

MARINERS LANDING WATER & SEWER COMPANY, INC.

BEDFORD COUNTY, VIRGINIA

TARIFF

Second Amendment

(effective 1/1/2012)

RATES, RULES AND REGULATIONS

for

Water & Sewer Service in
Territory Served by Company in
Bedford County, Virginia

MARINERS LANDING WATER & SEWER COMPANY, INC.



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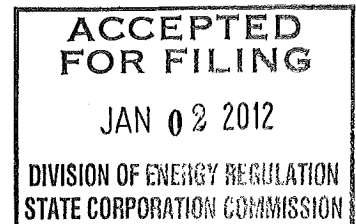
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MARINERS LANDING WATER &
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RATE SCHEDULE

GENERAL NATURE OF SERVICE
TO BE PROVIDED

The primary purpose of the Mariners Landing Water & Sewer Company, Inc. ("Company") is to provide water and sewerage service to the Mariners Landing Community in Bedford County, Virginia. Water and sewerage service shall be limited to those areas designated on the maps supplied to the State Corporation Commission, copies of which are available in the offices of the Company.

RATE SCHEDULE

This schedule is for service available to all customers in the area indicated above other than customers purchasing water or sewer for resale.

WATER RATES

1. Facility Fee: (See Rule No. 22)
 - (a) Single family dwelling - 8,000.00
 - (b) Multi-family / commercial unit:
 - (1) 1 1/2" meter - \$10,000/water
 - (2) 2" meter - \$18,000/water
 - (3) 3" meter - \$36,000/water
 - (4) 4" meter - \$56,000/water
 - (5) 6" meter - \$112,500/water
 - (6) 8" meter - \$180,000/water
 - (7) 10" meter - \$295,000/water

2. Minimum Charge:

There shall be a monthly minimum service charge for water service, and no bill will be rendered for less than the minimum charge except the minimum charge will be pro-rated when water service is provided for less than one full month. The minimum service charge will become effective when water service is connected. Any usage fee will be in addition to the minimum charge. Minimum monthly service charges will be as follows:

- a) \$33/mo for up to 2" meter
- b) \$48/mo for 3" meter
- c) \$64/mo for 4" meter
- d) \$96/mo 6" meter
- e) \$128/mo for 8" meter
- f) \$169/mo 10" meter

3. Usage fee:
 - (a) Single family dwelling¹..... \$4.50/1000 gallons
above the monthly allowance of 3900 gallons

¹ A building with 4 or less dwelling units will be considered single family, and each unit will be served by its own meter.



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(b) Multi-family unit²..... \$4.50/1000 gallons above the
monthly allowance of 3900 gallons³

SEWER RATES

1. Facility Fee: (See Rule No. 22)
 - (a) Single family dwelling - \$8,000.00
 - (b) Multi-family / Commercial unit:
 - (1) 1 ½" meter - \$13,000/sewer
 - (2) 2" meter - \$24,000/sewer
 - (3) 3" meter - \$48,000/sewer
 - (4) 4" meter - \$75,000/sewer
 - (5) 6" meter - \$150,000/sewer
 - (6) 8" meter - \$240,000/sewer

2. Minimum Charge:

There shall be a monthly minimum service charge for sewerage service, and no bill will be rendered for less than the minimum charge except the minimum charge will be pro-rated when sewerage service is provided for less than one full month. The minimum service charge will become effective when sewerage service is connected. Any usage fee will be in addition to the minimum charge. Sewer usage shall be deemed to be equal to the water usage shown on the water meter. Minimum monthly service charges will be as follows:

 - a) \$33/mo for up to 2" meter
 - b) \$48/mo for 3" meter
 - c) \$64/mo for 4" meter
 - d) \$96/mo for 6" meter
 - e) \$128/mo for 8" meter

3. Usage fee:
 - (a) Single family dwelling⁴..... \$4.50/1000 gallons
above the monthly allowance of 3900 gallons

² A multi-family unit is a dwelling unit in a building of 5 or more dwelling units. Each unit may have its own meter or the multi-family building may be served by a single meter.

³ When a multi-family building (5 or more dwelling units) is served by one meter, the monthly allowance and usage fee will be shared equally by all units. For example, a 12 unit building would have a monthly allowance of 46,800 gallons (3900 gallons per unit x 12 units). If the same 12 unit building used 50,000 gallons of water, the usage fee would be \$11.20 (number of gallons above the monthly allowance divided by 1000 x usage fee per 1000 gallons (\$3.50)). The resultant fee of \$11.20 would be shared equally by each of the 12 units (\$0.93 per unit).

⁴ A building with 4 or less dwelling units will be considered single family, and each unit will be served by its own meter.



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- (b) Multi-family unit⁵ \$4.50/1000 gallons above the
monthly allowance of 3900 gallons⁶

RULES AND REGULATIONS

The Rules and Regulations as herein set forth, or as they may hereafter be revised by or with approval of the State Corporation Commission, shall govern the rendering of water 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 service, shall be bound thereby.

RULE NO. 1 – GENERAL:

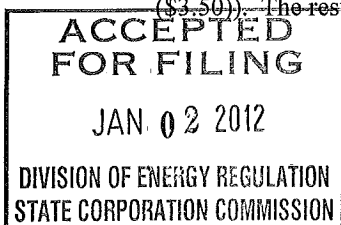
- (a) The utility office is located at 1011 Mariners Village Drive, Huddleston, VA 24104, and the bill payment address is PO Box 1332, Forest, VA 24551.
- (b) The utility provides water and sewerage service in the Mariners Landing Community on Smith Mountain Lake in Bedford County, Virginia.
- (c) The telephone number for billing questions is (434) 385-1914 x4.
- (d) The telephone number for service questions is (434) 385-1914 x4.
- (e) In case of emergency or after hours, call (540) 400-4304 or call (540) 297-4900 and follow the “in case of emergency” instructions.
- (f) Any questions about service or employees of the Company should be made at the office of the Company or in writing.
- (g) 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.

RULE NO. 2 – DEFINITIONS:

- (a) A “water service connection” is the water service line connecting the Company’s water main or lateral to a customer’s Premises. Where meters are installed, it includes the meter and meter equipment.
- (b) A "sewerage service connection" is a pipe connecting any Premises with the Company's sewerage transmission main.

⁵ A multi-family unit is a dwelling unit in a building of 5 or more dwelling units. Each unit may have its own meter or the multi-family building may be served by a single meter.

⁶ When a multi-family building (5 or more dwelling units) is served by one meter, the monthly allowance and usage fee will be shared equally by all units. For example, a 12 unit building would have a monthly allowance of 46,800 gallons (3900 gallons per unit x 12 units). If the same 12 unit building used 50,000 gallons of water, the usage fee would be \$11.20 (number of gallons above the monthly allowance divided by 1000 x usage fee per 1000 gallons (\$3.50)). The resultant fee of \$11.20 would be shared equally by each of the 12 units (\$0.93 per unit).



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(c) "Premises" as used herein shall mean the lot or parcel of land upon which is situated a single family dwelling, a single commercial establishment or community facility, or in the case of a multiple dwelling where authorized by the Developer, the individual units within such a multiple dwelling.

(d) "Customer" as used herein is any party who has applied for and is receiving water and or sewerage service at a Premises.

(e) "Company" as used herein is the Mariners Landing Water & Sewer Company, Inc.

(f) "Commission" is the Virginia State Corporation Commission.

RULE NO. 3 – APPLICATION FOR SERVICE:

(a) Before any water and/or sewerage service is delivered, the Company reserves the right to require the applicant to:

1. Establish that the applicant is the owner, his duly authorized representative or bona fide lessee of the Premises.
2. The applicant shall make application for water and/or sewerage service upon forms prescribed by the Company.
3. Upon approval of the application, the Company shall install the service connection(s).

(b) Whether or not the Company initially exercises the right specified in Rule 3(a) above, the applicant, by accepting water and/or sewerage service, agrees to:

1. Comply at any time with the right specified in Rule 3(a), above.
2. Be bound by the applicable rate schedule(s) and rules and regulations which are currently on file with the Commission.

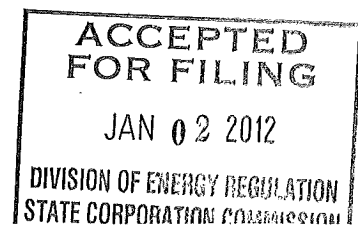
(c) Should at any time the Customer not comply with this section, service may be discontinued in accordance with Rule 14 of these Rules and Regulations.

RULE NO. 4 – SERVICE CONNECTIONS:

(a) For water service, the Company shall install the service line connecting the water main or lateral to the customer's Premises. Where meters are installed, it includes the meter box, the meter and other metering equipment.

(b) For sewerage service, the Company will install the sewerage service connection from the sewerage main to the lot line of the Premises to be served.

(c) The Company will maintain and replace all water service connections from the main in the street to the meter box and will replace all sewer connections from the main in the street to the lot line of the Premises to be served.



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(d) 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.

(e) The corporation cock, meter cock, meter box and service pipe from the water main to the meter, the service pipe and any related fittings from the sewer main to the lot line will be furnished and installed by and shall remain, the property of the Company and under its sole jurisdiction. Meters will be installed on the property of the customer or on a public way adjoining his property.

RULE NO. 5 – CUSTOMERS SERVICE PIPES:

(a) The service pipes, meters and fixtures on the customer's Premises shall be accessible to the Company for observation or inspection at reasonable hours.

(b) The Company may specify the size, kind and quality of the materials which shall be laid between the meter cock (water service) or lot line (sewerage service), and the structures on the Premises to be supplied. The customer's service pipes shall be laid at all points at least three feet below the surface of the ground and shall be installed in trenches at least two feet in a horizontal direction from any other trench wherein are laid gas pipe, service pipe, or other facilities, public or private, unless otherwise specifically authorized or approved by the Company. In backfilling the trench, rock or ashes shall not be permitted within one foot of a service pipe and clean soil shall be filled in to a depth of at least one foot over a service pipe.

(c) The water service pipe from the meter cock to the place of consumption shall be furnished and installed by the customer at his or her expense and risk.

(d) The customer's service pipes and all connections and fixtures attached thereto shall be subject to the inspection and approval of the Company before the water service will be turned on or sewerage service provided.

(e) No fixture shall be attached to, or any branch made, in a service pipe between the meter (in the case of water service) or lot line (in the case of sewerage service) and the street mains.

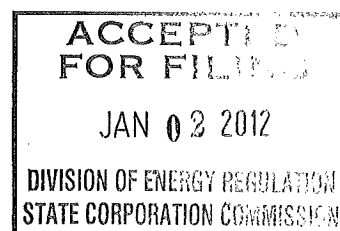
(f) Any repairs, maintenance, replacement or relocation necessary on the customer's water or sewer service pipes or fixtures in or upon the customer's Premises shall be performed by the customer at his or her expense and risk in a manner approved by the Company.

RULE NO. 6 – METERS AND METER INSTALLATIONS:

(a) The Company shall determine the type and size of any meter to be installed.

(b) Meters will be furnished, installed and removed by the Company and shall remain its property.

(c) When damage to any meter arises out of, or caused by, the customer's negligence or carelessness, the repair or replacement of that meter shall be paid for by the customer.



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(d) The customer receiving water through a meter shall promptly notify the Company of any defect in or damage to the meter or its connection.

RULE NO. 7 – METER TESTS AND TEST FEES

(a) All meters shall be accurately tested before installation. The Company may at any reasonable hour remove any meter for routine tests, repairs or replacement.

(b) The Company shall upon request of a customer, and if so desired, 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 within a period of twenty-four (24) months previous to such request. A written report of the results of the test shall be furnished to the customer.

(c) If a meter test has been conducted within the past twenty-four (24) months, and the customer still desires a test, the customer must pay the actual cost of the test, unless the meter is found to have an average error greater than two (2) percent in which case the test will be at no charge to the customer. The actual cost of the test is \$35.00.

(d) Whenever a test of meter reveals it to have an average error of more than two (2) percent, 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 months, as the meter was found to be in error at the time of test, unless it can be shown from the records of either party that the error found has existed for a greater or lesser period, in which case the adjustment shall cover such actual period.

RULE NO. 8 CUSTOMER'S DEPOSITS:

(a) Before providing water service, 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 service is supplied. The maximum amount of any deposit shall not exceed the customers estimated liability for two months usage.

(b) The deposit of each residential customer will be refunded after not more than one year of satisfactory credit has been established or after final settlement of the customer's account, whichever is first.

(c) Simple interest on the Deposit will be paid at the rate determined annually by the State Corporation Commission from the date of the deposit receipt to the date of the deposit refund. Credit of interest shall be made annually.

(d) Deposits for residential customers will not be held beyond a one-year period during which the customer has established satisfactory credit.

(e) 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. 9 – TERMS OF PAYMENT:



- (a) Bills for service shall be rendered monthly in arrears.
- (b) Each "Premises" as described in Rule No. 2 shall be billed separately.
- (c) Customers are responsible for furnishing the Company with their correct address. Failure to receive bills will not be considered an excuse for non-payment nor permit an extension of the date when the account will be considered delinquent.
- (d) Payments shall be made at the office of the Company or at such other places conveniently located as may be designated by the Company.
- (e) 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.
- (f) In those cases where meters are installed, if the meter should fail to register for any reason, or if the meter reader should be unable to gain admittance to the Premises at the time the meter is due to be read, an estimated bill will be submitted. Such bill shall be based on an average of the consumption shown by three (3) previous consecutive billing periods, or, in the case of a new customer, where previous consumption cannot be so used for computing average consumption, reasonable estimated consumption shall be utilized.
- (g) If a bill is not paid within ten (10) days after written notice properly given by the Company to the customer of record, service may be discontinued and where installed the meter and service equipment removed by the Company, and the deposit, if any, may be applied to such bill and any other arrears due by the customer.

RULE NO. 10 – AVAILABILITY FEES:

- (a) There shall be an availability fee charged for residential lots which do not receive water service, but the service runs adjacent to, or in front of, the customer's property and is available upon request.
- (b) The availability fee charge shall be \$10.00 per month.
- (c) There shall be an availability fee charged for residential lots which do not receive sewerage service, but the sewerage line runs adjacent to, or in front of, the customer's property and sewerage service is available upon request.
- (d) The sewer availability fee charge shall be \$10.00 per month.

RULE NO. 11 – LATE PAYMENT CHARGES:

The Company may charge up to one and one-half percent (1-½%) per month on any customer charges not timely paid. Appropriate calculation of this late payment charge shall be made at the time of each successive, usual billing date, and the amount of any such charge included as a separately identified item upon the current bill. Before implementing a late payment charge program, the Company must show

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on its customer bill, in addition to other necessary information, the date on which the bill is delivered to the U.S. mail, or delivered to the customer's Premises, together with showing the date by which payment must be received in the utility's offices to avoid late payment charges. In no case shall payment for current service be considered overdue if received by the Company within twenty days from the mailing date or delivered date of the bill.

The late payment charge shall not be applied to any amount billed as taxes which the Company may collect on behalf of any governmental unit.

RULE NO. 12 – BAD CHECK CHARGE:

The Company may impose and collect a service charge for every check received in payment of a customer's account, which check is lawfully dishonored by the payer bank; provided, however, the service charge shall be uniformly applied to all customers of the Company. The bad check charge shall be \$6.00.

RULE NO. 13 – 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, and no abatement shall be made for leaks or for water wasted by improper or damaged service pipes or fixtures belonging to the customer; provided, however, in the case of an underground leak, an adjustment may be made for fifty (50) percent of the amount of excess in a water bill due to this cause, based on an average of the previous three (3) consecutive bills, provided the customer promptly and properly repairs such leak when detected.

RULE NO. 14 – DISCONTINUANCE OF WATER AND/OR SEWERAGE SERVICE:

(a) No person shall turn the water on or off at any street valve corporation cock, meter cock or other connection, or disconnect or remove any meter or disturb any connection pipe or service line without the consent of the Company. Penalties provided by law for any such unauthorized action will be rigidly enforced.

(b) Water and/or sewerage service may be discontinued by the Company after **ten (10) day's** written 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 non-payment of any account 30 days past due for water and/or sewerage service or for any fee or charge accruing under these Rules and Regulations and the effective Schedule of Rates. The residential water and/or sewerage service of a customer shall not be terminated for non-payment of basic non-residential services such as governmental utility taxes, trash pickup, etc.

For violation of any rule or regulation of the Company.



(c) The following reasons are cause for immediate discontinuance of water and/or sewerage services:

1. For molesting or tampering by the customer, or other with the knowledge of the customer, with any meters, connection, service pipe, meter cock, seal, or any other appliance of the Company controlling or regulating the customer's water and/or sewer supply.
2. 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 appliance of the Company controlling or regulating the customer's water and/or sewer supply.

(d) The discontinuance of the supply of water and/or sewerage service to a Premises for any reason shall not prevent the Company from pursuing any other lawful remedy by action of law or otherwise for the collection of monies due from the customer.

(e) When water and/or sewerage service to a customer has been terminated for any of the above reasons, other than temporary vacancy of the Premises, it will be renewed only after the conditions, circumstances or practices which caused the water service to be discontinued are corrected to the satisfaction of the Company, and 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. 15 – TURN-ON CHARGE:

When it has been necessary to discontinue water and/or sewerage service to any Premises because of a violation of these Rules and Regulations, or because of non-payment of any bill, a charge of \$50.00 may be made for turning on the water. This charge, together with any unpaid or outstanding debt(s) that may be due the Company, must be paid before the water and/or sewerage service will be resumed.

RULE NO. 16 – CUSTOMER REQUEST TO TERMINATE SERVICE:

(a) A customer who is about to vacate any Premises supplied with service by the Company, or who for any reason wishes to have service discontinued, shall give at least three working days notice (preferably in writing) thereof to the Company specifying the date on which it is desired that service be discontinued. Until the Company receives such notice, the Customer shall be responsible for all service rendered.

(b) A service charge of \$50.00 shall be applied when water and/or sewerage service is discontinued at the request of the customer pursuant to subsection (a) of this Rule.

RULE NO. 17 – 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 above the highest

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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 Uniform Statewide Building Code, Plumbing Code, and all applicable laws and regulations.

RULE NO. 18 – PRESSURE AND CONTINUITY OF SUPPLY:

(a) The Company does not guarantee a sufficient or uniform pressure, or an 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, domestic 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 that 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 water at a minimum pressure of 20 psi.

RULE NO. 19 – INTERRUPTIONS IN WATER SUPPLY:

(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 other reasons, and may restrict the use of water and/or sewerage service to reserve a sufficient supply for public fire service or other emergencies whenever the public welfare may require it.

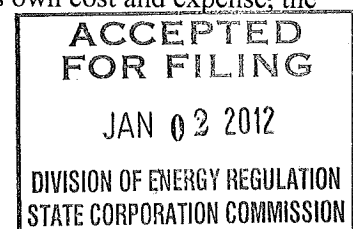
(b) The Company will try to give notice in advance of any work which must be done that will necessitate any interruption of the supply, such notice is to be considered an accommodation and not a requirement on the part of the Company. Property owners must so regulate their installations connected with 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 – EXTENSION OF MAINS:

The Company will extend its water distribution system of mains and laterals to supply a consumer, where application for 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 the estimated normal annual consumption 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 Company will install, at its own cost and expense, the necessary extension.



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(b) Where the cost of making an extension exceeds three and one-half times the estimated normal annual revenue, the applicant or applicants shall deposit with the Company the excess cost of the extension, that is, the difference between the estimated cost of the extension and the three and one-half times the estimated normal annual revenue from the applicant or applicants and other persons whose applications are received on or before the work of making the extension has begun.

(c) Any deposit so made shall remain without interest, in the possession of the Company, subject to refunds as follows: After the completion of the extension 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 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.

(d) The ownership of the extensions installed under this rule shall at all times be in the Company, its successors and assigns.

(e) The Company reserves the right to determine the size of the pipe necessary in making such extension.

RULE NO. 21 – SERVICE AREA EXTENSIONS:

The Company, upon a request from property owners in an area currently outside of the sewer service boundary area, may extend its service area boundaries to provide service to said area, with the approval of the SCC and Bedford County.

- (a) The initial facility costs for said action will be determined during negotiations between the applicants and the MLWSC.
- (b) Applicants will be subject to all tariff requirements after approval of the service area boundary revision.

RULE NO. 22 – MULTIPLE LOTS OR UNITS:

The Company may negotiate reduced water and/or sewer facility fees with the owner(s) of multiple lots or units within the service area.

