**Section 600.370 Service to New Customers**

The utility shall extend service to customers under the following terms and conditions:

a) The utility will provide all supply plant (backbone plant) at its cost and expense without requiring contributions or tap-on-fees from customers, developers or promoters, except in those unusual cases where extensive plant additions are required before customers can be attached. In such instances the utility may require the customer, developer and/or promoter to advance funds, subject to refund as customers are attached, or require a revenue guarantee in lieu of customers being attached. Each contract for such an advance or revenue guarantee shall be filed with the Commission for approval.

b) Unless other terms and conditions are formally approved by the Commission, the utility shall extend its water mains from the end of existing mains on the following terms and conditions:

1) Upon application being made for an extension of a water main, the utility shall determine the necessary size, location and characteristics of the main and of all valves, fittings and other appurtenances and shall make an estimate of the cost of the proposed extension, including pipe, valves, fittings, all other appurtenances and other materials and all other costs such as labor, permits, etc., including the utility's expense for supervision, engineering, insurance, tools and equipment, accounting and other overhead expenses. Extensions made under this Section shall be on the basis of a main size of eight (8) inches in diameter unless the requirements of the customer or customers to be served call for a larger main, in which case the cost shall be based on the larger main. In special cases, exceptions to the size of main can be made by the utility to comply with good engineering principles.

2) If the estimated cost of the extension is not greater than one and one-half (1½) times the utility's estimate of annual revenue to be received from customers who will immediately attach to the extension, the utility will finance and make the extension without the requirement of any payment.

3) If the estimated cost of the extension exceeds one and one-half (1½) times the utility's estimate of annual revenue to be received from customers who will immediately attach to the extension, the applicant or applicant's authorized agent shall contract for such extension and shall deposit with the utility the estimated cost of the extension less one and one-half (1½) times such estimated annual revenue.

4) Original prospective customers to be considered in (2) and (3) above shall be those who sign a contract for at least one year's water service and guarantee to the utility that they will take water service at their premises within thirty (30) days after the date water is turned into the main, and whose street service connections are directly connected to the mains installed under said extension. Estimates of annual revenue shall be made by the utility and shall be the average revenue received from similarly situated customers. Where there are no similarly situated customers, the utility shall make an estimate of the annual bill.

5) The utility shall make refunds during the first ten (10) years after the date upon which the deposit aforesaid was made and only to the depositor, his successors or assigns, as follows:

A) Should the actual cost of the extension be less than the estimated cost, the utility shall refund the difference as soon as the actual cost has been ascertained. Should the actual cost of the extension exceed the estimated cost, the difference shall be used as an offset against any refunds that may become due pursuant to (B), (C) and (D) below.

B) Upon completion of the first yearly billing period of the original customers, for whom there were no similarly situated customers, as defined in subparagraph (4) above, the utility shall refund an amount equal to one and one-half (1½) times the difference between the annual revenue originally estimated by the utility and the actual revenue received, provided the actual revenue is greater than the estimated revenue. If the actual revenue is less than the estimated revenue, the difference shall be used as an offset against revenues which would otherwise become the basis for refund pursuant to (C) below.

C) During the first ten (10) years from the date of the aforesaid deposit the utility shall refund, for each additional new customer taking service from said extension under a regular yearly contract, at the end of the first year's billing for service to such additional new customer, an amount equal to one and one-half (1½) times the annual average water revenue of similarly situated customers. If there are no similarly situated customers, the utility shall refund one and one-half (1½) times the actual annual revenue received.

D) If the extension abuts property which the applicant does not own or have an interest in, the utility shall pro-rate the cost of the extension on a front foot or per lot basis and, if during the term of the extension agreement the owner or occupant of such property requests water service, the utility shall collect from such new applicant an amount equal to his pro-rata cost of the extension less one and one-half (1½) times the estimated annual revenue to be received from said new applicant. The utility shall refund money so collected to the original applicant, such refund being in addition to the refund provided for in paragraph (C) above.

E) The total amount refunded to the original applicant pursuant to paragraphs (A), (B), (C) and (D) above shall not exceed the original deposit, without interest, and the utility shall not require any deposit pursuant to the provisions of paragraph (D) in excess of the unrefunded deposit of the original applicant. At the expiration of said 10 year period the refund account will be closed and no further refunds will be made.

6) All mains, valves, fittings and other appurtenances and materials installed in accordance with this Section shall be and remain the sole property of the utility.

7) The utility shall have the right to further extend its mains from and beyond the terminus of each main extension made under this Section. The applicant making a deposit hereunder shall not be entitled to any refund on account of any other or further extension or the attachment of any services or hydrants to any other or further extension.

8) When the utility desires to install a main larger than eight inches (8") in diameter for a purpose other than the applicant's service requirements, then the utility shall pay the additional cost of the larger main.

9) All water main extensions, except those that may be installed by the utility without the necessity of a contract, will be made by contract with the applicant in accordance with the conditions of this particular Section as outlined above.

10) Any main extension agreement made pursuant to this Section and the right to refund thereunder shall not be assigned by the applicant without the prior written consent of the utility.

c)

1) The utility shall furnish, install and maintain at its expense the permanent service connection, meter and any other appliance necessary to deliver and measure the water furnished. Temporary service connections and fire service connections shall be installed in accordance with the rules and regulations of the utility on file with the Commission. In those cases where services are installed in advance of paving, the cost of such services shall be included in the deposit for the main extension. The total cost of such services shall be computed and said amount divided by the number of services so installed. Such average cost so computed shall be refunded immediately to the applicant who made the deposit upon a customer being connected to such a preinstalled service.

2) The "service connection" furnished by the utility after the adoption of this Part shall include a shut off device at the main (corporation cock), a shut off device located near the curb line or property line (curb cock and curb box) and the water service line between the main and the curb cock and curb box. In those instances where outside meters are installed, a separate curb cock will not be required if the meter setting is located near the curb line or property line and includes a shut off valve. When the outside meter setting is installed near the curb line or property line, the water service line furnished by the utility shall extend from the main to the meter setting. The service connection shall be installed perpendicular to the main where practical. It shall be located so that no portion of the customer's service line shall pass through lands, buildings or parts of buildings which are not the property of the applicant for service.

3) The customer shall be responsible to furnish, install and maintain in good repair the necessary pipe to make the connection from the curb stop or outside meter setting to the building to be served. Said line shall be known as the "customers' service line." No tees or branch connections shall be allowed before the meter unless to serve another meter.