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INDIANA AMERICAN WATER COMPANY, INC.

AGREEMENT FOR WATER MAIN EXTENSION
DEVELOPER INSTALLED - SUBDIVISION WITH REVENUE REFUND
NO SUBSEQUENT CONNECTOR

THIS AGREEMENT, made and entered into this _____ day of _____, 2011, by and between Indiana-American Water Company, Inc., an Indiana corporation (hereinafter referred to as the "Utility"), and, (whether one or more individuals, partnerships, corporations or other entities, herein referred to as the "Developer").

W I T N E S S E T H:

WHEREAS, the Utility owns and operates the water system serving the community of, Indiana and surrounding vicinity; and

WHEREAS, the Developer is engaged in developing " " consisting of residential lots located in County, Indiana, and has requested the Utility to provide water service to users within the above-named development; and

WHEREAS, the Developer has requested approval by the Utility of Developer's plans, specifications, and estimated costs (Exhibits A and B, respectively, which are part of this Agreement) to install water lines and appurtenances (herein referred to as "Main Extension") within the above-named development; and

WHEREAS, the Utility has reviewed and approved the Developer's plans, specifications and estimated costs; and

WHEREAS, the Utility and Developer agree the Developer shall at its cost and expense, furnish the necessary engineering, engineering services, labor and materials, install the Main Extension and obtain all necessary easements, permits, right-of-way grants or other authority which is required to provide water service to the development;

NOW, THEREFORE, in consideration of the premises, covenants and agreements herein contained, the Utility and the Developer, respectively, agree as follows:

1. Developer Installation The Developer hereby agrees that during installation of the Main Extension, the Utility will have authority to inspect the installation at the Utility's convenience. The Developer further agrees the Utility may at its discretion during the installation as a result of unforeseen field conditions, request, and the Developer will honor such request, reasonable and necessary changes in the Main Extension related to location, workmanship and materials. Upon determination by the Utility that installation has been in accordance with the approved plans and specifications, water service will be provided to the development, which is shown on Exhibit A attached hereto. The parties agree that the Main Extension as shown on Exhibit A is of the size and at the location required in order for the Utility to furnish the water service requested by the Developer.

The Utility expressly reserves and shall have the right to require the construction and installation of pipe of a larger diameter than the size originally contemplated and as shown on Exhibit A hereto, provided, however, that the Utility shall bear the cost difference for materials and labor between the larger diameter main and the smaller diameter main. The Utility will pay the actual cost difference, estimated at \$ 0.00 to Developer after the transfer of ownership of the facilities and the reconciliation of the actual cost for materials and installation.

2. Construction of Main Extension by Developer The Developer agrees to commence construction within one hundred and twenty (120) days after the date of this Agreement, and to prosecute such construction to full completion with all reasonable diligence consistent with good business practices and the availability of required equipment, materials and labor. The Developer shall provide periodic inspections of the Main Extension by a professional engineer, registered in the State of Indiana. The Developer shall within thirty (30) calendar days after the Main Extension has been installed, convey title to same to the Utility by the execution and delivery of appropriate bills of sale or transfer of ownership documents including copies of paid invoices and instruments of conveyance, free of all liens and encumbrances incurred by Developer.
3. Ownership of Main Extension Upon conveyance of title by Developer to Utility, the Main Extension, including all mains, valves, fire hydrants, and other equipment of which said extension is composed or to which the same is or may be connected shall become the sole property of the Utility. The Utility shall be responsible for the maintenance and repair of same. The Developer shall have no right of property in the Main Extension or any part thereof by reason of or on account of the Developer having furnished a part or all of the funds used in the purchase of materials and equipment for, or the employment of labor in connection with, the construction of the Main Extension.
4. Other Requirements of Developer Coincident with delivery of the appropriate bill of sale or transfer of ownership documents required hereinabove by the Developer to the Utility, there shall also be delivered to the Utility by the Developer:
 - a) "As-Built" drawings certified by the professional engineer,
 - b) Certification of construction in accordance with the Utility's specifications, signed by the professional engineer,
 - c) Recorded easements and legal survey, all permits, and any other information pertaining to the Main Extension,

- d) Final platted map of the development,
- e) Waivers of Lien for materials and contractor,
- f) One (1) year warranty on Main Extension for materials and workmanship,
- g) Schedule itemizing all materials and costs, certified as being accurate,
- h) Payment of fees related to Main Extension.

5. Determination of Cost of Main Extension Utility and Developer agree that the Cost of Main Extension shall be the amount appearing on the transfer of ownership documents rendered by Developer to the Utility plus the Utility's fees attributable to the Main Extension.

The Utility's fees related to the Main Extension shall be an amount equal to 4.58% of the amount appearing on the transfer of ownership documents to cover engineering, administrative costs, legal costs, direct labor cost, direct labor overhead and transportation costs incurred by the Utility. In addition, the utility fees shall include the estimated cost for the Utility to connect the Main Extension to the Utility's existing water main(s). The estimated cost for such connection(s) is \$0.00.

6. Refund of Advance The Utility shall establish on its records, for the benefit of, and in the name of the Developer, a "Refundable Advance Account" in an amount equal to the Cost of the Main Extension, which shall be subject to refund to the Developer to the extent, at the time and in the manner provided herein. The Utility agrees, that for a period of ten (10) years after the date of completion of the Main Extension for each customer which is directly connected to the Main Extension, the Utility will, as soon as practicable, but no less than one time per year, refund to the Developer an amount by which three (3) times the estimated annual revenue to the Utility from such new customer exceeds, if any, the Utility's investment in connecting such new customer. All refunds paid under this Agreement shall reduce the amount in the Refundable Advance Account established in the Developer's name. In no event shall the total amount of refunds to be paid by the Utility to the Developer under this Agreement exceed the Cost of the Main Extension, such amount being the limit of the Utility's obligation for refunds hereunder:

7. Basis for Calculating Refund In calculating the amount of refunds, if any, to be made under the provisions of paragraph 6 above, the Utility and Developer agree that the following shall be applicable:

- a) Residential Service In determining the "estimated annual revenue" to the Utility for each new residential customer connected to the Main Extension, the Utility shall be entitled to use its average annual revenue per residential customer realized by the Utility from comparable residential customers on its water utility system in the calendar year preceding such connection, adjusted for any changes in the applicable rates and charges for such service which have become effective in such prior calendar year or in the current year on or before the date of the connection. In determining the Utility's investment in connecting each such residential customer, the Utility shall be entitled to use the average of its costs for the same size service connections for all residential customers incurred for its Northwest water utility system during the preceding calendar year. Such investment in connecting shall include all costs in connecting service to new customers, including services, meters and meter vaults and installation thereof.

- b) Commercial and Industrial Customers In determining the “estimated annual revenue” to the Utility for each commercial or industrial customer connecting to the Main Extension, all known factors affecting probable usage by such customer under then applicable rates and charges shall be considered, including the amount of consumption or annual revenues, if any, specified in any contract or agreement executed between the Utility and such customer by virtue of which the customer is or becomes obligated to take a specified quantity of water or guarantee specified revenues for a designated period of time. The Utility's investment in connecting each such commercial or industrial customer shall be the actual costs incurred by the Utility in order to provide the requested service, including the cost of service, meter, meter vault and any other equipment or facilities required and the cost of installation thereof. If an estimate of annual revenue cannot be computed for a commercial or industrial customer, the actual revenue received for the first twelve (12) months shall be used in the calculation of the refund due and after the twelve (12) months revenue figure is ascertained, it shall be multiplied by three (3), the Utility's investment in connecting shall be deducted, and any refund due shall be paid.
- c) Fire Protection Service. If the Main Extension is designed to provide fire protection service, each fire hydrant (or private fire service) installed on the Main Extension pursuant to order of any authorized governmental body or pursuant to any contract or agreement with any private firm or person, shall be considered as a customer connection for purposes of refunds hereunder. The "estimated annual revenues" to be used for such purposes shall be the applicable annual public or private fire hydrant rental (or private fire service charge) specified in the schedule of rates and charges of the Utility for its Northwest water utility system as in effect the time of connection of each such fire hydrant or service. The “cost of connection” for each such fire hydrant connected to the Main Extension shall be the actual cost to the Utility of such fire hydrant and all necessary attachments and appurtenances and the actual costs of installing same.
8. Disposition of Unrefunded Advances At the expiration of the period of ten (10) years from the date of completion of the Main Extension any balance of the Advance not refunded or subject to refund as reflected in such Refundable Advance Account shall, subject to applicable law, become the property of the Utility.
9. No Refunds Based Upon Other Main Extension Notwithstanding any other provisions of this Agreement, the Utility shall have the absolute right at any time to construct and install other main extensions and appurtenant facilities connecting to the Main Extension. Neither the connection of any such other main extension nor any service furnished by or from such other main extensions shall be subject to or in any manner affect this Agreement, and the Developer shall not be entitled to any refund of all or any portion of the advance made hereunder by reason of the connection of such other main extensions or connections for service therefrom.
10. Indiana Utility Regulatory Commission. This Agreement is entered into by the Utility and Developer in conformity with the rules and regulations of the Indiana Utility Regulatory Commission and the Utility's Rules, Regulations, and Conditions of Service on file with and approved by such Commission. In the event of any conflict between the terms of this Agreement and the rules and regulations of such Commission and the Utility's Rules, Regulations and Conditions of Service, the rules and regulations of such Commission and the Utility's Rules,

Regulations and Conditions of Service shall control and shall supersede any inconsistent terms herein.

11. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the parties hereto, including any subsequent connectors, and their respective successors and assigns.

IN WITNESS WHEREOF, the Utility and Developer have properly executed this Agreement or caused the same to be properly executed as of the date hereinabove set forth.

INDIANA-AMERICAN WATER COMPANY, INC.

By: _____
Keith Morgan,
Engineering Manager-Planning

By: _____