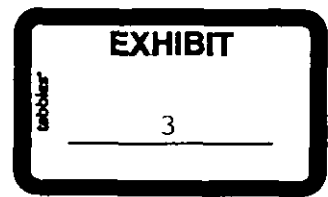


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RULE NO. 20 – EXTENSION OF MAINS:

Part I. Main Extensions - General

The following terms and conditions shall govern the extension of water mains and the extension of sewer mains in the service area covered by this tariff:

(a) An application for an extension of the Company's water or sewer mains must be made by a bona fide applicant ("Applicant"), meaning a person or entity that owns at least one lot that desires to take service directly from the main that is the subject of the requested main extension. The Company may require the Applicant to complete applicant forms and agreements which the Company shall provide for this purpose. The main extension will commence at an appropriate point from the existing system ("Point of Connection") and extend to cover the frontage associated with the Applicant's lot that is the farthest from the Point of Connection and for which service is desired from said main extension ("Applicant's Lot"). All lots in between the Point of Connection and the Applicant's Lot that will have frontage on the main as a result of the main extension shall be considered Intervening Lots.

1. Where the cost of the extension does not exceed three and one-half times the estimated normal annual revenues from the Applicant's Lot, the Company will install, at its own cost and expense, the necessary extension.

2. Where the cost of making an extension exceeds three and one-half times the estimated normal annual revenues from the Applicant's Lot, the Applicant may either:

a. Pay a deposit to the Company for the excess cost of the extension, that is, the difference between the estimated cost of the extension and three and one-half times the estimated annual revenues from the Applicant's Lot. This deposit is subject to a true-up provision that will equalize the final payment with the final cost.

Any deposit so made shall remain, without interest, in the possession of the Company, subject to refunds as stated in Section (h) below. Any portion of the deposit not refunded within the 10 year period noted in Section (h) will remain the property of the Company.

b. The applicant may retain a qualified contractor, approved by the Company, to construct the extension pursuant to the conditions and specifications of the Company, along with the requirement that the contractor, upon completion of the work, will provide the Company with a certification confirming the payment of all fees due and owing and a certification of the actual cost of the work. Once the Applicant's contractor completes the main extension, the Company shall pay to the Applicant an amount reflecting three and one-half times the estimated annual revenue from the Applicant's Lot. The extension shall be the property of the Company.

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- (b) The Company reserves the right to determine the size of the pipe necessary in making such extension.
- (c) The cost of a sewer extension shall include the costs of material and installation for the sewer main, and any lift stations, if needed, associated with that extension, as determined by the Company. In addition, the cost of the sewer extension shall include the sewer lateral associated with the Applicant's Lot from the main to the curb.
- (d) The cost of a water extension shall include the costs of material and installation for the water main, and any booster stations and hydrants associated with that extension, as determined by the Company. In addition, the cost of the water extensions shall include the water service line associated with the Applicant's Lot that runs from the main to the meter pit.
- (e) For the lots covered by Part I of this Rule, the Company shall provide and install the water meter. The Company shall install a meter pit, unless the Company specifies a meter setting in the customer building, in which event the lot owner shall provide a proper bridge area (including inlet and outlet valve) along the internal piping in the building for the installation of the meter.
- (f) Where the main or extension is to be installed in a private street, if applicable, the owner thereof shall provide, free of cost to the Company, an easement and a free, unobstructed and uninterrupted right of way for the installation, maintenance and extension of the main in such private street.
- (g) When the main is placed in service after being installed in front of Intervening Lots, those Intervening Lots shall become Availability Lots and shall be required, commencing when the main is placed in service, to pay the Availability Fee as set forth in Rule No. 2 - Availability.
- (h) Promptly following the time that an Intervening Lot connects directly to the main extension and becomes a regular customer, the Company will refund to the original Applicant a one time payment of \$1,000 for the water connection and \$1,000 for the sewer connection. Such refunds will be made for each Intervening Lot that connects to the main extension within a period of 10 years from the date that the main extension was placed in service. The total of such refunds will in no event exceed the cost that was paid by the Applicant for that main extension.
- (i) When any lot connects to the system (including the Applicant's Lot and all Intervening Lots), that lot owner or applicant shall pay the Service Connection Fees set forth in this tariff.
- (j) When an Intervening Lot requests a connection to the water utility system, the Company shall pay for the cost of the Company water service line (i.e., that part of the line located between the main and the curb), and the curb stop and box and the meter pit. The lot owner / customer shall pay for the customer service line (the part of the service line from the curb stop to the house).

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- (k) When an Intervening Lot requests a connection to the sewer utility system, the Company shall pay for the lateral from the main to the curb, and the customer shall pay for the line from the curb to the house.

Part II. Extension of Mains (Sections 1A, 5B, 5C, 7, 9, 10, 11 and 12)

The terms and conditions set forth above as Part I, Main Extensions - General shall also apply to the installation of mains in Sections 1A, 5B, 5C, 7, 9, 10, 11 and 12 of the Lake Holiday Development, with the exceptions noted below. These exceptions and rules shall apply to the Lake Holiday LLC and Lake Holiday Land, Inc. and Miller and Smith (herein called the "Established Applicant") and any successor or assigns taking title from the Established Applicant:

- (a) The Established Applicant will pay for the cost of the main extension. The cost of the main extension shall include the costs of material and installation for the water main and sewer main, along with all water service line connections and service lines, all meter pits and the purchase and installation of meters specified by the Company, all hydrants, and all sewer lateral connections and laterals, and all lift stations associated with lots owned by the Established Applicant. The utility will not make an investment in the main extension project; the provision related to a utility investment equal to three and one-half times the estimated revenue from the Applicant's Lot as set forth in Part I of this Rule shall not apply to main extensions covered by this Part II of Rule 20. The Established Applicant will not be entitled to any payment when Intervening Lots connect to the main extensions installed in these sections of the development, nor will payments for Intervening Lots be made in connection with the main extension that will extend service to Sections 9, 11 and 12, nor for the extension that will extend service from Section 5B to 5C of the Lake Holiday Development.
- (b) The Established Applicant shall install the mains with a qualified contractor, subject to the conditions and specifications of the Company that require installation in a workmanlike manner in accordance with good utility practice.
- (c) The Established Applicant will be required to provide reasonable land sites to the Company (in open space owned by the Established Applicant, as negotiated by the parties in good faith) for the development of wells and the installation of treatment buildings, tanks, and lift stations, consistent with the Company's plan for expansion into the various quadrants of the development. It is recognized that the failure to provide land sites, or delays in providing those sites, may affect the ability of the utility to provide service to new areas requesting main extensions.
- (d) The Established Applicant will pay an Availability Fee for any of its lots that front on an installed water or sewer main, in the same manner that an Intervening Lot owner would pay under Rule 20, Part I, section (g), above. If any Intervening Lot is sold to another owner, and that lot has frontage on a water main or sewer main prior to connecting to the system, that lot owner will pay an Availability Fee in the same manner that a lot owner would pay under Rule 20, Part I, section (g), above.

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- (e) Also, for purposes of clarity, when any lot connects to the system, that lot owner or applicant shall pay the Service Connection Fees set forth in this tariff.

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