

VIRGINIA-AMERICAN WATER COMPANY

RATES, RULES AND REGULATIONS

FOR

FURNISHING WATER AND WASTEWATER SERVICE IN THE TERRITORY SUPPLIED BY THE COMPANY IN THE CITY OF ALEXANDRIA, CITY OF HOPEWELL, A PORTION OF PRINCE GEORGE COUNTY, A PORTION OF PRINCE WILLIAM COUNTY AND THE FOLLOWING SUBDIVISIONS IN VIRGINIA: RIVERDALE, SOUTH HILL BANKS, ADAMS GROVE, BERKLEY BEACH, BLEAK HALL, DARL, DRIFTWOOD BEACH, CABIN POINT, GLEBE HARBOR, POTOMAC SHORES, WESTMORELAND SHORES, EBB TIDE BEACH, MARLE HILL, JETTY'S REACH, MONTROSS MOBILE HOME VILLAGE, BAYQUARTER SHORES, SHERWOOD FOREST SHORES, STRATFORD HARBOUR, CORROTOMAN BY THE BAY, CHURCH POINT, AND OLD PROSPECT LANDING.

**VIRGINIA-AMERICAN WATER COMPANY
ALEXANDRIA - HOPEWELL - PRINCE WILLIAM – EASTERN DISTRICTS**

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Applicable in all territory served by the Alexandria District.

AVAILABILITY OF SERVICE:

Available to all metered customers other than public authority customers and customers purchasing water for resale.

RATE:

	Gallons Per <u>Month</u>	Rate Per <u>100 Gallons</u>
For the first	2,000	(min. charge)
For all over	2,000	\$0.196440

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

<u>Size of meter</u>	<u>Minimum Charge</u> <u>Per Month</u>
5/8 inch	\$15.00
3/4 inch	\$22.50
1 inch	\$37.50
1 1/2 inch	\$75.00
2 inch	\$120.00
3 inch	\$225.00
4 inch	\$375.00
6 inch	\$750.00
8 inch	\$1,200.00

ACTIVATION CHARGE:

When a customer applies to initiate water service, a charge of twenty-five dollars (\$25.00) will be assessed to cover the cost of activating the service.

SERVICE CONNECTION CHARGE:

3/4 inch Service Connection	\$900.00
Service Connections over 3/4 inch	Actual cost to Company including overhead

All service connection charges will be gross-up for federal income tax if any should occur.
The customer shall pay to the Company the service connection charge prior to installation.

Turn-on and shut-off charges during normal scheduled working hours associated with new accounts, as well as non-payment and rules violation situations, will be \$25.00. An additional charge of \$25.00 will be made for all returned checks tendered.

METER RATES (Continued)

A multiple unit housing development owned by an individual, partnership or corporation other than a governmental authority where each and every unit in the development has at all times the same common owner, is located on a single site composed of one or more contiguous parcels; where the housing development owns, maintains and operates all lines of pipe for the distribution of water within the site; and where the housing development furnishes water to its tenants as part of the considerations for the rent charged and does not install, maintain or operate water meters for the submetering of water service; where the housing development enters into a special contract with the Company, with such guarantee as may be satisfactory to the Company, to pay to the Company, a minimum of \$ 5,000 per month for water service to said premises; at the regularly established rates of the Company.

Meters, except those installed on private fire connections or sewer exempt meters will be furnished, installed and removed by the Company and shall remain its property.

When meters are installed for the purpose of allowing customers to use water and be exempt from sewer charges, the customer shall provide a meter and installation at his expense; however, the meter location and type must be approved by the Water Company.

Turn-on and shut-off charges during normal scheduled working hours will be \$ 25.00.

An additional charge of \$ 25.00 will be made for all returned checks tendered

VIRGINIA-AMERICAN WATER COMPANY**Hopewell District****Water - S.C.C. VA. No. 12
Fifteenth Revised Page No. 3
Canceling Fourteenth Revised Page No. 3**

Applicable in all territory served by the Hopewell District.

AVAILABILITY OF SERVICE:

Available to all metered customers that purchase Potable Water except for public authority customers and customers purchasing water for resale.

METER QUANTITY CHARGE:

Where water is supplied by meter measurement, each customer shall be required to pay, and the Company shall collect for all water so supplied at the regular published schedule of rates, herein set forth, subject to the meter minimum charges herein stated.

RATE:

	<u>Gallons Per Month</u>	<u>Rate Per 100 Gallons</u>
For the first	2,000	(min. charge)
For the next	13,000	\$.76734
For the next	2,229,000	\$.54322
For the next	5,236,000	\$.31805
For the next	37,400,000	\$.12441
For All Over	44,880,000	\$.16735

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

<u>Size of meter</u>	<u>Minimum Charge Per Month</u>
5/8 inch	\$15.00
3/4 inch	\$22.50
1 inch	\$37.50
1 1/2 inch	\$75.00
2 inch	\$120.00
3 inch	\$225.00
4 inch	\$375.00
6 inch	\$750.00
8 inch	\$1,200.00
10 inch	\$1,650.00
12 inch	\$3,225.00

ACTIVATION CHARGE:

When a customer applies to initiate water service, a charge of twenty-five dollars (\$25.00) will be assessed to cover the cost of activating the service.

SERVICE CONNECTION CHARGE:

3/4 inch Service Connection	\$560.00
Service Connections over 3/4 inch	Actual cost to Company including overhead

All service connection charges will be gross-up for federal income tax if any should occur. The customer shall pay to the Company the service connection charge prior to installation.

Turn-on and shut-off charges during normal scheduled working hours associated with new accounts, as well as non-payment and rules violation situations, will be \$25.00. An additional charge of \$25.00 will be made for all returned checks tendered.

VIRGINIA-AMERICAN WATER COMPANY

Hopewell District

**Water - S.C.C. VA. No. 12
Eleventh Revised Page No. 4
Canceling Tenth Revised Page No. 4**

Applicable in all territory served by the Hopewell District.

AVAILABILITY OF SERVICE:

Available to all metered customers that purchase non-potable service and have potable and non-potable annual consumption averages greater than or equal to 3 million gallons per day, except public authority non-potable customers.

METER QUANTITY CHARGE:

Where water is supplied by meter measurement, each customer shall be required to pay, and the Company shall collect for all water so supplied at the regular published schedule of rates, herein set forth, subject to the meter minimum charges herein stated.

RATE:

	<u>Gallons per Month</u>	<u>Rate Per 100 Gallons</u>
For the first	74,800 (00) gal.	\$0.18010
For the next	2,169,200 (00) gal.	\$0.12070
All over	2,244,000 (00) gal.	\$0.13300

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

<u>Size of meter</u>	<u>Minimum Charge Per Month</u>
5/8 inch	\$15.00
3/4 inch	\$22.50
1 inch	\$37.50
1 1/2 inch	\$75.00
2 inch	\$120.00
3 inch	\$225.00
4 inch	\$375.00
6 inch	\$750.00
8 inch	\$1,200.00
10 inch	\$1,650.00
12 inch	\$3,225.00

VIRGINIA-AMERICAN WATER COMPANY

Hopewell District

**Water - S.C.C. VA. No. 12
Tenth Revised Page No. 4A
Canceling Ninth Revised Page No. 4A**

Applicable in all territory served by the Hopewell District.

AVAILABILITY OF SERVICE:

Available to all metered customers that purchase non-potable service and have potable and non-potable annual consumption averages less than 3 million gallons per day, except public authority non-potable customers.

METER QUANTITY CHARGE:

Where water is supplied by meter measurement, each customer shall be required to pay, and the Company shall collect for all water so supplied at the regular published schedule of rates, herein set forth, subject to the meter minimum charges herein stated.

RATE:

	<u>Gallons per Month</u>	<u>Rate Per 100 Gallons</u>
For the first	74,800 (00) gal.	\$0.24730
For the next	149,600 (00) gal.	\$0.21190
For all over	224,400 (00) gal.	\$0.11770

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

<u>Size of meter</u>	<u>Minimum Charge Per Month</u>
5/8 inch	\$15.00
3/4 inch	\$22.50
1 inch	\$37.50
1 1/2 inch	\$75.00
2 inch	\$120.00
3 inch	\$225.00
4 inch	\$375.00
6 inch	\$750.00
8 inch	\$1,200.00
10 inch	\$1,650.00
12 inch	\$3,225.00

Applicable in all territory served by the Prince William District.

AVAILABILITY OF SERVICE

Available to all metered customers other than public authority customers and customers purchasing water for resale.

RATE:

	Gallons Per <u>Month</u>	Rate Per <u>100 Gallons</u> (min. charge)
For the first	2,000	
For all over	2,000	\$.46278

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

<u>Size of meter</u>	<u>Minimum Charge</u> <u>Per Month</u>
5/8 inch	\$15.00
3/4 inch	\$22.50
1 inch	\$37.50
1 1/2 inch	\$75.00
2 inch	\$120.00
3 inch	\$225.00
4 inch	\$375.00
6 inch	\$750.00
8 inch	\$1,200.00
10 inch	\$1,650.00
12 inch	\$3,225.00

ACTIVATION CHARGE:

When a customer applies to initiate water service, a charge of twenty-five dollars (\$25.00) will be assessed to cover the cost of activating the service.

SERVICE CONNECTION CHARGE:

3/4 inch Service Connection	\$675.00
Service Connections over 3/4 inch	Actual cost to Company including overhead

All service connection charges will be gross-up for federal income tax if any should occur. The customer shall pay to the Company the service connection charge prior to installation.

Turn-on and shut-off charges during normal scheduled working hours associated with new accounts, as well as non-payment and rules violation situations, will be \$25.00. An additional charge of \$25.00 will be made for all returned checks tendered.

VIRGINIA-AMERICAN WATER COMPANY
Eastern District

Water - S.C.C. VA. No. 12
Third Revised Page No. 5.A
Canceling Second Revised Page No. 5.A

Applicable in all territory served by the Eastern District.

AVAILABILITY OF SERVICE:

Available to all metered customers other than customers purchasing water for resale.

WATER RATE:

	Gallons Per <u>Month</u>	Rate Per <u>100 Gallons</u>
<u>Bi-monthly</u>		
For the first	4,000	\$109.56/Min. Charge
For all over	4,000	\$1.19572
 <u>Monthly</u>		
For the first	2,000	\$54.78/Min. Charge
For all over	2,000	\$1.19572

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

<u>Size of meter</u>	<u>Bi-monthly</u>	<u>Monthly</u>
5/8 inch	\$109.56	\$54.78
3/4 inch	\$109.56	\$54.78
1 inch	\$109.56	\$54.78
1 1/2 inch	\$109.56	\$54.78
2 inch	\$109.56	\$54.78
3 inch	\$109.56	\$54.78
4 inch	\$109.56	\$54.78
6 inch	\$109.56	\$54.78
8 inch	\$109.56	\$54.78

Division of Utility Regulation
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Applicable in all territory served by the Eastern District.

ACTIVATION CHARGE:

When a customer applies to initiate water service, a charge of twenty-five dollars (\$25.00) will be assessed to cover the cost of activating the service.

\$25.00

COLLECTION FEE:

This charge is applicable for all customers when a customer pays a past due bill at the time that Company personnel visits the premise with the intent to disconnect the service for non-payment.

Rate:

Each Occurrence

Collection Fee

\$25.00

SERVICE CONNECTION CHARGE:

3/4 inch Service Connection	<u>\$1,200.00</u>
Service Connections over 3/4 inch	Actual cost to Company including overhead

All service connection charges will be gross-up for federal income tax if any should occur. The customer shall pay to the Company the service connection charge prior to installation.

RECONNECTION FEE:

This charge is applicable for all customers where service has been disconnected.

Rate:

Each Occurrence

Reconnection Fee

\$50.00

RETURNED CHECK CHARGE:

This charge is applicable for all customers where the customers check or bank draft is returned by the Bank for insufficient funds, closed account or some other appropriate reason.

Rate:

Each Occurrence

Return Check Charge

\$25.00

Division of Utility Regulation
Accepted for Filing
June 8, 2017

Applicable in all territory served by the Prince William Wastewater District.

AVAILABILITY OF SERVICE FOR METERED CHARGES:

Available to all metered customers, based on water usage.

RATE:

	Gallons Per <u>Month</u>	Rate Per <u>100 Gallons</u>
For the first	2,000	(min. charge)
For all over	2,000	\$.56130

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

<u>Size of meter</u>	<u>Minimum Charge</u> <u>Per Month</u>
5/8 inch	\$20.00
3/4 inch	\$30.00
1 inch	\$50.00
1 1/2 inch	\$100.00
2 inch	\$160.00
3 inch	\$300.00
4 inch	\$500.00

UNMETERED CHARGES:

This charge is a flat rate fee for customers not metered for water consumption by Virginia American Water Company.

Per Connection \$36.84 per month

CAPACITY CHARGE:

The following Capacity Charge will be collected from each customer prior to the issuance of a building permit to construct and connect each new premise to be served:

Residential

Single family dwelling, including trailers:	\$1,800.00
Apartments (one apartment = one unit):	\$1,800.00 per unit

Commercial

\$1,800.00 per tap

For commercial customers, the Capacity Charge shall be assessed based on the number of equivalent taps estimated when the connection is established in accordance with this Schedule of Rates. For purposes of this calculation, the number of equivalent taps shall be rounded up or down to the nearest whole number. If the customer's actual usage differs from the estimated usage, the Company shall not collect any additional Capacity Charges or be required to make any refund.

Division of Utility Regulation
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RIDER A

Purchased Water Surcharge

The rates charged for water in the Alexandria and Prince William Districts are subject to fluctuation in accordance with the following formula:

1. On December 1 of each year (and during the month in which this adjustment becomes effective), the Company shall compute a Purchased Water Surcharge in the following manner:

P1 = The Cost of water to be paid by the Company to Fairfax County Water Authority on estimated purchases during the succeeding year, taking into account all proposed charges.

P2 = The number of gallons used in the computation made pursuant to P1 above priced at 43.2¢ per 1,000 gallons in the case of the Alexandria District and 32¢ per 1,000 gallons in the case of the Prince William District.

S = Estimated sales in 1,000 gallons during such succeeding year (or remainder of the first year.)

T = The sum of the state and local gross receipts tax rates (expressed as a percentage) to be effective during the next succeeding year (or remainder of the first year).

The surcharge per 1,000 gallons is computed as follows:

$$\frac{(P1 - P2)}{(S)} * \frac{(1)}{(1 - T)} = \text{Purchases Water Surcharge}$$

The surcharge shall be computed separately for the Alexandria and Prince William Districts.

The computation shall be submitted to the Commission and, unless disapproved because of incorrect calculations, shall be applied to all bills rendered after January 1 of the succeeding year.

2. On or before June 1 of each year beginning in 1990, the Company shall submit to the Commission a Purchased Water Adjustment Factor as follows:
 - A = The amount charged or credited to the Company by Fairfax County Water Authority because the actual amount of charges was greater or less than the estimated amount used in the computation of bills rendered during the preceding calendar year.
 - B = The amount over or under collected in the previous years Purchased Water Adjustment Factor, excluding gross receipts taxes (True-up Mechanism).
 - C = The estimated number of gallons expressed in 1,000 gallon terms to be sold by the Company from June 1 through December 31 of the current year.
 - T = The sum of the state and local gross receipt tax rates (expressed as a percentage) to be effective during the current year.

The additional surcharge or credit (Purchased Water Adjustment Factor) is computed as follows:

$$\frac{(A + B) * \frac{1}{(1 - T)}}{C} = \text{Purchased Water Adjustment Factor}$$

This computation shall be made separately for the Alexandria and Prince William Districts.

VIRGINIA-AMERICAN WATER COMPANY

Alexandria District
Prince William District

Water - S.C.C. Va. No. 12
Original Page No. 8

This computation shall be submitted to the Commission and, unless it is disapproved because of incorrect calculations, the additional surcharge shall be charged or the special credit shall be credited on bills rendered for all water sales between June 1 and December 31.

Division of Utility Regulation

Accepted for Filing
June 8, 2017

FILED: June 14, 2001

EFFECTIVE: March 6, 2000

RIDER A
ALEXANDRIA DISTRICT
 Computation of the Purchased Water Adjustment Rate
 In Accordance with Rider A Original Sheet No. 18 S.C.C. VA. No. 11.

- A = Amount charged or (credited) to Company by Fairfax County Water Authority to adjust estimated expense to actual.
- B = Amount (over) or under collected in the previous year's Purchased Water Adjustment factor, excluding gross receipts taxes (True-up Mechanism - ACA).
- P1 = FCWA Occoquan Plant Replacement Monthly Amount
(To Reflect Change in Monthly Payment)
- C = Estimated sales from June 1 through December 31 (1,000 gallons).
- T = Sum of state and local gross receipts tax rate.

$$\frac{(A + B - P1)}{C} \times \frac{1}{(1 - T)}$$

$$\frac{74,815}{3,044,877} \times \frac{1}{(1 - .0266)}$$

$$\frac{74,815}{3,044,877} \times 1.027327$$

$$\frac{76,859}{3,044,877} = 0.0252$$

Rate used			0.025
Surcharge effective 06/01/18:			0.025
January 1, 2018 Surcharge Rate			\$1.429
June 2018 Adjustment			<u>0.025</u>
Net Surcharge	Per 1,000 Gallons	\$	1.4540
	Per 100 Gallons	\$	0.1454

Effective : June 1, 2018

Division of Utililty Regulation
Accepted for Filing
June 18, 2018

RIDER A
PRINCE WILLIAM DISTRICT
 Computation of the Purchased Water Adjustment Rate
 In Accordance with Rider A Original Sheet No. 18 S.C.C. VA. No. 11.

- A = Amount charged or (credited) to Company by Fairfax County Water Authority to adjust estimated expense to actual.
- B = Amount (over) or under collected in the previous year's Purchased Water Adjustment factor, excluding gross receipts taxes (True-up Mechanism - ACA).
- C = Estimated sales from June 1 through December 31 (1,000 gallons).
- T = Sum of state and local gross receipts tax rate.

$$\frac{(A + B)}{C} \times \frac{1}{(1 - T)}$$

$$\frac{(73,958)}{885,101} \times \frac{1}{(1 - .0245)}$$

$$\frac{(73,958)}{885,101} \times 1.025115$$

$$\frac{(75,815)}{885,101} = (0.0857)$$

Rate used		
Surcharge effective 06/01/18:		(0.086)
January 1, 2018 Surcharge Rate		\$2.205
June 2018 Adjustment		<u>(0.086)</u>
Net Surcharge	Per 1,000 Gallons	\$ 2.1190
	Per 100 Gallons	\$ 0.2119

Effective : June 1, 2018

Division of Utility Regulation
 Accepted for Filing
 June 18, 2018

**WATER & WASTEWATER INFRASTRUCTURE
SERVICE CHARGE “WWISC” RIDER**

In addition to the net charges provided for in this Tariff, a Water & Wastewater infrastructure service charge of \$0.01800 for each 100 Gallons (CGL) of water used shall become effective for service rendered on and after March 1, 2018. In accordance with the Company’s infrastructure replacement plan, customers receiving service under Rate Schedule 1(Alexandria) shall be subject to a WWISC Rider.

The above charges will be recomputed annually, as approved by the Commission in its Final Order issued in Case No. PUE-2015-00097.

1. GENERAL DESCRIPTION

Purpose: To recover the fixed costs(depreciation and pre-tax return) of eligible infrastructure: A water utility project that: (i) maintains and enhances safety, reliability and efficiency; (ii) addresses primary and secondary water quality standards as defined by the Virginia Department of Environmental Quality, Virginia Department of Health, or U.S. Environmental Protection Agency; or (iii) reduces or has the potential to reduce unaccounted-for-water; or mitigates negative environmental impacts. Eligible Infrastructure shall not include the investment in water utility infrastructure included in the water utility's rate base in its most recent rate case or include projects that increase revenues by directly connecting the infrastructure to new customers.

Eligible Property: The WWISC-eligible property will consist of the following:

Water utility project means: 1) transmission and distribution system mains installed as in-kind replacements (account 331), valves, utility service lines (including meter boxes and appurtenances) (Account 333), hydrants installed as in-kind replacements (Account 335); and 2) main extensions installed to eliminate dead ends and to implement solutions to regional water supply in order to comply with primary and secondary drinking water standards;

"Investment" means costs incurred on eligible infrastructure projects net of retirements, including planning, development, and construction costs; costs of infrastructure associated therewith.

"In-kind replacement" means replacement with new materials and or equipment designed, constructed, and sized to meet current industry standards, and federal, state or local regulation.

"WWISC Plan" means the infrastructure replacement plan filed in Case No. PUE-2015-00097 or subsequent proceeding and approved by the Commission that identifies proposed types of eligible infrastructure projects and a WWISC rider.

"WWISC Rider" means a recovery mechanism that will allow for recovery of the eligible infrastructure costs, through a separate mechanism from the customer rates established in a rate case.

2. APPLICATION

A. The WWISC Rider shall be computed annually and comprised of: a "Current Service Charge" as determined in 3. A. below and a "Reconciliation Credit/Charge" as determined in 3. B. below. The WWISC Rider shall be applied to meter readings on and after March 1, 2018.

B. The WWISC Rider shall be applied as a percentage of the total water charge (service charge plus usage charge)

3. COMPUTATION**A. Current Service Charge**

The initial Current Service Charge, effective March 1, 2018, shall be calculated to recover the fixed costs of eligible infrastructure investment that have not previously been reflected in the Company's rate base and investments to be placed in service between April 1, 2017, and December 31, 2018. Thereafter, the WWISC will be updated on an annual basis to reflect eligible infrastructure to be placed in service during the annual rate period. Eligible changes in the WWISC rate will occur as follows:

Filing Date	Effective Date of Service Charge:	Date to which WWISC-Eligible Plant Additions Reflected
10/31/2017	3/1/2018	December 31, 2018
10/31/2018	3/1/2019	December 31, 2019
10/31/2019	3/1/2020	December 31, 2020

The Current Service Charge shall be computed and filed annually by dividing the respective revenue requirement allocated by rate schedule (as defined herein) by the estimated total water sales by rate schedule for the applicable period.

The Company will calculate the WWISC Rider for each year as follows:

- 1) The Company will determine the eligible infrastructure replacement costs by rate schedule as defined below for the annual period the WWISC Rider will apply.
- 2) The Company will estimate the annual water sales by rate schedule for that annual period.
- 3) The Company will divide the revenue requirement by the estimated water sales to arrive at the WWISC Rider that shall be allocated in conformance with the revenue allocation approved by the Commission in Case No. PUE-2015-00097 by rate schedule.

Eligible infrastructure costs to be included in the WWISC Rider include:

- 1) Return on the Investment - The Company's rate of return on rate base approved by the State Corporation Commission in the utility's most recent rate case (PUE-2015-00097) shall be used in WWISC Riders. Thereafter, if the beginning of the rate year is more than five years beyond the date on which the cost of equity became effective (i.e. with interim base rates) the Commission may require the utility to file an updated weighted average cost of capital, or the utility may propose an updated weighted average cost of capital. The utility may recover the external costs associated with establishing its updated weighted average cost of capital through the WWISC Rider. Such external costs shall include legal costs and consultant costs;
- 2) Revenue Conversion factor - including income taxes and an allowance for bad debt expense, shall be applied to the required operating income resulting from the eligible infrastructure replacement costs;
- 3) Depreciation – In calculating depreciation, the Company shall use its current depreciation rates;
- 4) Property Taxes - The Property Tax rate is based on the property tax rate reflected in the Company's latest base rates. (PUE-2015-00097);
- 5) Carrying Costs - Carrying costs on the over-or-under recovery of the "Eligible infrastructure replacement costs" will be calculated at the end of a twelve-month period. The calculation will determine the over-or-under recovered amount at the end of each month. Carrying costs will be based on a series of two-month averages of over- or under-recoveries for the year being reconciled multiplied by the cost of capital (including the revenue conversion factor) as described in numbers 1 and 2 above.

B. Reconciliation Credit/Charge

A Reconciliation Credit/Charge shall be computed at the conclusion of each annual period of the WWISC Rider based on the cumulative over- or under-recovery balance as of the end of the annual period being reconciled. The cumulative recovery balance shall be included in the WWISC Rider reconciliation Credit/Charge in the following annual period.

4. FILING

The Company shall file annually in a docketed proceeding with the Commission a copy of the computation of the WWISC Rider current Service Charge and/or Reconciliation Credit/Charge at least one hundred twenty (120) days prior to application on customers' bills. The Company shall file all reasonably necessary schedules to permit the Commission Staff to verify all Current Service Charge and Reconciliation Credit/Charge. The Company will also file a list of all water infrastructure projects completed during the applicable period for any Reconciliation Credit/Charge and anticipated in the upcoming period used in calculating the Current Service Charge.

5. OTHER

The Company will apply the following in its application of the WWISC Rider:

CAP: The WWISC Current Service Charge, as well as the WWISC Rider, will be capped at 7.50% of the revenue requirement by district as established in the most recent base rate case.

Audit/Reconciliation: The WWISC will be subject to audit at intervals determined by the Commission. It will also be subject to annual reconciliation based on a reconciliation period consisting of the twelve months ending for each Rate Year. The WWISC Reconciliation Credit/Charge will be recouped or refunded, as appropriate, over the remaining portion of the rate year once Commission Staff has completed its review of the Company's reconciliation of the preceding WWISC. If WWISC revenues exceed WWISC-eligible costs, such over-collections will be refunded including a carrying cost. If WWISC eligible costs exceed WWISC revenues, such under-collections will be charged. The true-up of prior year collections will be applied to the customer's bill as a reconciliation credit or charge.

New Base Rates: The WWISC Current Service Charge will be reset at zero upon application of new base rates to customer billings that provide for prospective recovery of the annual costs that had theretofore been recovered under the WWISC. Thereafter, only the fixed costs of new eligible plant replacements that have not previously been reflected in the Company's rate base, would be reflected in the annual WWISC Rider.

Earnings Test: WWISC collections shall be subject to review within annual earnings tests filed by the Company. To the extent annual WWISC collections result in annual earnings above the authorized return on common equity, the lesser of (a) WWISC collections or (b) the revenue requirement effect of excess earnings shall be returned to ratepayers in the following WWISC Reconciliation Credit/Charge.

Customer Notice: Customers shall be notified of changes in the WWISC by including appropriate information with the first bill they receive following any change to the WWISC Rider Current Service Charge and or/Reconciliation Credit/Charge.

RULES AND REGULATIONS

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Division of Utility Regulation

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EFFECTIVE:

RULES AND REGULATIONS

The Rules and Regulations, as herein set forth, or as they may hereafter be altered or amended in a regular or legal manner, shall govern the rendering of water and wastewater service, including the extension of mains and the making of connections thereto, and every customer, upon signing an application for any service rendered by the Company, or upon the taking of water or wastewater service, shall be bound thereby.

RULE NO. 1 - DEFINITIONS:

- (a) A “service connection” is a pipe used to supply a single premise only, and no premises shall be supplied by more than one service connection unless agreed upon between the owners and the Company.

- (b) “Premises” as used herein shall mean:
 - 1. A building under one roof, owned or leased by one party and occupied as one business or residence; or
 - 2. A combination of buildings, owned or leased by one party in one common enclosure, occupied by one family or business, exclusive of apartment houses; or
 - 3. The one side of a double house, having a solid vertical partition wall; or
 - 4. A building owned or leased by one party, of more than one apartment, and using in common one hall and one entrance; or
 - 5. A building owned or leased by one party, having a number of apartments or offices, and using in common one hall and one or more means of entrance; or
 - 6. A building owned or leased by one party having a number of apartments, offices or lofts which are rented to tenants; or
 - 7. A combination of contiguous apartment buildings owned or leased by one party having a number of apartments which are rented to tenants; or
 - 8. Each local housing authority created pursuant to State law operating without profit a low rent housing and slum clearance project which is located on a single site, provided that such site may be composed of one or more contiguous parcels and provided further that roadways through the site shall not be considered as dividing or separating the same into more than one site. Each such project will be billed for the consumption of the project as totaled whether or not one or more meters are used; or

RULES AND REGULATIONS**RULE NO. 1- DEFINITIONS: (CONTINUED)**

- (b) 9. A public building such as a town hall, school house, fire engine house, etc.;
or
10. A single lot or park or playground; or
11. Each house or building in a row having common walls.
- (c) A “customer” is any party contracting for and receiving water service through a meter connection or contracting for and receiving wastewater collection, treatment and/or disposal service.
- (d) “Company” as used herein is Virginia-American Water Company.
- (e) “Property Owner”
- (f) “Developer”
- (g) B.O.D. (Biochemical Oxygen Demand): The quantity of oxygen, expressed in milligrams per liter, utilized in the biochemical oxidation of organic matter under the standard laboratory procedure for five (5) days at twenty (20) degrees Centigrade. The standard laboratory procedure shall be that found in the latest approved edition of “Standard Methods for the Examination of Water and Sewage” published by the American Public Health Association.
- (h) Domestic Wastewater: The liquid waste or liquid borne waste: (1) resulting from the non-commercial preparation, cooking and handling of food; (2) consisting of human excrement; or (3) consisting of wastewater, non-commercial laundering water, domestic housekeeping wastewater, and similar types of wastes from sanitary uses, whether generated in residences or sanitary facilities in commercial or industrial facilities, but does not include any storm water or ground water introduced from facilities such as roof leaders, sump pumps, floor drains or industrial wastewater. Domestic Wastewater includes sanitary wastes having suspended solids (SS) less than 300mg/L, 5 day Biochemical Oxygen Demand (BOD%) less than 300 mg/L, and a chlorine demand less than 25mg/L.
- (i) Garbage: The solid wastes from domestic cooking and dispensing of food, and from the handling and storage of produce.
- (j) Garbage Properly Shredded: The term “Properly Shredded Garbage”, as used herein, shall mean the wastes from the preparation, cooking, and dispensing of food that have been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-half inch in dimension.

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- (k) Grinder pump: Any mechanical or powered device, owned by the Customer, used to grind, macerate or fluidize garbage so that it can be discharged into the Sanitary Sewer.
- (l) Industrial/Commercial Wastes: Any liquid, gaseous or water borne wastes from industrial processes or commercial establishments, as distinct from domestic wastewater.
- (m) Industrial/Commercial Waste Permit: A wastewater permit issued as required by the Company to an Industrial/Commercial user which discharges Industrial/Commercial Waste.
- (n) Industrial/Commercial Waste Pretreatment Program: A program established by the Company that requires industrial and commercial dischargers to monitor, test, treat and control as necessary pollutants in their wastewater prior to discharge into the Sanitary Sewer.
- (o) Pretreatment: The application of physical, chemical and/or biological processes to reduce the amount of pollutants in, or alter the nature of the polluting properties of, an industrial/commercial process wastewater prior to discharging such wastewater into the Sanitary Sewer.
- (p) Suspended Solids: Solids that either float on the surface of, or are in suspension in water, wastewater, or other liquids, and which are largely removable by filtration.
- (q) Toxic Substances: Any substances where gaseous, liquid or solid waste which, when discharged to a public sewer in sufficient quantities, will be detrimental to any biological wastewater treatment process, constitute a hazard to human beings or animals, inhibit aquatic life, or create a hazard to recreation in receiving waters of the effluent from a wastewater treatment plant, or as defined pursuant to PL 92500 (Federal Water Pollution Control Act Amendments of 1972) or its amendments.

RULE NO. 2 SERVICE CONNECTIONS:

- (a) Before a service connection is provided, the owner of the premises to be supplied, or his duly authorized representative, shall make application for service upon forms prescribed by the Company, and pay to the Company the service connection charges as herein provided on the appropriate District Tariff sheet.
- (b) Non domestic wastewater service customers which desire to discharge Industrial/Commercial Wastes into the Sanitary Sewer or existing industrial/commercial users which desire to commence operations of a new facility or a new or different process that will affect the characteristics of the wastewater discharging into the Sanitary Sewer, shall notify the Company prior to the commencement of the new or different operations at the facility and provide such other information regarding the proposed discharge as the Company may request, including an application for an Industrial Waste Discharge Permit when deemed necessary.
- (c) Upon approval of the application for water service, the Company shall install the service connection from the main in the street to the outlet side of the curb stop when the meter is installed inside the property line of the premises or to the meter box when the meter is installed at the curb or property line.
- (d) Upon approval of the application for wastewater service, the Company shall install the service connection from the main to the property line or right-of-way.
- (e) The Company will maintain and replace when necessary all water service connections from the main to the curb box or outside meter setting, and all wastewater service connections from the main to the property line or right-of-way.
- (f) The Company will make all connections to its mains and will specify the size, kind and quality of all materials entering into the service connection.
- (g) The corporation cock, curb cock, curb box and service pipe from the street main to the curb box laid at right angles to the main will be furnished and installed by and shall remain the property of the Company and under its sole control and jurisdiction.
- (h) These rules and regulations shall not apply to special connections for fire service, or to service of a temporary nature. Such special connections for fire service and services of a temporary nature shall be installed, maintained, replaced and removed at the expense of the owner, but such installation shall be subject to approval by the Company.

RULE NO. 3 - CUSTOMER'S SERVICE PIPES:

- (a) The Company will specify the size, kind and quality of the materials which shall be laid between the property line and the structures on the premises to be supplied.
- (b) The wastewater service pipe from the property line or right-of-way line to the premise, not less than 4 inch diameter, shall be furnished and installed by the customer at his expense and risk.
- (c) The water service pipe from the property line to the place of consumption, not less than 3/4 inch diameter, shall be furnished and installed by the customer at his expense and risk.
- (d) The customer's service pipe and all connections and fixtures attached thereto shall be subject to the inspection and approval of the Company before water or wastewater services will be provided.
- (e) The customer's water service pipe shall be laid at all points at least three feet (3') below the surface of the ground and shall be installed in a trench at least ten feet (10') in a horizontal direction from any sewer trench and two feet (2') from any other trench unless otherwise specifically authorized or approved by the Company. In backfilling the trench, rock or ashes shall not be permitted within one foot (1') of the service pipe and clean soil shall be filled into a depth of at least one foot (1') over the service pipe. All installation shall conform to Commonwealth of Virginia Waterworks Regulations.
- (e) The water service customer shall install a stop and waste cock of a type approved by the Company on the service pipe immediately inside the foundation wall of the building supplied, or immediately outside of the foundation in a suitable tile or vault, and so located as to be easily accessible to the occupants and to provide proper drainage for all of the pipe line in the building and the meter if installed in the building.
- (f) The wastewater customer shall install a clean-out of a type approved by the Company on the wastewater service pipe near the foundation of the premise.
- (g) No fixture shall be attached to or any branch made in the service pipe between the meter and the street main.
- (h) Any repairs, maintenance, replacement or relocation necessary on the customer's service pipe or fixtures in or upon the customer's premises shall be performed by the customer at his expense and risk.

RULE NO. 3 - CUSTOMER'S SERVICE PIPES: (CONTINUED)

- (i) All service lines, connections and fixtures furnished by the customer shall be maintained by the Customer in good working order, and enable the Company to perform routine operations and maintenance work without being damaged or causing leaks.
- (j) All valves, meters and appliances furnished by the Company and on property owned or leased by the Customer shall be protected properly by the customer.
- (k) All leaks in the Customer service line or any pipe or fixtures in or upon the customer's premises must be repaired immediately by the Customer as determined solely by the Company.
- (l) Customer Grinder Pump: In areas of the collection system where the Company has installed a pressure sewage collection system or where required as determined by the Company, the Customer, in conjunction with the construction of their service line, shall install, own, operate, and maintain and replace a grinder pump and holding tank at the Customer's expense as specified by the Company prior to connection and shall maintain such facilities in good order and repair. The pump shall meet specifications as provided by the Company. The failure of a customer to properly install and maintain a grinder pump, including replacement, shall constitute grounds for the Company to initiate action to terminate service to the customer and seek recovery for any damage to the Company's facilities caused by an improperly functioning grinder pump.
- (m) Customer Lead Service Line Replacement Program: Notwithstanding any other provision of this Rule No. 3, the Company will perform the following subject to obtaining the customer's permission: As the Company replaces or relocates its service lines in connection with its main and lead service line replacement programs, the Company will replace a customer's service line that is i) made of lead pipe, ii) made of pipe lined with lead or iii) made of ferrous-based pipe material capable of retaining lead particles, and connected to the Company-owned service line being replaced or relocated by the Company. The Company may, however shall not be required to, replace a customer's service line as identified in this rule No. 3 (m) at the Company's initial cost, subject to the Replacement Maximum and offset this cost with funds received from Virginia Department of Health State Revolving Fund program and/or funds from any other source, including the customer, for any costs that exceed available VDH funding. The Company may request a deposit from its customers to the extent it estimates the costs of the customer's service line to exceed available funding from the VDH or any other source. The Replacement Maximum shall represent the maximum dollar amount of replacement and restoration costs the Company will be responsible for paying per each customer service line replacement as defined in Rule No. 3 (m). The Replacement Maximum shall be equal to the amount of

grant funds available for each service line replaced in the year it is being replaced under the Virginia Department of Health's ("VDH's") Drinking Water State Revolving Fund Program ("DWSRF Program"). If grant funds are not available under the DWSRF Program or from any similar source of available grant funding in the year the customer's service line is being replaced, the Replacement Maximum shall be zero. Where the Company anticipates that costs will exceed the Replacement Maximum, the customer will be provided an estimate in advance of the replacement work and will be required to deposit with the Company, in advance, a sum estimated by the Company to cover the additional cost. The deposit shall be adjusted upon completion of the work to agree with the actual additional cost and expense to the Company above the Replacement Maximum. If the actual incremental costs exceed the deposit amount, the customer will be billed for the difference. If the actual incremental costs are less than the deposit amount, the customer will be refunded the difference.

After the Company replaces the customer's service line, as defined in Rule No. 3 (m), the customer will continue to own and be responsible for the customer's service line, including maintenance of such line, in accordance with Rule No. 3(h) of this tariff. The Company will offer the customer a warranty of the workmanship of its installation of the new service line for a period of 12 months following the date the customer signs the replacement agreement with the Company, with the Company's liability limited to the cost of repairing or replacing the Customer service line during that time. Except for the Company's limited liability under the 12-month workmanship warranty, the Company will not own nor assume any liability or responsibility with respect to the customer service line. The customer will agree in the replacement agreement with the Company to release and hold harmless the Company, its contractors and subcontractors, from and against all claims, liability and costs resulting from acts and omissions of Company and/or its approved contractors and/or subcontractors in installing the Customer service line.

RULE NO. 4 - CROSS CONNECTIONS AND BACK SIPHONAGE:

- (a) No pipe or fixtures connected with the mains of the Company shall also be connected with pipes or fixtures supplied with water from any other source.
- (b) Piping systems supplying swimming pools or tanks shall be so arranged as to prevent water from re-entering the water distribution system by siphonage or other means. An independent supply pipe shall be provided in such a way that its discharge end is at least eight inches (8") above the highest possible water level in such a swimming pool or tank. These installations shall, in each case, be approved by the Company.
- (c) The plumbing on all premises supplied from the Company's water system shall conform to the Commonwealth of Virginia Waterworks Regulations, and any local codes which may be applicable.

RULE NO. 5 - WASTEWATER CONTROLS:

- (a) General Prohibitions:
- (1) No storm water from pavements, area ways, runoff basins, roof runoff water, foundation drains, subsurface drains, water from springs, cooling water, basement sump pumps, unpolluted industrial or commercial process water or other sources shall be admitted to the Company Sanitary Sewer.
 - (2) The discharge of garbage to the Sanitary Sewer is expressly prohibited. Properly shredded biodegradable garbage may be discharged into the Sanitary Sewer with no particle greater than one-half inch in dimension.
- (b) Sampling and Analysis:
- (1) All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in the Company's rules may be determined in accordance with the latest EPA approved editions of "Standard Methods for the Examination of Water and Wastewater" approved and published jointly by the American Public Health Association, the American Water Works Association, and/or the Water Pollution Control Federation or other reference sources specified by regulatory agency requirements, such as "Methods for Chemical Analysis of Water and Wastes," U.S.E.P.A. 1974 or its subsequent updated version.
 - (2) All measurements, test, inspections and analyses deemed by the Company to be necessary under this Section or any other part of the Rules and Regulations of the Company, shall be done by the Company or its agents, employees or contractors. If the measurements, test, inspections and/or analyses determine that a customer has created a situation which is in violation of any statute, ordinance, rule or regulation then the customer shall be required to pay all costs incurred in order to measure, test, inspect, analyze and remedy the situation. Otherwise, the costs involved are to be borne by the Company. Costs assessed against a Customer pursuant to this Section shall be in addition to any other fees charged by the Company. The costs shall be payable within 30 days of presentation of a bill for such costs by the Company to the Customer(s).
 - (3) Where the Company deems it advisable, it may require any customer discharging wastes to install and maintain, at his or her own expense, in a manner approved by the Company or its representative, a suitable device to continuously measure and record the pH of the wastes so discharged.
 - (4) In the event any person, firm or corporation producing any industrial wastes otherwise excluded from the Sanitary Sewer, desires to discharge the same into any portion of the Company's sanitary sewer system, the Company may at its option, consent to such discharge. Such consent may be made contingent upon the applicant providing and maintaining apparatus for regulating the rate of discharge and/or treating the wastes at his or its expense prior to discharge as the Company may deem necessary. Such consent will stipulate the location and type of metering device to be used for measuring the quantity of such wastes discharged to the sewage

RULE NO. 5 - WASTEWATER CONTROLS: (CONTINUED)

system, and will also stipulate the method and frequency of sampling such wastes. Each analysis will be made on a composite of twenty-four (24) hourly (or a larger number of more frequent) samples of wastes collected over a singly twenty-four (24) hour day; the volume of each of the samples will be proportional to the rate of Waste flow. The average suspended solid content or acid equivalent of the wastes for the quarter will be calculated in such a manner as to be as truly representative of the entire quarterly flow and composition of the waste as possible. Particular care will be exercised to insure that the difference in character or composition of the wastes during the week ends or nights when industrial operations are at a minimum, are properly considered in arriving at quarterly averages.

- (c) Prohibited Discharges: The Company reserves the right to refuse connection to its Sanitary Sewer and/or to compel the discontinuance of the use of any system, or to require pre-treatment of Wastes by any Customer, in order to prevent the discharge of any Wastes to the Sanitary Sewer system which may be deemed harmful to the Sanitary Sewer system, or to have an adverse effect on the sewage treatment processes. Except from the written consent of the Company, there shall be excluded from the sewage system but not limited to, any wastes having suspended solids (SS) in excess of 300 mg/L, 5 day Biochemical Oxygen Demand (BOD5) in excess of 300 mg/L, a chlorine demand in excess of 25 mg/L and Wastes having any or all of the following characteristics:
- (1) Wastes containing any gasoline, naphtha, fuel, oil or other liquids, solids or gases which by reason of their nature or quality may cause fire or explosion or be in any other way injurious to persons, the structures of the wastewater system or its operation.
 - (2) Wastes having a temperature in excess of 120 degrees F. or less than 32 degrees F that enters the Sanitary Sewer or Wastes entering the plant that increase the temperature of the Wastewater at the headworks of the plant to exceed 104 degrees F.
 - (3) Wastes having a pH lower than 6.0 or higher than 9.0, or having any corrosive property capable of causing damage or hazards to structures, equipment or personnel of the wastewater system.
 - (4) Wastes containing any noxious or malodorous gas or substance that either singly or by interaction with sewage or other wastes is likely in the opinion of the Company to create a public nuisance or hazard to life or prevent entry to sewers for their maintenance and repair.

RULE NO. 5 - WASTEWATER CONTROLS: (CONTINUED)

- (5) Wastes containing ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, hair, chemical or paint residues, greases, paunch, manure, dairy products, cotton, wool, plastic or other fibers, lime, slurry or any other solid or viscous material of such character or in such quantity as in the opinion of the Company may cause an obstruction to the flow in sewers or otherwise interfere with the proper operation of the sewer system.
- (6) Wastes containing insoluble, non-flocculent substances having a specific gravity in excess of 2.65.
- (7) Wastes containing soluble substances in such concentrations as to cause the specific gravity to be greater than 1.1.
- (8) Wastes containing any substances which may affect the effluent and may cause violation of the National Pollutant Discharge Elimination System Permit.
- (9) Wastes containing other matter detrimental to the operation of a sewage treatment plant or Sanitary Sewers causing erosion, corrosion or deterioration in sewers, equipment and structures of a sanitary or sewage treatment plant.
- (10) Wastes containing fats, wax, tar, grease or oil of petroleum origin, whether emulsified or not, in excess of one hundred mg/L, or petroleum oil, non biodegradable cutting oil or petroleum products of mineral oil origin in amounts that will cause interference or pass through at the wastewater treatment facilities.
- (11) Wastes containing an average concentration of oils and greases, of the Hydrocarbon variety or any Freon extractables which are not biodegradable in excess of 10 mg/L.
- (12) Wastes containing more than 10 mg/L of any of the following gases: hydrogen sulfide; sulfur dioxide; nitrous oxide; or any of the halogens.
- (13) Wastes containing a toxic or poisonous substance, in a sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the sewer system operation. Toxic pollutants or substances shall include but not limited to Wastewater containing cyanide, chromium, cadmium, mercury, copper, nickel, or materials listed as hazardous materials.

RULE NO. 5 - WASTEWATER CONTROLS: (CONTINUED)

- (14) Any waste containing toxic substances in quantities sufficient to interfere with the biochemical/biological processes of the sewage treatment works or that will pass through the sewage treatment works and exceed the state and/or federal requirements in respect thereof.
 - (15) Any waste containing radioactive isotopes or other radioactive materials.
 - (16) Sludges resulting from the treatment of concentrated solutions that are not acceptable for discharge to the Sanitary Sewer.
 - (17) Effluent limitations promulgated as categorical standards, 40 C.F.R. Chapter 1, Subchapter N and 40 C.F.R. 403.6 shall apply in any instance where they are more stringent than those in this section.
 - (18) The local limits in this section may be supplemented with more stringent limitations if the Company determines that the limitations in subsection (a) through (p) above may not be sufficient to protect the operation of the sewerage system or to enable the water pollution control plant to comply with water quality standards or effluent limitations specified in the Company's NPDES permit.
 - (19) Waste introduced into the Sanitary Sewer with any pollutants which cause pass through or interference; whether or not the customer is subject any other national, state, or local pretreatment standards or requirements.
 - (20) Waste containing any color which may not be removed in the wastewater treatment process.
- (d) Disposal of Wastes From Septic Tanks and Cesspools: No person shall dispose of wastes from septic tanks, cesspools, or other such sources of sanitary sewage to the Company's Sanitary Sewer, except as designated by the Company.
 - (e) Penalties: The Company reserves the right to terminate water and/or wastewater service for violation of any provision of these regulations, subject to PUC rules and regulations.
 - (f) Damages: In the event of any damage to the Company's wastewater system caused by a Customer, or a Customer's representative, such damage shall be immediately reported to the Company and said Customer shall reimburse the Company for the costs of such repairs, testing, consulting and all other costs associated with the damage.

Any user violating any of the provisions of these Rules and Regulations shall become liable to the Company for all expenses, losses, or damages occasioned by the Company by reason of such violation, whether incidental or consequential.

RULE NO. 6 - WATER METERS AND METER INSTALLATIONS:

- (a) The Company shall determine the type and size of meter to be installed.
- (b) Meters, except those installed on private fire connections or for sewer exemption purposes, will be furnished, installed and removed by the Company and shall remain its property.
- (c) Where meters are installed within the building, the customer shall provide at his expense, a readily accessible and protected location for the installation of the meter at such a point as will control the entire supply to the premises, which location must be acceptable to the Company as most convenient for its service.
- (d) Each premises shall be supplied through a separate meter, or, if necessary and at the option of the Company, through a separate battery of meters. Where a battery of meters is installed, the registrations of such meters shall be combined for billing purposes and shall be subject to a Minimum Charge equal to the combined Minimum Charges for the meters comprising the battery setting. Where, however, a premises is supplied through more than one service, unless otherwise provided in contracts entered into for service to premises, the registration of the meter installed on each such service shall be billed separately subject to the Minimum Charge for each meter.
- (e) Meters will be maintained by the Company at its expense insofar as ordinary wear is concerned, but damage to any meter due to hot water, freezing, or other external causes arising out of or caused by the customer's negligence or carelessness shall be paid for by the customer.
- (f) The customer shall promptly notify the Company of any defect in or damage to the meter or its connection.

RULE NO. 7 – WATER METER TESTS AND TEST FEES:

- (a) All meters are accurately tested before installation. Meters are also periodically tested in accordance with State Corporation Commission's Regulations.

The Company may, at any time, remove any meter for routine tests, repairs, or replacement.

- (b) The Company shall, upon request of a customer, and if he so desires in his presence or that of his authorized representative, make without charge, a test of the accuracy of the meter in use at his premises, provided that the meter has not been tested by the Company or by the State Corporation Commission within the period of one year previous to such request, and that the customer will agree to abide by the results of such test in the adjustment of disputed charges. A written report of the results of the test shall be furnished the customer.

RULE NO. 7 – WATER METER TESTS AND TEST FEES: (CONTINUED)

- (c) Whenever a test of a meter reveals it to have an average error of more than two percent (2%), the Company shall bill or refund to the customer, as the case may be, such percentage of the amount of bills, covering the consumption indicated by the meter for the previous six (6) months, as the meter was found to be in error at the time of test.

RULE NO. 8 - PRIVATE FIRE SERVICE CONNECTIONS:

- (a) All applications for private fire service connections and private fire hydrants shall be made in writing on application forms provided by the Company.
- (b) The size of the private fire service connection shall be determined by the Company.
- (c) The entire private fire service system shall be subject to the inspection test and approval of the Company before the service is made effective. The Company shall have the right to enter the premises at any reasonable time for the purpose of making an inspection of the entire private fire service system. Any irregularities disclosed shall be cause for discontinuing service unless corrected by the customer within ten (10) days after written notice is given by the Company.
- (d) No water shall be taken or used through a private fire service connection for any purpose other than for extinguishing fires, except for the purpose of testing fire fighting equipment. Such test as mentioned above may be made only under special permit from the Company, and the Company may require that its representative be present at such test.
- (e) Hydrants and other fixtures connected with a private fire service connection may be sealed by the Company and such seals shall be broken only in case of fire or as specially permitted by the Company, and the customer must immediately notify the Company of the breaking of any such seal.

RULE NO. 8 - PRIVATE FIRE SERVICE CONNECTIONS: (CONTINUED)

- (f) The Company shall not, in any way or under any circumstances, be held liable or responsible to any party for any losses or damage resulting from fire or water or other agency which may occur due to the installation or presence of a private fire service connection, or any pipe or fixture connected therewith; or for any losses or damage resulting from any leakage or other flow of water from said private fire service connection or any of the pipes or fixtures connected therewith; or for any losses or damage resulting from any excess or deficiency in pressure or supply of water due to any cause whatsoever.
- (g) The Company requires an approved fire line meter or a detector check valve with by-pass, including meter installed in such by-pass, to be furnished and installed by the customer just inside the building wall or other convenient location on the customer's premises.
- (h) The entire cost and expense of installing and maintaining a private fire service connection or a private fire hydrant shall be paid for by the customer, and any work done by the Company in connection therewith shall be at the expense and risk of the customer. The customer shall deposit with the Company, in advance, a sum estimated by the Company to cover the cost and expense of any labor or materials it may furnish. The deposit shall be adjusted upon completion of the work to agree with the actual cost and expense to the Company. The Company shall, at the expense of the customer, make the tap in the main.

RULE NO. 9 - CUSTOMER DEPOSITS:

- (a) The Company may require of any customer a cash deposit or other suitable guarantee to secure the performance by the customer of the terms and conditions of the Company under which water or wastewater service is supplied. The amount of the deposit shall be determined in the following manner.

An amount equal to the estimated bill for two months service.

- (b) The deposit will be refunded after final settlement of the customer's account and interest on the deposit will be paid as determined by the Commission annually from the date of the deposit receipt to the date the customer discontinues the use of water or wastewater service.
- (c) Whenever the Company has determined that a customer's credit has been satisfactorily established for a one-year period, it shall apply the deposit to the customer's account with interest.
- (d) If the customer fails to maintain satisfactory credit with the Company, it may require a deposit from the customer which will be held until the customer has established satisfactory credit for a period of not less than one year.

RULE NO. 10 - DISCONTINUANCE OF SERVICE:

- (a) Service rendered may be discontinued by the Water Company after ten (10) days written or printed notice for any of the following reasons:
- (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 Company.
 - (3) For molesting or tampering by the customer, or others with the knowledge of the customer, with any meters, connection, service pipe, curb cock, seal or any other appearance of the Company controlling or regulating the customer's water or wastewater service .
 - (4) For failure to provide the Company'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 or wastewater service.
 - (5) For nonpayment of any account ten (10) days past due for water or wastewater service supplied, for any fee or charge accruing under these Rules and Regulations and the effective Schedule of Rates. In no case shall payment for current service be considered past due if received by the Company within twenty (20) days from the mailing date or date of hand delivery.
 - (6) For violation of any rule or regulation of the Company.
 - (7) Upon the request of public authorities for nonpayment of sewer bills in accordance with Section 15.2-2119(D) of the Code of Virginia.
 - (8) Discharge of any prohibited substance listed in Rule 5 into the wastewater system;
- (b) Service may be disconnected after five (5) day written or printed notice if an insufficient funds check was utilized to make payment and the account is at least ten (10) days past the original due date.
- (c) Discontinuing the supply of water to a premises for any reason shall not prevent the Company from pursuing any lawful remedy by action at law or otherwise for the collection of moneys due from the customer.
- (d) When service to a customer has been terminated for any above stated reasons, it will be renewed only after the conditions, circumstances or practices which caused the water service to be discontinued are corrected to the satisfaction

RULE NO. 10 - DISCONTINUANCE OF SERVICE: (CONTINUED)

of the Company, upon payment of all charges due and payable by the customer in accordance with these Rules and Regulations and the effective Schedule of Rates.

RULE NO. 11 - TURN-ON OR OFF CHARGES:

- (a) When service to any premises has been discontinued because of nonpayment of a bill or other violation of the rules and regulations, the charge stated in the schedule of rates will be required during normal scheduled working hours; and this charge, together with all other amounts which may be due to Company by the customer, must be paid before the service is restored.
- (b) If, at the time of such discontinuance of service for nonpayment of bill, the customer does not have a deposit with the Company, the Company may require a deposit as a guarantee of the payment of future bills, as set forth in Rule. No. 8, before the service will be turned on.
- (c) For turn-ons and turn-offs requested by the customer, the charge stated in the schedule of rates will be required during normal working hours.
- (d) Turn-ons, turnoffs requested by the customer for reasons other than nonpayment of a bill during nonscheduled working hours will be paid by the customer at cost of \$80.

RULE NO. 12 - BAD CHECK CHARGE:

Whenever a check tendered by a customer in payment of his bill is returned by the bank on which it is drawn unpaid, for any reason, the additional charge stated in the schedule of rates shall be added to the customer's bill.

RULE NO. 13 - BILLS FOR SERVICE:

- (a) Customers are responsible for furnishing the Company with their correct address. Failure to receive bills will not be considered an excuse for nonpayment nor permit an extension of the date when the account will be considered delinquent.
- (b) If bills are to be sent to an address other than the premises served, the Company should be notified in writing by the customer of any change of address.
- (c) If requested in writing by the customer, the Company will send bills to and will receive payments from agents of tenants. However, this accommodation will in no way relieve the customer of the liability for all charges, and the Company shall not be obligated to notify the customer of the nonpayment of bills by such agents or tenants.
- (d) Payment shall be made at such places conveniently located as may be designated by the Company.

RULE NO. 13- BILLS FOR SERVICE: (CONTINUED)

- (e) The Company reserves the right to correct any bills rendered in error as to service supplied.
- (f) Each "Premises" as described in Rule No. 1 shall be billed separately for service.
- (g) If the meter should fail to register for any reason, or if the meter reader should be unable to read the meter at the time the meter is to be read, an estimated bill will be submitted.
- (h) Bills for service shall be rendered monthly, bi-monthly, or quarterly in arrears depending on the class and quantity of service rendered.
- (i) Water for building purposes will be furnished by meter measurements only, and all water for building purposes must pass through one and the same meter. A suitable deposit, the amount to be determined by the Company, may be required.

RULE NO. 14 - TERM OF PAYMENT:

- (a) Bills for service shall be due and payable twenty (20) days from the mailing date or date of hand delivery.
- (b) If a bill is not paid within ten (10) days after a written or printed notice properly given by the Company to the customer of record, the account will be delinquent, service may be discontinued and the meter removed by the Company, and the deposit, if any may be applied against such bill and any other arrears due by the customer.
- (c) All amounts not paid when due shall accrue a late-payment charge at the rate not to exceed one and fifty one-hundredths percent (1.50%) per billing period, not to exceed eighteen percent (18%) per year when not paid.

RULE NO. 15 - CUSTOMER'S LIABILITY FOR CHARGES:

A customer who has made applications for or received water or wastewater service at a premises shall be held liable for all water and wastewater service to such premises until such time as the customer properly notifies the Company to discontinue the service for his account.

RULE NO. 16 - 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.

RULE NO. 16 - ABATEMENTS AND REFUNDS: (CONTINUED)

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

RULE NO. 17 - PRESSURE AND CONTINUITY OF SERVICE:

- (a) The Company does not guarantee a sufficient or uniform pressure, or uninterrupted supply of water, and customers are cautioned to provide sufficient storage of water where an absolutely uninterrupted supply must be assured, such as for steam boilers, hot water systems, gas engines, etc.
- (b) In high level sections where pressure is low, the customer shall, if he desires a higher pressure than furnished at the mains of the Company, install at his own expense a tank and/or booster pump, of a type and installation approved by the Company.
- (c) Where the pressure to a customer's premises is greater than he wishes, it shall be his responsibility to install the proper regulating device to reduce the pressure to the extent desired.
- (d) The Company will supply at a minimum pressure of 20 psi, under normal operating conditions.
- (e) The Company's liability to a customer for any loss or damage from any excess or deficiency in the wastewater collection service due to any cause other than willful misconduct or negligence by the Company, its employees or agents shall be limited to an amount no more than the Customer charge or minimum bill for the period in question. The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in service, but cannot and does not guarantee that such will not occur.
- (f) The Company shall not be liable for any loss or damage caused by reason of any break, blockage, leak or other defect in a Customer's own service pipe, line, fixtures or other installations, except where the damage is a result of the negligence or willful misconduct of the Company, its employees or agents. The Company shall in no event be responsible for maintenance of, or for damage done by sewage escaping from a blockage of the customer's service line or any other pipe or fixture, or from any other cause occurring to any premise or within any house or building.

RULE NO. 18 - INTERCEPTING TANK REQUIRED FOR LARGE CUSTOMERS:

Service pipes for railroad locomotive supply or character of uses requiring a large quantity of water within a short period will not be permitted except through intercepting or intermediate storage tanks. The connection for such tanks shall be made in such a manner as may be approved by the Company.

RULE NO. 19 - INTERRUPTIONS IN SERVICE:

- (a) The Company may, at any time, shut off the water in the mains in case of accident, or for the purpose of making connections, alterations, repairs, changes or for public fire service or other emergencies whenever the public welfare may require it.
- (b) While it is the intention of the Company to give notice in advance of any work, which must be done, that will necessitate any interruption of the supply, such notice is to be considered a courtesy, and not a requirement on the part of the Company. Property owners must so regulate their installations connected with the water supply system that damage will not occur if water is shut off without notice.
- (c) The Company will undertake to use reasonable care and diligence in order to prevent and avoid interruptions and fluctuations in the service, but it cannot and does not guarantee that such will not occur

RULE NO. 20 - GENERAL:

- (a) The service pipes, meter and fixtures on the customer's premises shall be accessible to the Company for observation or inspection at reasonable hours.
- (b) No one person shall turn the water on or off at any street valve, corporation cock, curb cock or other street connection or disconnect or remove any meter without the consent of the Company. Penalties provided by law for any such unauthorized action will be rigidly enforced.
- (c) Employees or agents of the Company are expressly forbidden to demand or accept any compensation for any service rendered to its customer except as covered by its Rules and Regulations and effective Schedule of Rates.
- (d) No employee or agent of the Company shall have the right or authority to bind it by any promise, agreement or representation contrary to the letter or intent of these Rules and Regulations.
- (e) Any complaint against the service or employees of the Company should be made at the office of the Company and preferably in writing.

RULE NO. 21 - PUBLIC FIRE HYDRANTS:

General - The following provisions shall apply to all fire hydrants:

- (a) The use of public fire hydrants will be restricted to the taking of water for the extinguishments of fire and water shall not be taken for any public fire hydrants for construction purposes, sprinkling streets, flushing sewer or gutter, or for any other use, unless specially permitted by the Company for the particular time and occasion.

RULE NO. 21 - PUBLIC FIRE HYDRANTS: (CONTINUED)

- (b) The Company shall not be considered in any manner as insurer of persons or property, or to have undertaken to extinguish fires, or to protect any persons or property against loss or damage by fire or otherwise, and shall not be responsible to any person or persons for any loss, damage or injury by reason of fire, water, failure to supply water or pressure, or for any other cause whatsoever.
- (1) Alexandria District - The installation of fire hydrants in the Alexandria District shall be installed in accordance with existing franchise agreements.
 - (2) Hopewell District - The installation of fire hydrants in the Hopewell District shall be installed in accordance with existing franchise agreements.
 - (3) The installation of public fire services in the Hopewell District, outside the City of Hopewell shall be installed as follows:

Any government unit located in the Utility's service area by ordinance of its Council or by resolution of its Board of County Commissioners shall have the right to order the installation of additional fire hydrants on existing utility owned mains having an internal diameter of six (6) inches or larger and the utility will install such hydrants at its own cost and expense; provided, however, the estimated gross receipts from hydrant rentals shall equal or exceed twenty-four (24) percent annually of the cost of said installations.
 - (4) Prince William District- Public fire hydrants will be installed in public streets and roads at the expense of the developer of the property. Such hydrants are to be attached to mains six (6) inches or larger in diameter. The cost of the hydrant installation shall include the connection at the main, the lateral piping and the valve, as well as the hydrant, together with the cost of installing same. All public hydrants shall be installed in accordance with applicable regulations of the appropriate governmental unit.
 - (5) Eastern District – Public fire hydrants will be installed in public streets and roads at the expense of the developer of the property. Such hydrants are to be attached to mains six (6) inches or larger in diameter. The cost of the hydrant installation shall include the connection at the main, the lateral piping and the valve, as well as the hydrant, together with the cost of installing same. All public hydrants shall be installed in accordance with applicable regulations of the appropriate governmental unit.

Public fire hydrants shall be the property of Water Company and will be maintained by the Water Company.

RULE NO. 22 - EXTENSION OF MAINS:

The Company will extend its water distribution system and wastewater collections system to supply consumers where application of service has been made, under the following terms and conditions:

- (a) Where the cost of the extension does not exceed three and one half- times annual revenue from bona fide applicants whose pipe will be directly connected to the extension and from whom the Company has received applications for service upon forms provided by the Company for this purpose, the Company will install, at its own cost and expense, the necessary extension.
- (b) When the estimated cost of the extension exceeds three and one-half times the estimated normal annual revenue from bona fide applicants whose service pipes will be directly connected to the extension and from whom the Company has received applications for service upon forms provided by the Company for this purpose, the person seeking the extension will deposit with the Company the difference between the cost estimated by the Company of the construction of the extension including Federal income taxes imposed with respect thereto and three and one-half times the estimated normal annual revenue of the person seeking the extension. Upon completion of the cost of the extension, the computation shall be made to determine the actual cost of the extension (including Federal income taxes). If the deposit differs from the actual cost of the extension, less three and one-half times the estimated normal annual revenue of the depositor, the depositor will deposit any additional amounts shown to be due or the Company will refund to the depositor any excess amount shown to have been deposited. It is the intent that the deposit required should be based on actual installation cost including Federal income taxes.
- (c) Any deposit so made shall remain without interest, in the possession of the Company, subject to refunds as follows:
- (d) When and as additional bona fide consumers are secured whose service lines are directly connected to such extension, the Company will refund to the original depositor or depositors an amount equal to three and one -half times the estimated annual normal revenue from such additional consumers. Refunds will be made for a period of ten years only from date of original deposit, and the total of such refunds will in no event exceed the amount of the original deposit. All or any part of the deposit not refunded within said ten year period shall remain the property of the Company.

RULE NO. 22 - EXTENSION OF MAINS: (CONTINUED)

- (e) The ownership of the extension installed under this rule shall at all times be in the Company, its successors and assigns.
- (f) Where the main or extension is to be installed in a private street 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, and shall, if requested by the Company, place on public record a facsimile plat showing the location of such street.
- (g) The Company reserves the right to determine the size of the pipe necessary in making such extension, but in no case shall water main pipe smaller than six (6) inches in diameter be laid except where public fire protection service is not involved.
- (h) Estimated normal annual revenue as used in Rule 21 (a), (b) and (d) and as applying to residential customers, shall be determined each year by computing the average residential revenue of all residential customers for the previous year.

RULE NO. 23 – IRRIGATION SYSTEM AND POOL

Water usage serves as the basis for calculation of the Wastewater metered charge for customers provided with water service from VAWC (Original Page No 5.1). Customers with either an irrigation system or a swimming pool may have metered water usage which does not enter the Company's wastewater collection system. Definitions for each are as follows:

- (a) **Irrigation System:** A set of components which includes the water source (e.g., domestic service or pump), underground water distribution network (e.g., pvc or similar pipe), control components (e.g., valves and controllers), emission devices (e.g., sprinklers and emitters) and other general irrigation equipment (e.g. quick coupler and backflow preventer). A dedicated irrigation system is attached to the customer's potable water system by means of a Point of Connection (POC) where the irrigation system sub-main and control components is joined to the domestic water service line. Water is discharged by means of a sprinkler system meaning a hydraulically operated mechanical device that discharges water through one or more nozzles. Installation of a dedicated irrigation system requires a backflow prevention device that is subject to annual inspection at the home-owner's cost.
- (b) **Swimming Pool:** A permanent (in-ground) or semi-permanent (aboveground) swimming pool with drains which are not connected to a customer's wastewater service line. Fixtures or equipment used for filling the pool with water must meet local plumbing requirements and have a backflow prevention device which is subject to annual inspection at the home-owners cost.
- (c) **Seasonal Wastewater Adjustment:** Applicable to residential customers with an irrigation system (as defined above) that elect not to install a separate metered irrigation water service line. The seasonal wastewater adjustment, during the months of May to October, serves to cap or limit the amount of water volume used as a basis for calculation of the monthly wastewater usage charge. A customer's wastewater volumetric/usage charge on customer bills issued from May to October are limited or capped at their winter average consumption. The volumetric portion of a customer bill during the summer season is based on the lower of actual water usage or the winter average. A customer's

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winter average is calculated from the customer's usage based on a customer's actual water usage billed during the months of December, January, February and March of the current year. For new customers yet to establish a winter average consumption, wastewater volumetric charges is capped at the lesser of actual consumption or 6,000 gallons until a winter average is established in the next year.

- (d) Courtesy Pool Filling Adjustment: Customers may request a courtesy billing adjustment once annually on wastewater usage charges associated with filling a pool (measured in units of 1,000 gallons). As water used for filling a pool typically does not enter the wastewater collection system, calculating an adjustment by comparing a customer's winter average water usage to their water usage for the applicable month to issue a credit for the difference in water usage to calculate the wastewater charge. To obtain the adjustment it is necessary to contact the American Water National Call Center and request a courtesy pool filling adjustment. The courtesy adjustment is not available for customers with an irrigation system.

Water Usage Basis for Wastewater Volumetric Charge:

Any Customer receiving both water and wastewater service from the Company may request use of a combination of meters for the purpose of measuring the amount of water that reaches the wastewater system and the amount of water that does not reach the wastewater collection system. Installation of the combination of meters must be consistent with the standards as stated in the Company's Rules, Regulations and Conditions of Service.

The total amount of water delivered to the Customer will be measured by a water meter installed by the Company. At the option of the Customer, the Company will install a separate irrigation service line and meter for purposes of measuring water that is piped to areas that do not reach the wastewater system. The customer will be responsible for the cost to install the irrigation service line and meter as well as the standard meter and water volume charges listed in the water tariff.

- i. Billing for water service will be based on the consumption of water as measured by a customer's water meter and irrigation meter if applicable.

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- ii. Billing for wastewater service will be based on the consumption of water as measured by a customer's water meter and will not include water consumption through the irrigation service which does not enter the wastewater system.
- iii. In lieu of the method provided in (ii), Residential wastewater customers who are also water service customers of Virginia American Water Company owning an irrigation system (as defined in these rules and regulations) connected to their domestic water service line may request a seasonal wastewater adjustment. The seasonal wastewater adjustment (as defined in these rules and regulations) would be applied to cap or limit the water volume utilized to calculate wastewater bills issued during the months of May through October. During this summer period (months of May, June, July, August, September and October) monthly wastewater usage/volume charges are assessed on the lower of actual metered consumption or winter average consumption. Bills issued in the remaining months of November, December, January, February, March, and April wherein the water meter at the customer's premise is read and/or estimated and actual water usage serves as the basis for wastewater charges billed by the Company.
- iv. The irrigation service connection and meter associated with the water consumption not entering the wastewater system shall be established as a separate water service account and billed the applicable Water Service Charge and Water Usage Charge.

Notwithstanding anything else in this Section, the Company reserves the right to continue service to design and implement special water and wastewater meter arrangements where appropriate.