Title: President, FAX (253) 589-1159
WATER SERVICE
RULES AND REGULATIONS

Rule 15 – Sprinkling and Irrigation

Water used for sprinkling and irrigation must be paid for at the regular prescribed tariff rates for such
service. The hours for such use will be as prescribed from time to time by the utility. During peak use
months (June through September), and at such other times when demand may be high, the utility may
prohibit or limit sprinkling and irrigation to preserve water for domestic consumption.

No person will use water for sprinkling or irrigation purposes during any fire in the area, and all sprin-
kling or irrigation must be stopped immediately when a fire alarm is sounded. Use of water may be re-
sumed three (3) hours after the fire has been extinguished.

Rule 16 – Rates.

Rates for water service and supply are those published in the utility’s tariff on file with the Commiss-
ion. Unless otherwise stated in this tariff, the rates apply to a single service, to one customer at on
premise. Where two or more families with separate housekeeping establishments occupy the same or
separate dwellings, each family using water is considered a separate account. Each separate house-
keeping establishment or business using water service will each be considered a separate account.

When conditions require that more than one customer be supplied through one meter, (Accessory
Dwelling Units) each customer will be charged the minimum charge as provided by the schedule of
rates. If the consumption as shown by the meter exceeds the allowance for the minimum charge mul-
tiplied by the number of customers, the excess consumption charge will be computed at the regular rates
for one customer and the amount prorated equally to the multiple customers, or otherwise as may be
agreed among themselves.

Water service must be subscribed to on an annual basis. No prorating or reduction in billing is al-
lowed unless this tariff establishes temporary or seasonal rates.

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Issued by Ketron Island Water, Inc Telephone 253-589-2699
By Ron Karlson, Title: President FAX (253) 589-1159

Original Sheet No. 10
WN U-2
KETRON ISLAND WATER, INC.

For Commission’s Stamp

RECEIVED
MAR 30 2001
WASH. UT. & TRANS. COMM.
ORIGINAL
WATER SERVICE
RULES AND REGULATIONS

Rule 17 – Account Set-Up Charge/Non-Sufficient Funds (NSF) Charge

An account set-up charge as specified in Schedule 5 will be made for each new account or change of account responsibility on an existing service. Such charge will be included in the initial billing to the customer. This charge includes the utility dispatching an employee to establish a base meter reading. This account set-up charge does not apply to:

1. Installation of a new meter.
2. Temporary or seasonal reconnection.
3. Owners or agents assuming temporary responsibility for service to vacant premises.

An NSF check charge as specified in Schedule 5 will be made for handling customer checks that have been returned by the bank as NSF or account closed. This charge will be applied to the next billing to the customer.

Rule 18 – Water Availability Letter Charge.

Any prospective customer seeking a water availability letter or certificate of water availability from the utility must first pay the appropriate charge as specified in Schedule 5. The water availability letter will include the date issued and the date of expiration. Water availability letters will be valid for no more than one (1) year, or until the expiration of the associated building permit, whichever occurs last.

Rule 19 – Cross Connection Control.

The customer shall not permit the plumbing on their premises to be connected to any source of water supply other than the utility’s, or to any potential source of contamination, without first obtaining the utility’s written permission and meeting the utility’s cross connection control criteria. The customer shall assure that effective back-flow prevention measures are implemented to ensure continual protection of the water in the public water distribution system. Any back-flow prevention device deemed necessary by the utility to prevent entry of contaminants shall be installed at the customer’s expense.

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By Ron Karlson, Title: President  FAX (253) 589-1159
WATER SERVICE
RULES AND REGULATIONS

Rule 20 – Distribution Main Extension

Any distribution main extension will be constructed only after a contract is agreed upon between the company and any other involved parties. This contract must be reviewed and approved by the Commission. This contract may include a latecomer agreement.

Rule 21 – Limitations on Liability

A. General. The company’s liability, if any, for its gross negligence, willful misconduct or violation of Chapter 19.122 RCW is not limited by this tariff. With respect to any other claim or suit by a customer or by any others, for damages associated with the installation, provision, termination, maintenance, repair, or restoration of service, the company’s liability, if any, shall not exceed an amount equal to the proportionate part of the monthly recurring charge for the service for the period during which the service was affected. This liability shall be in addition to any amounts that may otherwise be due the customer under this tariff as an allowance for interruptions. THERE SHALL BE NO LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES.

B. Disclaimer. THE COMPANY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, EXCEPT THOSE EXPRESSLY SET FORTH IN THIS TARIFF, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

C. Relation to Charges. The charge for services rendered under this tariff are expressly based on the limitations on damages and disclaimer of warranties set forth above.

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WATER SERVICE
RULES AND REGULATIONS

SERVICE AREA

Water System List:

<table>
<thead>
<tr>
<th>System Name</th>
<th>County</th>
<th>DOH Water Facility Inventory No</th>
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<tr>
<td>Ketron Island Water, Inc</td>
<td>Pierce County</td>
<td>DOH WF# 383509</td>
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<tr>
<td></td>
<td>those portions of Ketron Island adjacent to the utility's transmission mains.</td>
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WATER SERVICE
RULES AND REGULATIONS

Schedule No. 1
METERED RATE SERVICE

Available

Within the limits of all Water Service Areas and at the Utility’s option an capability to maintain Department of Health standards of quantity and quality.

Applicable

Applicable to domestic residential customers served by the utility on a metered basis.

Conditions

The charge for this service is not subject to cancellation or reduction for seasonal or temporary periods, unless seasonal rates apply per this tariff. This charge will be the monthly minimum bill for this class of service.

Monthly Rates

<table>
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<tr>
<th>Each Connection or Customer</th>
<th>Rate</th>
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<td>3/4-inch service base rate</td>
<td>$60.00</td>
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<tr>
<td>With 500 gallon allowance base charge</td>
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</tbody>
</table>

Usage | Rate/1000 gallons (or portion thereof)

| 501 GALLONS AND OVER | $3.00 |

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WATER SERVICE
RULES AND REGULATIONS

Schedule No. 2
WATER SYSTEM FACILITIES CHARGE

Available

Within the limits of all Water Service Areas and at Utility's option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applies to all new applicants for properties not currently served within the Water Service Area, as defined in the tariff, for the utility only when surplus system capacity is available and a direct connection can be made to an existing main that has adequate hydraulic capacity.

Conditions
1. The utility will own and maintain all materials involved in the allocation of water service.
2. The Water System Facilities Charge will be in addition to any line extension, service connection, or any other charges that may be provided elsewhere in this tariff.
3. The Water System Facilities Charge will be made one time only at which time the applicant's property is brought into the Water Service Area and the Department of Health Facilities Inventory. If further subdivision of the property is made at a later date, each newly created lot will be subject to an additional facilities charge upon application for water service. If service is greater than residential equivalent, then multiple equivalents may be charged.
4. Exemptions:
   1. Any end use customer covered by an existing written contract, which specifies that, no charge or a lower charge will be paid.
   2. Any end use customer connecting to a water system, which was contributed to the company or for which the company paid a nominal amount.

Charge

Water System Facilities Charge

Not available at this time.

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WATER SERVICE RULES AND REGULATIONS

Schedule No 3

SERVICE CONNECTION CHARGE

Available

Within the limits of all Water Service Areas and at utility’s option and capability to maintain Department of Health standards of quantity and quality.

Applicable

Applies to all new applicants for properties currently served and within the Water Service Area (as defined in the tariff) for the utility only when surplus system capacity is available and direct connection can be made to an existing main that has adequate hydraulic capacity.

Conditions

1. A charge will be made the first time a customer’s service pipe, 3/4-inch or smaller, is connected to the utility’s main. The charge for a larger connection will be the cost of labor and materials. This charge does not include the cost of a meter, or its installation. A meter will be furnished, installed and maintained by the utility without direct cost to the customer.
2. The utility owns and maintains all materials involved in making a service connection.
3. The service connection charge must be paid before the water is turned on.
4. In addition, when it is necessary to bore under an existing road the cost of boring will be in addition to the Service Connection Charge.
5. The meter will be placed in a suitable meter box located at the customer’s property line, except when this is not practicable. The meter will be installed upon the customer’s premises in some convenient location approved by the utility where the meter will at all times be accessible for reading, inspection and testing. (See Rules 8 and 9).
6. Service connections will be installed within 7 days from payment, unless prior arrangements in writing are agreed upon by both the customer and the utility or where the utility is prevented from making the service connection for reasons outside of its control.

<table>
<thead>
<tr>
<th>Size of Service Connection</th>
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<tr>
<td>3/4-inch service</td>
<td>$1260.00</td>
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<tr>
<td>Larger than 3/4-inch service</td>
<td>Labor and Material Contract</td>
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WATER SERVICE
RULES AND REGULATIONS

Schedule No. 5
ANCILLARY CHARGES

Rule 5 &
Reconnection charge $50.00
Rule 14
Disconnection Visit Charge $25.00

Rule 11
Late Payment charge 2% of Outstanding balance.

Rule 17
Account Set-up charge $25.00
NSF check charge $20.00

Rule 18
Water Availability Letter Charge $20.00

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