

**MAGNOLIA WATER UTILITY OPERATING COMPANY - STANDARD TERMS OF SERVICE -
WASTEWATER**

The following Terms of Service shall be considered a part of the contract with every person who takes wastewater service, and every such person, by taking wastewater service, shall be considered to express an assent to be bound thereby. The Company reserves the right to prescribe, subject to the approval of the Louisiana Public Service Commission, such additional Terms of Service or to alter and amend the following Terms of Service from time to time as in its discretion it may deem necessary and proper.

Section 1. Definitions

A. An "APPLICANT" is a person, firm, corporation, governmental body, or other entity that has applied for wastewater service and/or an extension of service to a wastewater treatment facility; two or more such entities may make one application for a sewer extension and be considered one APPLICANT.

B. "B.O.D" denotes Biochemical Oxygen Demand. It is the quantity of oxygen utilized in the biochemical oxidation of waste matter under standard laboratory conditions expressed in milligrams per liter.

C. "C.O.D" denotes Chemical Oxygen Demand. It is the quantity of oxygen utilized in the chemical oxidation of waste matter under standard laboratory conditions, expressed in milligrams per liter.

D. A "COLLECTING SEWER" is a pipeline, including force pipelines, gravity sewers, interceptors, laterals, trunk sewers, manholes, and necessary appurtenances, which is owned and maintained by the Company, located on public property or on private easements, and used to transport sewage waste from the Customer's service connection to the point of disposal. A "PRESSURE COLLECTING SEWER" is a collecting sewer pipeline, including wyes, tees, and saddles located on public property or on private easements, operated under pressure from pump units owned and operated by customers connected to the pipeline, and is sometimes referred to generically as a COLLECTING SEWER.

E. The "COMPANY" is Magnolia Water Utility Operating Company, LLC, acting through its officers, managers, or other duly authorized employees or agents.

F. A "CUSTOMER" is any person, firm, corporation or governmental body which has contracted with the Company for wastewater service, has applied for and is receiving service from the Company, or whose facilities are connected for utilizing such service.

G. The "DATE OF CONNECTION" shall be the date the service connection is made. If not easily determined, the date of connection shall be determined based on available information, such as construction/occupancy permits, or water or electric service turn-on dates.

H. A "DEVELOPER" is any person, firm, corporation, partnership or any entity that, directly or indirectly, holds title to, or sells or leases, or offers to sell or lease, or advertises for sale or lease, any lots in a subdivision.

I. "DISCONTINUANCE OF SERVICE" is intentional cessation of the use of wastewater service by action of the Company not at the request of the Customer. Such DISCONTINUANCE OF SERVICE may be accomplished by methods including physical disconnection of service, or turn-off of water service by the Company or contracted water utility at the request of the Company.

J. "DOMESTIC SEWAGE" is sewage, excluding storm and surface water, resulting from normal household activities;

K. "NON-DOMESTIC SEWAGE" is all sewage other than DOMESTIC SEWAGE including, but not

limited to, commercial or industrial wastes. See Section 7. Improper Waste or Excessive Use.

L. A "FOUNDATION DRAIN" is a pipe installed inside or outside the foundation of a structure for the purpose of draining ground or subsurface water away from the foundation.

M. "pH" is the relative degree of acidity or alkalinity of water as indicated by the hydrogen ion concentration. pH is indicated on a scale reading from 1-14, with 7.0 being neutral, below 7.0 acid, and above 7.0 alkaline; more technically defined as the logarithm of the reciprocal of the hydrogen ion concentration.

N. "PART-TIME CUSTOMER" shall be defined as a Residential Customer occupying the unit served for a period of less than one hundred eighty (180) days of the calendar year.

O. A "RETURNED CHECK" is a check that is returned to the Company from any bank unpaid for any reason.

P. A "SADDLE" is a fitting that connects the Customer's Service Sewer to the collecting sewer whether it be a gravity collecting sewer or a pressure collecting sewer; the saddle clamps around the collecting sewer pipeline into which pipeline a hole is cut, and the Service Sewer is connected to the Saddle thereby connecting it to the collecting sewer.

Q. A "SERVICE CONNECTION" is the connection of a service sewer to the Company's collecting sewer either at the bell of a wye branch or the bell of a saddle placed on the barrel of the collecting sewer. Unless installed by the Company, or located on public property or private easements, the wye branch or saddle is not considered part of the collecting sewer.

R. A "SERVICE SEWER" or "CUSTOMER'S SERVICE SEWER" is a pipe with appurtenances installed, owned and maintained by the Customer, used to conduct sewage from the Customer's premises to the collecting sewer, including service wyes or saddles not installed by the Company or located on public property or private easements. For Customers connected to a pressure collecting sewer and utilizing a pump unit, the service sewer between the pump unit and the collecting sewer is a pressurized portion of the Service Sewer. In addition to other parts and fittings this shall include a stop cock accessible to the Company for turn-off of sewage flow and a check valve to prevent backflow of wastewater under pressure in the pressure collecting sewer. The SERVICE SEWER is constructed, owned and maintained by the Customer.

S. A "SUBDIVISION" is any land in the state of Louisiana which is divided or proposed to be divided into two or more lots or other divisions of land, whether contiguous or not, or uniform in size or not, for the purpose of sale or lease, and includes re-subdivision thereof.

T. A "TEE" is a three-way one-piece pipe fitting in the shape of the letter "T" that is a part of the Collecting Sewer pipeline and to which the Customer's Service Sewer is connected.

U. "TEMPORARY TERMINATION OF SERVICE" is termination or disconnection from service at the Customer's request for a period of time less than one year in length.

V. "TERMINATION OF SERVICE" is the cessation of the use of wastewater service requested by the Customer. Such TERMINATION OF SERVICE shall be accomplished by a method verified and recognized by the Company, and may include physical disconnection of the service sewer or termination or disconnection of water service by the Company or contracted water utility.

W. The word "UNIT" or "LIVING UNIT" shall be used herein to define the premises or property of a single

sewer user, whether or not that sewer user is the Customer. It shall pertain to any building, whether multi-tenant or single occupancy, residential or commercial, owned or leased. Each mobile home in a mobile home park, and each rental unit of a multi-tenant rental property are considered as separate Units for each single family or firm occupying same as a residence or place of business.

X. A "WYE", "WYE BRANCH", "Y" or "Y BRANCH" is a three-way one-piece pipe fitting in the shape of the letter "y" to which the Customer's service sewer is connected. The "WYE", "WYE BRANCH", "Y" or "Y BRANCH" is part of the service sewer, unless the fitting was installed by the Company or is located on public property or on private easements.

Section 2. General Matters

1. Every Customer, upon signing an application for service or accepting service rendered by the Company, shall be considered to have expressed consent to be bound by these rates and Terms of Service.

2. The Company's Terms of Service governing the provision of wastewater service are set forth herein. The rates applicable to the appropriate tier of service are set forth in rate schedules contained in the Company's wastewater tariff.

3. The Company reserves the right, subject to the approval of the Louisiana Public Service Commission (the "Commission"), to prescribe additional tariff rates or alter existing rates, or to amend these terms of service pursuant to Commission rules as it may deem necessary or proper.

4. The Company shall have the right to enter upon the Customer's premises for the purpose of determining compliance with these terms of service. Company personnel shall identify themselves and such inspections shall be conducted during reasonable business hours.

5. The point of wastewater service provided by the Company shall be at the service connection as defined herein.

Section 3. Limited Authority Of Company Employees

A. Employees or agents of the Company are expressly forbidden to demand or accept any compensation for wastewater service rendered by the Company to the Customer except as authorized in writing by the Company.

B. No employee or agent of the Company shall have the right or authority to bind the Company by any promise, agreement or representation contrary to these terms of service.

C. The Company shall not be responsible in damages for any sewage back-up, or for failure to remove wastewater from the premises, or for any interruption of service, unless such failure or interruption is due to the willful default or negligence on the part of the Company.

D. The Company shall not be liable for damages arising from any interruption of wastewater service or damages caused by defective piping or appliances on the Customer's premises.

E. The Company shall not be liable for damages due to Acts of God, civil disturbances, war, government actions, and other uncontrollable occurrences.

Section 4. Applications For Wastewater Service

A. Applicants for wastewater service shall be required to make such application in writing at the Company's

office on forms supplied by the Company and shall state fully and truly the uses for which such service is to be supplied.

B. A new application shall be made and approved by the Company, upon any changes in use or occupancy of property or in the service as described in the application, and the Company shall be at liberty, upon five-days' notice, to discontinue wastewater service until such application has been made and approved.

C. The Company may, at any time, require the customer to make and maintain a cash deposit as security as payment of bills for service. The amount of such deposit shall be determined by the Company, but shall not exceed 2½ times the monthly bill. The deposit amount, or remainder thereof, if any, plus interest at the rate of 5% per annum, will be refunded to the customer upon discontinuance of service and after all indebtedness of the customer to the Company has been paid, or at such time as the company, in its sole discretion, deems that the customer has established a satisfactory payment record to merit refund of the deposit.

D. The Company shall not refuse to initiate new service or disconnect existing service due to the refusal of a customer to make payment on a delinquent account that has been closed, with no further services charged or payment made on it, for a period of three years or more unless and except a judgment has been issued by a court of competent jurisdiction on such delinquent account.

E. A prospective Commercial or Industrial Customer shall, upon request of the Company, present in writing to the Company a list of devices that will discharge to the collecting sewers, the amount and specifications of any discharge, and the location of any buildings. The Company will then advise the Customer of the form and the character of the wastewater collection facilities available. If a collecting sewer extension will be necessary, or if the Customer will be required to own, operate, and maintain a pretreatment facility, the Customer will also be so advised.

F. If wastewater charges are based on water usage, the Company reserves the right to refuse wastewater service to any applicant unless said applicant agrees to install a flow meter accessible by the Company, so that wastewater charges can be calculated accurately.

G. The Company will determine or approve the location of the service connection. Service sewers will not be extended along public streets or roadways or through property of others in connecting with collecting sewers. If a service connection is requested at a point not already served by a collecting sewer of adequate capacity, the collecting sewer shall be extended in accordance with these terms, unless in the Company's sole judgment, such extension would serve no other purpose, or that a service sewer extension would better serve the Customer's premises in a reasonable manner.

H. A new service connection will be authorized when any applicable condition contained in this Section have been met.

I. No substantial addition to the water using equipment or appliances connected to the sewer system shall be made by Commercial or Industrial Customers except upon written notice to and with the written consent of the Company.

Section 5. Inside Piping And Customer Service Sewer

A. The Customer is obligated to construct, repair, and maintain the service sewer from the collecting sewer to the building, and make the connection to the collecting sewer. The Customer shall notify the Company prior to cleaning or repairing the service sewer.

B. When a service sewer is to be connected to the collecting sewer, the licensed plumber shall advise the Company at least two (2) business days in advance of the date the connection is to be made so that a representative of the Company can inspect and approve the installation and connection. No backfill shall be placed until the work has been inspected by the Company. In the event the Customer or the Customer's agent shall damage a wye branch or saddle, or cause damage to the collecting sewer, then the Customer shall be

responsible for the cost to repair any such damage, including replacement of pipe or appurtenances, as necessary.

C. Plumbing specifications of all governmental agencies having jurisdiction, as well as any of the Company's specifications in effect at the time of connection, must be met. The Company may deny service or may discontinue service where foundation drains, downspouts, or other sources of surface or storm water are permitted to enter the sewer system through either the inside piping or through the building sewer.

D. A separate and independent service sewer shall generally be required for every building. Exceptions are:

1. When one building stands at the rear of another building on an interior lot where a proper service sewer cannot be constructed through an adjoining easement. In that situation, the service sewer from the front building may be extended to the rear building and it will be considered as one service sewer.

2. When two or more buildings are a part of a complex that cannot be subdivided.

E. The service sewer shall be one of the following: ductile iron pipe, vitrified clay sewer pipe (VCP), or polyvinyl chloride pipe (PVC), or other suitable material approved by the Company, all required to meet ASTM or equal specifications. Only those jointing materials and methods that are approved by the Company may be used. Joints shall be tight and waterproof. Any part of the service sewer that is located within ten (10) feet of a water main or water service pipe shall be constructed of ductile iron or PVC pressure pipe. The service sewer pipe shall be bedded according to the manufacturer's specifications and on undisturbed earth or fill compacted to at least ninety- five percent (95%) proctor density. Fill may be non-organic soil or aggregate.

F. The size and slope of the service sewer shall be subject to the approval of the Company, but in no event shall the diameter be less than four (4) inches. The slope of such four (4) inch pipe shall not be less than one-eighth (1/8) inch per foot.

G. Whenever possible, the service sewer shall be brought to the building at an elevation below the basement floor. No building sewer shall be laid parallel to or within three (3) feet of any bearing wall. The depth shall be sufficient to afford protection from frost. The service sewer shall be laid at a uniform grade and in straight alignment, if possible. Changes in direction shall be made only with properly curved pipes and fittings.

H. Existing service sewers may be used in connection with new buildings only when they are found on examination and test to meet all requirements of the Company.

I. In any building in which a building drain is too low to permit the required slope of the service sewer, sanitary sewage carried by such drain shall be lifted by approved artificial means and discharged to the service sewer. No water operated sewage ejector shall be used.

J. All excavations required for the installation of a service sewer and connection to the collecting sewer shall be open trench work unless otherwise approved by the Company. Pipe laying and backfill shall be performed in accordance with the latest published engineering specifications of the manufacturer of the materials used, and all applicable local plumbing codes.

K. The connection of the service sewer to the collecting sewer shall be made at the tee branch or wye branch, if such branch is available at a suitable location. If the collecting sewer is vitrified clay pipe of twelve inch (12") diameter or less, and there is no properly located tee or wye branch at a suitable location, such a branch shall be furnished and installed by the Customer at a location specified by the Company and by an installation method approved by the Company. If the collecting sewer is greater than twelve inches (12") in diameter, or is PVC of any size, a neat hole may be cut at a location specified by the Company, and a saddle installed by the Customer to which the service sewer will be connected. The insert of the service sewer at the point of connection shall be at the centerline or higher elevation of the collecting sewer. The connection shall be secure and watertight. The wye branch, tee branch, or saddle shall become a part of the Company's collecting sewer

and owned by the Company after installation.

L. Any change in the location of an existing service connection and/or service sewer requested by the Customer shall be made at the Customer's expense.

M. Company personnel shall not work on piping or facilities not owned by the Company unless specifically authorized by the Customer and directed by the Company.

Section 6. Improper or Excessive Use

A. The following requirements for the use of wastewater service provided by the Company shall be observed. Violation of the requirements will result in the discontinuance of service to the Customer, and the Customer may be required to comply with Subsection B., below.

B. In the event that the Customer to be served proposes to discharge an abnormally high volume or strength of waste, the Company may require:

1. The Customer to install a pretreatment facility, grease trap or other device on the premises, to prevent the exceeding of discharge limits, or other adverse impacts upon the Company's system. The installation of any such device as well as its operation and maintenance shall be the responsibility of the Customer, and subject to approval and inspection by the Company.

2. The Customer to enter into a special contract with the Company for treatment of the Customer's discharge, that could require an enlargement of the Company's existing sewage treatment plant or the construction of a temporary sewage treatment plant, and/or the construction or reconstruction of sewer lines or pump facilities, as approved by the Louisiana Department of Health ("LDH"), at a cost that is fair and reasonable, yet necessary to preclude the Company or existing Customers to in any way subsidize any such construction or reconstruction.

C. No Customer shall discharge or cause to be discharged any storm water, surface water, ground water, swimming pool water, roof runoff, sub-surface drainage, or cooling water into the collecting sewers.

D. Except as may be provided in Subsection B.2., above, the Customer shall be required to take any action necessary to meet the following described wastewater limits before the wastewater is discharged into the collection sewer:

1. Maximum temperature of 150 degrees Fahrenheit.
2. Maximum strength of four hundred (400) parts per million Biological Oxygen Demand (B.O.D.).
3. A maximum of one hundred (100) parts per million, by weight, any fat, oil or grease.
4. A maximum of twenty-five (25) parts per million, by weight, any soluble oils.
5. No gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas.
6. No garbage that has not been properly shredded.
7. No ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewer system.
8. No wastewater having a pH less than 5.0 or greater than 9.0, or having any other corrosive property,

capable of causing damage or hazard to structures, equipment or personnel of the Company.

9.No wastewater containing heavy metals, toxic material, or Chemical Oxygen Demand (C.O.D.), in sufficient quantity to disrupt the operation of treatment facilities or exceeding any limits which may be specified in a service contract for any such substance.

Section 7. Discontinuance of Service by Company

A. The Company may discontinue service for any of the following reasons:

1. Non-payment of a delinquent account not in dispute; or
2. Failure to post a security deposit or guarantee acceptable to the utility; or
3. Unauthorized interference, diversion or use of the utility service situated or delivered on or about the Customer's premises; or
4. Misrepresentation of identity in obtaining utility service; or
5. Enclosing or obstructing any meter so as to make reading or repairs unreasonably difficult, or
6. Failure to comply with the terms and conditions of a settlement agreement.
7. Refusal after reasonable notice to grant access at reasonable times to equipment installed upon the premises of the Customer for the purpose of inspection, meter reading, maintenance or replacement; or
8. Violation of any of these Terms of Service on file with and in compliance with all Rules and Orders of the Louisiana Public Service Commission, for unauthorized resale of sewer service, or for any condition which adversely affects the safety of the Customer or other persons, or the integrity of the utility's sewer system; or
9. Non-payment of a sewer bill issued by the Company or by a sewer utility requesting discontinuance of water service by an agreement between the Company and such sewer utility. When water service is discontinued for non-payment of a sewer bill and if the sewer bill is not issued by the Company, any service charges for turn on/off or disconnection/reconnection within these Terms of Service shall not apply, and notice to the Customer shall be provided by rules and procedure applicable to the Customer's sewer service in lieu of notification required by these Terms of Service.

B. Discontinuance of service may be accomplished by, but not limited to, physical disconnection or turn-off of the Customer's service sewer from the Company's collecting sewer. Discontinuance of sewer service for non-payment of a sewer bill may be accomplished by physical disconnection or turn-off, or discontinuance by turn-off of water service by the Company or by the water utility serving the customer at the request of the Company. In such cases where discontinuance is accomplished by turn-off of water service:

1. If sewer billing is combined with water billing, Customers will be notified by the water utility by the terms of its rules normally practiced for discontinuance of water service; or
2. If sewer billing is not combined with water billing, Customers will be notified by the terms of Subsection H., below, and not by those of any water utility.

C. Reconnection of any Customer after discontinuance of service by authority of this Subsection will be made subject to payment of the cost of reconnection.

D. Where the owner of rental property is the Customer and has been notified of the intent of disconnection, the tenants shall be given the opportunity in a reasonable and timely manner to pay delinquent bills in lieu of disconnection of service.

E. None of the following shall constitute sufficient cause for the Company to discontinue service:

1. The failure of the Customer to pay for merchandise, appliances, or service not subject to Commission jurisdiction as an integral part of the utility service provided by the Company; or

2. The failure of the Customer to pay for service received at a separate point of service, residence, or location. In the event of discontinuance or termination of service at a separate residential point of service, residence, or location in accordance with these Terms of Service, the Company may transfer and bill any unpaid balance to any other residential service account of the Customer and may discontinue service after twenty-one (21) days after rendition of the combined bill, for nonpayment, in accordance with this Subsection; or

3. The failure of the customer to pay for a different class of service received at the same or different location. The placing of more than one (1) service connection at the same location for the purpose of billing the usage of specific devices under operational rate schedules or provisions is not construed as a different class of service for the purpose of this Subsection; or

4. The failure to pay the bill of another customer, unless the customer whose service is sought to be discontinued received substantial benefit and use of the service billed to the other customer; or

5. The failure of a previous owner or occupant of the premises to pay an unpaid or delinquent bill except where the previous occupant remains an occupant of the living unit; or

6. The failure to pay a bill correcting a previous underbilling, whenever the customer claims an inability to pay the corrected amount, unless a utility has offered the customer a payment arrangement equal to the period of underbilling.

F. Unless discontinuance is accomplished by turn-off of water service and discontinuance notice is provided by the water utility, then at least thirty (30) days prior to discontinuance of service, the Company will mail a written notice to the Customer by certified mail, return receipt requested or by electronic verification, with a copy of the notice sent to the Public Service Commission and a copy to the property owner if different than the Customer and if known by the Company. If the Company intends to discontinue service to a multi-tenant dwelling with occupants who are not customers, a notice shall also be conspicuously posted in the building ten (10) days prior to the proposed discontinuance, along with information pertaining to how one or more of the tenants may apply to become customers. Discontinuance shall occur within thirty (30) calendar days after the date given as the discontinuance date, shall occur between the hours of 8:00 a.m. and 4:00 p.m., and shall not occur on a day when the Company will not be available to reconnect service or on a day immediately preceding such a day. The thirty (30) day notice may be waived if there is any waste discharge that might be detrimental to the health and safety of the public, or cause damage to the sewer system. In the event of discontinuance of service without the thirty (30) day notice as above provided, the Customer and the Louisiana Public Service Commission shall be notified immediately with a statement of the reasons for such discontinuance of service.

G. A discontinuance notice provided to a customer shall include:

1. The name and address of the Customer, the service address if different than the Customer's address; and

2. A statement of the reason for the proposed discontinuance of service and the cost for reconnection; and

3. How the customer may avoid the discontinuance; and

4. The possibility of a payment agreement if the claim is for a charge not in dispute and the Customer is unable to pay the charge in full at one time; and
5. A telephone number the Customer may call from the service location without incurring toll charges and the address and any available electronic contact information of the utility prominently displayed where the customer may make an inquiry.
- H. The Company shall make reasonable efforts to contact the Customer, at least twenty-four (24) hours prior to any discontinuance, regarding the reason(s) for discontinuance of service, and the resolution. If discontinuance of service would affect an occupant who is not the Company's Customer, or is not responsible for payment of the bill, then the Company shall make reasonable efforts to inform such occupant(s).
- I. The Company shall postpone the discontinuance if personnel will not be available to restore service the same day, or if personnel will not be available to restore service the following day. The Company also shall postpone discontinuance if a medical emergency exists on the premises, however the postponement may be limited to twenty-one (21) days, and the Company may require proof of a medical emergency.
- J. Discontinuance of service to a unit for any reason shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of monies due from the Customer.
- K. In case the Company discontinues its service for any violation of these Terms of Service, then any monies due the Company shall become immediately due and payable.
- L. The Company has the right to refuse or to discontinue service to any unit to protect itself against fraud or abuse.
- M. The Company shall deal with Customers and handle Customer accounts in accordance with the Louisiana Public Service Commission's Utility Billing Practices.
- N. Applicable Turn-off and turn-on charges are specified in the Schedule of Service Charges.

Section 8. Termination Of Service

- A. Termination of service at the Customer's request may be accomplished at the expense of the Customer. If termination of service must be accomplished by physical disconnection, the Customer shall notify the Company of the date and time of the disconnection in writing at least five (5) days prior to the disconnection. If termination is accomplished by turn-off of water service, such notice shall be on or before the date of the water turn-off. Service may not be terminated for one unit of a multi-unit building if the building is served by one service sewer, unless accomplished by turnoff of water service to that unit. The method used for termination of service shall be determined by the Company.
- B. A Customer may request temporary turn-off of water service or wastewater service by the Company for the Customer's own convenience; however, the Customer shall still be charged for service at the appropriate rate as specified in the Schedule of Rates during the time the service is turned off.
- C. A Customer who requests termination of wastewater service but returns to the premises and requests wastewater service within nine (9) months of such termination, at the Company's discretion may be deemed to have been a Part Time customer, and applicable charges incurred during the period of absence may apply.
- D. The Company reserves the right to limit wastewater service in its collecting sewers at any time, in a reasonable and non-discriminatory manner, for the purpose of making repairs to the sewer system.

E. Whenever service is limited for repairs, all Customers affected by such limitation will be notified in advance whenever it is practicable to do so. Every effort will be made to minimize limitation of service.

F. No refunds of charges for wastewater service will be made for limitations of service unless due to willful misconduct of the Company.

Section 9. Bills for Service

A. Upon the authority of the Louisiana Public Service Commission, the Company shall have the right to read meters and send bills monthly, bi-monthly, or quarterly.

B. The charges for wastewater service shall be at the rates specified in this tariff, which is on file with the Louisiana Public Service Commission, and posted on the Company's website. The point of assumption of sewer service shall be at the service connection. Service charges for connection or disconnection are set forth in the Schedule of Service Charges.

C. If a customer's bill has not been paid after 20 days from the billing date, on or after the 21st day the Company will send a notice of its intent to disconnect service in five (5) days unless payment is received. Water service will then be disconnected on or after the 26th day. To restore service, a customer may be required to pay a re-connection fee, any amount still owed for a previous billing, and a delinquent penalty. If a customer fails to pay the delinquent penalty assessment, the Company will send a notice that service will be disconnected in 90 days for non-payment. In the case of a wastewater company, if payment is not made, the wastewater company may make an agreement with the water company to turn off water service for non-payment of the wastewater bill. If this arrangement is made, all conditions must be on file with the Louisiana Public Service Commission.

D. All customer payments received 20 days after the date of billing may be assessed a 5% penalty. The company shall not charge a late payment penalty on any portion of a bill which portion represents a previous late payment penalty for purposes of this section, a payment received by a utility shall be credited first to the outstanding penalty, if any.

E. If the last day of any period calculated hereunder is a Saturday, Sunday, or Legal Holiday, then the period in question shall extend to the next full business day.

F. Any objection to billed charges should be promptly reported to the Company. Notice of any disputes must be in writing and received by the Company within ninety (90) days after the invoice date or the dispute will be waived. Adjustments to Customer's bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Customer must pay all undisputed amounts in full to avoid late payment charges or default. Customers who are dissatisfied with the response to their complaint may contact the Commission for resolution of the issues at:

Louisiana Public Service Commission
602 North Fifth Street, 12th Floor
P.O. Box 91154
Baton Rouge, LA 70821-9154
(225) 342-4999

Section 10. Extension Of Collecting Sewers

A. Collecting sewers will be extended within the company's authorized service area, at the applicant's cost, if service is requested by the applicant at a location where facilities do not exist. The applicant shall enter into a contract with the company. The applicant may choose to have the company perform all work under the terms and conditions of Subsection C, following, or have a private contractor perform the work under the terms and conditions of Subsection D, following. For purposes of this Section, an extension could include, in addition to a collecting sewer, one or more pump station or treatment plant facilities, as necessary to provide the service.

B. The pipe used in making extensions shall be of a type and size which will be reasonably adequate for the area to be served. Such determination as to size and type of pipe shall be left solely to the judgment of the company. If the company desires a pipe size, lift station, treatment plant, or any other facility larger than reasonably required to provide service to the applicant, the additional cost due to larger size shall be borne by the company.

C. The company will extend collecting sewers for the applicant under the following terms and conditions:

1. Upon receipt of written application for service as provided in Section 4. Applications for Wastewater Service, the company will provide the applicant an itemized estimate of the cost of the proposed extension. Said estimate shall include the cost of all labor and materials required, including reconstruction of existing facilities if necessary, and the direct costs associated with supervision, engineering, permits, and bookkeeping.

2. The applicant shall enter into a contract with the company for the installation of said extension and shall tender to the company a contribution-in-aid-of-construction equal to the amount determined in Subsection C (1) above, plus any appropriate fees as provided in the Schedule of Rates or the Schedule of Service Charges.

3. If, as a result of reasonably unforeseen circumstances, the actual cost of the extension exceeds the estimated cost of the extension, the applicant shall pay the additional cost.

D. When the applicant elects to construct an extension, the company will connect said extension to its existing collecting sewers under the following terms and conditions:

1. Applicant shall enter into a contract with the company which provides that the applicant construct said collecting sewers and/or other facilities to meet the requirements of all governmental agencies and the company's specifications and Terms of Service. Plans for the extension shall be submitted to the company for approval prior to construction. Applicant's choice of construction contractor is subject to approval by the company. Applicant shall contribute said facilities to the company with a detailed accounting of the actual cost of construction and contribute to the company the estimated reasonable cost of the company's inspection.

2. The company, or its representative, shall have the right to inspect and test the extension prior to connecting it to the existing collecting sewers and acceptance of ownership.

3. Connection of the extension to existing company collecting sewers shall be made by, or under direct supervision of, the company or its representative.

4. The company shall have the right to refuse ownership and responsibility for the sewer extension until applicant has met the contractual obligations as provided in Subsection D (1).

E. The cost to additional applicants connecting to the sewer contributed by the original applicant shall be as follows:

1. For a single-family residential applicant applying for service in a platted subdivision, the company shall divide the actual cost of the extension, including income tax impact if any, by the number of lots abutting said extension to determine the per lot extension cost. When counting lots, corner lots which abut existing sewers shall be excluded.

2. For a single-family residential applicant requesting service to areas that are not platted in subdivision lots, the applicant's cost shall be equal to the total cost of the extension times 100 feet divided by the total length of the extension in feet.

3. For an industrial, commercial, or multi-family residential applicant, the cost will be equal to the amount calculated for a single-family residence in E (1) above or E (2) above, as appropriate, multiplied by a water usage factor. The water usage factor shall be determined by dividing the average monthly usage in gallons by 7,000 gallons but shall not be less than 1.

F. Refunds of contributions shall be made to the original applicant as follows:

1. Should the actual cost of an extension constructed by the company under Subsection C, or actual costs for inspection by the company under Subsection D, above, be less than the estimated cost, the company shall refund the difference as soon as the actual cost has been ascertained.

2. During the first ten years after the extension is completed, the company will refund to the original applicant who paid for the extension monies collected from additional applicants in accordance with Subsection E above.

3. The sum of all refunds to the applicant shall not exceed the total contribution, including income tax and inspection costs associated with the extension, which the applicant has paid.

4. If two or more entities are considered an original applicant, the refund shall be distributed to each entity based upon the percentage of the actual extension cost contributed by each entity.

G. Any extension made under this Section shall be and remain the property of the company in consideration of its perpetual upkeep and maintenance.

H. The company reserves the right to connect additional extensions to a collecting sewer contributed by the applicant. The connection of new customers to such additional extensions shall not entitle the applicant to any refund.