

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS & ENERGY

MILFORD WATER COMPANY

M. D. T. E. NO. 18A

RULES AND REGULATIONS

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MILFORD WATER COMPANY

RULES AND REGULATIONS

M.D.T.E. NO. 16

(Approved)

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MILFORD WATER COMPANY

EFFECTIVE: **May 1, 2006**

Issued By: Henry C. Papuga, Manager

1. RULES AND REGULATIONS GOVERN RENDERING OF SERVICE

The rules and regulations in their entity as herein set forth, or as they may thereafter be altered or amended in a regular and legal manner, shall govern the rendering of water service, and every Customer, upon the signing of an application water service, or upon the taking of water service, will be bound thereby.

2. DEFINITIONS APPLICATION FOR FOLLOWING SECTIONS

The words "Company" of "Water Company" refer to the Milford Water Company of Milford, Massachusetts.

The word "Department" refers to the Massachusetts Department of Telecommunications and Energy.

The word "customer" shall be taken to mean any person, firm, corporation, government, or governmental division who has applied for and received water service supplied by the Milford Water Company of Milford, Massachusetts.

The words "main" or "main pipe" shall mean the supply pipe from which service connections are made to supply water to customers.

The words "service pipe" or "service connection" shall mean the pipe running from the main pipe to the premises of the customer.

The words "seasonal use" shall mean any intermittent use, season after season, at the same premises.

The words "public water system" refers to the water system owned and operated by the Milford Water Company of Milford, Massachusetts.

The word "premises" as used herein shall be restricted to the following:

- (a) A building under one roof owned or leased by one customer and occupied as one residence or one place of business;
- (b) A combination of buildings owned by one customer in one common enclosure, or occupied by one family, or one corporation or firm, as a residence or place of business;
- (c) Each unit of a multiple house or building separated by a solid vertical partition wall, occupied by one family, or one firm, as a residence or place of business;

- (d) A building owned by one customer having a number of apartments, offices, or lofts, which are rented to tenants, using in common one hall and one or more means of entrance;
- (e) A condominium association serving one or a combination of buildings in one common enclosure.

3. APPLICATION FOR SERVICE

- (a) All applications for water service must be made in writing on a form provided by the Company. The application for service must be made by or on behalf of the property owner.
- (b) No agreement will be entered into by the Company with any applicant until all arrears and charges due by the applicant at any premises now or heretofore occupied by him/her shall have been paid.
- (c) When accepted by the Company, the application shall constitute a contract between the Company and the applicant, obligating both parties to comply with these Rules and Regulations.
- (d) Applications for service installations will be accepted subject to there being an existing main in a street or right-of-way abutting on the premises to be served. The contract in no way obligates the Company to extend its mains to service the premises under consideration.
- (e) When a prospective customer has made application for a new service, or has applied for the reinstatement of an existing service, damage caused by any deficiency in the plumbing which the service will supply will be at the risk of the customer, and the Company will be liable only for its own negligence.
- (f) A System Development Charge for a new service connection to commercial or industrial premises or to residential premises shall be charged by the Company at the time the meter for such new service is set, in accordance with the schedule as set forth in Appendix A hereto. For service connections where the Customer will use a meter sized at greater than 4" or with a capacity greater than 500 gallons per minute, the Company shall establish a System Development Charge as may be appropriate in the circumstances, but not less than \$30,000.

4. SERVICE CONNECTIONS

- (a) Original service pipe and connections from the main to the curb valve, or from the curb valve to the customer's premises will be installed by the Company or under its direction, at the expense of the customer. All service pipes shall have a minimum cover of five feet and a minimum inside diameter of one inch. To the extent not prescribed by State and Municipal regulations, materials and methods of

construction shall be approved by the Company, and if the service has not been installed in accordance with Company's reasonable requirements, water will not be turned on until all defects have been remedied.

(b) As used herein, the service connection means the service pipe from the main to the property line of the premises to be serviced, including the corporation stop, curb stop and curb box, and shall be laid at a right angle to the water main; and shall not cross intervening properties, and will be furnished and installed by, and shall remain the property of the Company and under its sole control and jurisdiction.

(c) The portion of service pipe from the main to the curb valve shall be maintained or replaced as necessary by the Company at Company expense. Service pipe from the curb valve to the customer's premises will be maintained by the customer at his expense and in a manner satisfactory to the Company; provided, that if such service pipe is installed by the Company it will be guaranteed by Company for one year.

(d) Curb valves will not be used by the customer or his agent for turning on or shutting off the water supply. The customer's control of water supply shall be by means of a separate valve, located usually just inside the building wall. Curb valves are for the exclusive use of the Company.

(e) No service pipe shall be laid in the same trench with gas pipe, sewer pipe, electric or telephone wires or any other facility of a public service company, nor within ten feet of any open excavation, tank, cesspool or vault.

(f) The Company shall furnish, install, own, and maintain all new service connections, meters, and meter installations, provided the costs of excavation, backfill, and removal, and replacement of paving, walks, curbs, etc., including the hiring of traffic control personnel, and obtaining the street opening permits, necessarily incurred in respect to new services, shall be borne by the customer or other applicant for service. For replacement of services from the main to the curb, the Company shall bear all costs.

(g) On future installations or reinstallations of service lines, only one premise will be supplied through one pipe.

5. METERED SERVICE

(a) All service except fire hydrants shall be metered. An individual meter shall be required for each premises and each separate service connection.

(b) Each new meter shall be purchased and installed by the Company at the customer's expense. The meter shall be of such size and design as reasonably necessary to serve the customer involved.

Ownership of the meter shall be at all times in the Company and, subject to the provisions of Section 5 (c) hereof, the Company shall be responsible for maintenance of each meter at its own expense, except to the extent that the meter is damaged by the willful act or negligence of the customer.

(c) If any meter is required within a premise in addition to the Company's entrance meter, it will be installed, maintained and read by and at the expense of the customer.

(d) The quantity of water recorded by the meter shall be accepted as conclusive by both the customer and the company, except when the meter has been found to be registering inaccurately, or has ceased to register. In any such case, the quantity may be determined by the average registration of the meter in a corresponding past period, or by the average registration of the new meter, whichever method is more representative of the conditions existing during the period in question.

(e) The Company reserves the right to remove and to test any meter at any time and to substitute another meter in its place. In the case of a disputed account involving a question as to the accuracy of the meter, such meter will be tested by the Company upon request of the applicant. The normal charge for testing meters sized 5/8" to 1" shall be as set forth in Appendix A. For meters sized 1-1/2" and larger, the fee shall be based on the Company's actual cost including the cost of any outside contractor employed by the Company to perform such tests. In the event that the meter so tested is found to have an error to the detriment of the customer in excess of two percent at any rate of flow within normal test flow limits, the fee for testing will be refunded, and the current bill rendered based on the last reading of such meter shall be corrected accordingly.

(f) Subject to the provisions of Section 5 (c) hereof, the Company and Customer shall permit no one other than an agent of the Company to remove, inspect, or tamper with the meter. As soon as it comes to his knowledge, the Customer shall notify the Company of any injury to or malfunction of the meter.

6. TERMS OF PAYMENT

(a) All bills for service shall be payable upon receipt. However, no residential bill shall be considered "due" under applicable law or these Regulations in less than forty-five (45) days from receipt. Bills for service will be rendered periodically in accordance with the "Term of Payment" noted on the applicable Rate Schedule and are payable at the office of the Company upon presentation.

No disputed portion of a bill which relates to the proper application of approved rates and charges, or the Company's compliance with these Regulations, shall be considered "due" during the pendency or any complaint, investigation, hearing or appeal under these Regulations. If a non-residential customer wishes to dispute a bill, it must provide written notice of such dispute to the Company within twelve (12) months of receipt of such bill.

- (b) Each bill for service will be rendered to the property owner of record, and, in the absence of special agreement, he/she will be held responsible for the payment of the bill.
- (c) If payment for water service in full is not made within forty-five days after the bill is received by the non-residential customer, whether or not the bill is in dispute, the Company reserves the right to impose interest charges as provided in Section 13 hereof and/or to discontinue service in his premises in accordance with regulations of the Department of Telecommunications & Energy, if any are applicable; and/or to recover the reasonable costs of collection incurred by the Company.
- (d) Whenever the customer desires to have his water service discontinued, he/she shall notify the Company. Until such notice is received by the Company, the customer shall be responsible for payment for service rendered by the Company. A reasonable time after the receipt of such notice shall be allowed the Company to take a final reading of the meter and to discontinue service. A turn-on charge as specified in Appendix A hereto will be charged to the customer to reinstate service.
- (e) The Company may terminate service to a household in which all residents are sixty-five (65) years of age or older only after such Company first secures written approval of the Department (DTE). If a customer 65 years of age or older so desires, the Company shall provide a third person designated by such customer notification of all past due bills and other notices required by Department (DTE) regulations. In addition to the application for such approval filed with the Department (DTE), the Company shall concurrently give written notice to the Department of Elder Affairs (or any agency designated by the Department of Elder Affairs for such purposes), any third person to be notified pursuant to 220 CMR 25.05(2) and the residents of such household. Prior approval by the Department of such application, no company may send notices threatening termination of service to any household which has notified the Company that all residents of the household are sixty-five (65) years of age or older.

7. ABATEMENTS AND REFUNDS

- (a) No abatement shall be made for leaks or for water wasted by improper or damaged service pipes or fixtures belonging to the Customer, or for water services left on due to vacancy.

8. GENERAL

- (a) Subject to prior approval by the Department of Telecommunications & Energy, if applicable, water service may be discontinued upon reasonable notice for any one of the following reasons:
- (1) willful waste of water;
 - (2) molesting meters or meter seals;
 - (3) property vacant, furnishings removed and whereabouts of owner unknown;
 - (4) cross connecting Company service with any other supply source;

- (5) refusal of reasonable access to property or to meter;
- (6) refer to Drought Conditions, Section 15 and Section 16;
- (7) non-payment of bills

(b) When water has been turned off for any of the above reasons, or because of an unpaid bill, or upon order of the customer, a charge will be made for restoring service in the amount set forth in Appendix A to these Rules and Regulations.

(c) The Company will not permit its mains or service pipes to be connected with any other source of supply not approved by responsible public health authority, nor will the Company permit its mains or service pipes to be connected in any way to any pipes, tanks, vats or other apparatus which contain liquids, chemicals, or other pollution which can flow back into the Company's mains and consequently endanger the common water supply. Refer to Massachusetts Drinking Water Regulations 310 CMR 22.22, Cross Connection Distribution System.

(d) Any authorized agent of the Company shall have the right of access at all reasonable hours to the premises supplied with water for the purpose of reading meters, examining fixtures and pipes, observing the manner of using water, or for any other purpose, which is reasonable and necessary in the conduct of Water Company business. No person shall be deemed to be an authorized agent of the company entitled to such access unless he/she displays on his outer garment a badge bearing his name and photograph and the name of the Company.

(e) The Company shall have the right to shut off the water supply to make repairs, changes or connections to its mains and other equipment. It will use reasonable efforts to notify the customer in advance of such discontinuance of service but in time of emergency may not be able to do so.

(f) The Company shall not be liable for any damage or inconvenience suffered by the customer as a result of any cause beyond the Company's control. The Company shall have the right to reserve a sufficient supply of water at all times in its reservoirs to provide for fire or any other emergencies, and may restrict or regulate the use of water by its customers in case of scarcity, or whenever the public welfare may require it.

9. PUBLIC FIRE HYDRANTS

(a) Public fire hydrants will be installed at the expense of and remain the property of the Company.

(b) Any expense for repairs caused by the negligence of employees of the municipality or its agents or of the fire department will be paid for by the municipality.

(c) The use of hydrants or other fire protection systems will be restricted to the taking of water for the extinguishing of fires and Fire Department training and testing and water shall not be taken from

any fire hydrant for construction purposes, sprinkling streets, street sweeping, flushing sewers or gutters, or any other use unless specially permitted by the Company in writing for the particular time and occasion. Notwithstanding the foregoing, the Town of Milford, during the course of street sweeping operations may take water from hydrants without prior approval of the Company. The Company may designate to the Town, specific hydrants not to be so utilized. Where the Town does take water from hydrants, the Town shall, on a daily basis, provide the company with a total of the gallons taken to fill street sweepers.

(d) Fire pumps and booster pumps of any nature may be connected only after notification to the Company and Company approval and shall be constructed in such a manner to prevent cross connections and vacuum. Owners and operators of such equipment are liable for any and all damages of the Company property or other customers' property during such installation and operation.

(e) Hydrants shall be authorized in writing by the Board of Selectmen at locations specified by the Board or its designee. Once installed a hydrant may be moved to a new location upon proper authorization by the Board of Selectmen, but the relocation expense shall be borne by the municipality.

10. PRIVATE FIRE SERVICE

(a) The entire cost of the labor and materials for installing a private fire service from the main to the premises will be paid for by the Customer. The Customer shall furnish, install, and maintain all new service connections, provided the costs of excavation, backfill and removal, and replacement of paving, walks, curbs, etc., including the hiring of traffic control personnel, and obtaining the street opening permits, necessarily incurred in respect to the new service shall be borne by the Customer or other applicant for service. For replacement of services, the Customer shall bear all costs from the main to the premise. All replacement work performed shall be done by the Company at the Customer's expense or by the Customer or his designee. The designee must be acceptable to the Company. The Company shall perform inspection services at the expense of the Customer.

(b) A gate valve controlling the entire supply will be placed on the fire service between the main and the property line of the premises being served. Any valve pit or vault, which is required, will be furnished at the expense of the Customer.

(c) The private fire service connection is furnished for the purpose of supplying water for the extinguishment of fires only and no use of water from such connection for any other purpose shall be made without approval of the Company.

(d) The Customer shall notify the Company within a period of seventy-two (72) hours after any usage of the sprinkler system.

(e) A double check detector check valve assembly shall be furnished and installed by the Customer in accordance with Company requirements, just inside the building wall or other convenient location on the Customer's premises as designated by the Company. The meter for the device by-pass will be furnished by the Company at the expense of the Customer. Any meter pit or vault required by the Company shall be constructed, furnished, installed and maintained at the expense of the Customer. The by-pass meter will be maintained by and at the expense of the Company.

(f) Any repairs or maintenance performed with the property of the Customer, whether done by the Customer or the Company, will be at the expense of the Customer. Any repairs performed between the main and the property line of the premise will be done by the Company at the expense of the Customer.

(g) 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. All seals shall be approved by the Milford Fire Department prior to installation.

(h) No pipe or fixtures connected with a private fire service connection served by the Company shall be connected with pipes or fixtures supplied with water from any other source.

(i) The Company shall determine the size and location of any connection made to its mains for private fire service.

(j) Fire pumps and booster pumps of any nature may be connected to private fire services only after notification to the Company and Company approval and shall be constructed in such a manner to prevent cross connections and vacuum. The Customer is liable for any and all damages of the Company property or other customer's property during installation and operation.

(k) The entire private fire service connection and all parts of it which are located outside of the property line of the Customer are and forever remain the property of and under the complete jurisdiction of the Company.

(l) No test of Fire Services shall be permitted without approval by the Company. The Company may elect to have a representative present. The test shall be scheduled to cause the least possible inconvenience to the Company's customers.

11. CUSTOMER SECURITY PAYMENTS

(a) As assurance of payment for commercial or industrial water bills, the Company may require a customer to make a security payment equal to charges for two months' average water usage or usage for any one month, whichever is greater (which security payment may be adjusted pursuant to 220

CMR 26.06) As assurance of payment for installation of service or other jobbing work undertaken for any type of customer, the Company may require a customer to make a security payment equal to one and one-half of the estimated cost of the jobbing service. Interest shall be paid on such security payment in accordance with the requirements of 220 CMR 26.09 and Section 16 of Chapter 158 of the General Laws of Massachusetts, as may apply from time to time. When service is discontinued, or the jobbing work is completed, the Company will apply the security payment against any sum owed to the Company by the customer and refund the balance, if any, to the customer.

12. SERVICE TO NEW AREAS

(a) The developer of any real estate shall pay the cost of a new water main to reach the property from an existing main and to service the property internally. An individual property owner will likewise be required to pay the cost of extending an existing main to reach his/her property.

(a) The standard sized main shall have an inside diameter of eight inches, but the Company may require a larger size at the owner's expense if in the Company's judgement such larger size is deemed necessary by reason of the distance involved or the size of the property to be served.

13. INTEREST CHARGES FOR LATE PAYMENT

(a) Except as otherwise provided herein, bills for water service shall be due and payable when rendered. A bill shall be deemed rendered when it is delivered to the customer personally or three days following the date of the mailing of the bill to the mailing address supplied by the customer to the Company, whether or not the bill is in dispute.

(b) No bill shall be considered "past due" under applicable law or these Regulations in less than forty-five (45) days from receipt. No bill rendered to the Commonwealth of Massachusetts or to any agency, city, town, county or political subdivision thereof, shall be considered "past due" under applicable law or these Regulations in less than fifty-five (55) days from receipt.

(c) Except as provided in section (d) below, a bill rendered to a non-residential customer for which payment in full has not been received within 45 days from the date the bill was rendered shall bear interest at the applicable monthly rate as determined in section (e) below, on any unpaid balance from the due date until the date of payment.

(d) A bill rendered to the Commonwealth of Massachusetts or to any agency, city, town, county political subdivision thereof, for which payment in full has not been received within 55 days, from the date the bill was rendered shall bear interest at the applicable monthly rate as determined in section (e) below, on any unpaid balance from the due date until the date of payment.

(e) The applicable monthly interest rate shall be established on February 1 each year based upon the previous year annual average of two year Treasuries plus 1000 basis points, as per DPU Order 93-204-A, effective November 1, 1994.

14. PRESSURE AND CONTINUITY OF SUPPLY

(a) The Water 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 storage supply must be assured, such as steam boilers, domestic hot water systems, gas engines, medical equipment, etc.

(b) In high elevation sections where pressure is low, the customer shall, if he/she desires a higher pressure than that furnished at the mains of the Company, install at their 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/she wished, it shall be his/her responsibility to install the proper regulating device to reduce pressure to the extent desired.

(d) The Company shall have the right to reserve sufficient supply of water at all times to provide fire, health and sanitary requirements, whenever the public welfare may require it.

15. DURING DROUGHT CONDITIONS

(a) The Company shall restrict water usage by the following ways:

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|-----------|---|
| Stage I | Voluntary water conservation - Outside water usage limited to odd-even allocation program between the hours of 7 PM and 7 AM. |
| Stage II | Mandatory water conservation - Outside water usage limited to odd-even allocation program between the hours of 7 PM and 7 AM.
First violation - written citation.
Subsequent violations - termination of water service plus costs of termination and restoration. |
| Stage III | Mandatory water conservation - Lawn sprinklers, irrigation system, soakers |

and unattended hoses forbidden. Outside water usage restricted to use of hand held hose only for no more than one (1) hour between 7 PM and 7 AM.

First violation - written citation.

Subsequent violations - termination of water service plus costs of termination and restoration.

Stage IV Total mandatory water conservation - All outside use of water is forbidden.

First violation - written citation.

Subsequent violations - termination of water service plus costs of termination and restoration.

For Stage II, Stage III and Stage IV, first violation notices shall state the consequences (i.e., shut off and fees) for each subsequent violation cited during the restriction period.

(b) The Company will notify local agencies, Department of Environmental Protection and the Department of Telecommunications and Energy before implementation of any stage of the water conservation plan. Copies of the notification, penalties, termination notices and acknowledgments of penalties shall be filed with the above agencies.

(c) Customers shall be notified by the local newspaper, radio station, cable television, handouts, or advance notification through billings for drought related restrictions. In an emergency requiring 24 hour or less notification, termination shall be deferred until the customer found in violation is personally notified.

(d) No exceptions shall be granted for Stage II, Stage III and Stage IV.

(e) Restrictions shall remain in effect until public notice is given by the Company.

(f) Costs of termination and restoration be paid in full before service is restored.

16. CHARGES DURING DROUGHT CONDITIONS

(a) Customers will be charged a termination charge and a restoration charge as specified in Appendix A. Where service restoration can reasonably be accomplished, only outside the Company's normal working hours (Monday through Friday, 8 AM to 5 PM), the termination and restoration charge imposed on a customer of record and subsequent violations may be higher than the charge specified in Appendix A in order to recover the Company's actual overtime costs. The charge imposed outside normal working hours shall be limited to the Company's actual costs which vary according to the time involved, day of the week and time of the day and holidays.

(b) The charges for termination and restoration are applicable to all customers located on the mains of the Company in the corporate limits of the Town of Milford for the purpose of drought conditions.

17. WATER CONSERVATION POLICY

(a) In response to the Massachusetts Department of Environmental Protection's request, the Company has developed a more aggressive 'water conservation policy' to address matters related to system capacity and present and future demands. The list of conservation measures taken by the Company are:

- (1) Eliminate of the existing descending block rate structure and adoption of a flat rate charge for all water sold.
- (2) Eliminate minimum water allowances.
- (3) Charge individual customers a quarterly (or monthly) service charge by meter size, plus a volumetric charge beginning at the first cubic foot of water metered.
- (4) Institute a water conservation surcharge on all household customers using an amount over 4,800 cubic feet per quarter per household. The surcharge will be 150% the base rate.
- (5) Banned all new lawn irrigation systems connected to the Company supply after January 1, 2005.
- (6) Conduct a formal leak survey at least every two (2) years.

RULES AND REGULATIONS APPENDIX A

Schedule of Administrative Fees and Charges
(May 1, 2006)

System Development Charge (Section 3f):

5/8" Meter	(20 gallons per minute)	\$ 1,200.00
3/4" Meter	(30 gallons per minute)	\$ 1,800.00
1" Meter	(50 gallons per minute)	\$ 3,000.00
1-1/2" Meter	(100 gallons per minute)	\$ 6,000.00
2" Meter	(160 gallons per minute)	\$ 9,600.00
3" Meter	(320 gallons per minute)	\$ 19,200.00
4" Meter	(500 gallons per minute)	\$ 30,000.00

Charge for testing meters 5/8" to 1" (Section 5e): \$ 50.00 (refundable if meter is more than 2% inaccurate, as specified in Section 5e)

Restoration Charge (Section 6d and Section 8b): \$ 70.00 (during regular business hours)
\$ 100.00 (during non-business hours)

Disconnection and Restoration Charges during Drought (Section 16a):
\$ 70.00 (during regular business hours)
\$ 100.00 (during non-business hours)

Return Check Fee \$ 20.00

Turn-on Fee, during business hours \$ 70.00

Turn-on Fee, during non-business hours \$ Actual Cost

Cross-Connection device testing Fee, one device \$ 75.00

Cross-Connection, each additional device \$ 35.00

Broken Meter Seal \$ 50.00