

PSC NO: 1 – WATER
COMPANY: Aquarion Water Company of Sea Cliff, Inc.
INITIAL EFFECTIVE DATE: DECEMBER 1, 2006

LEAF: 42
REVISION: 0
SUPERSEDING REVISION: 0

GENERAL INFORMATION

G. Construction Loan Agreement for an Applicant Who Cannot Qualify as a Reasonably Permanent Customer with Company Performed Installation*

ARTICLE TWO

THE APPLICANT AGREES:

FIRST: To advance to the Company, simultaneously with the execution of this Agreement, the sum of _____ Dollars (\$_____), which represents the estimated cost of the main extension, the cost of the service connections, fire hydrants, accessories and applicable taxes. The advance so paid shall be the absolute property of the Company. (The Company may require a separate check for that portion of the deposit representing taxes.)

SECOND: To connect the buildings under construction to the said service connections upon completion thereof for the purpose of receiving regular water service therefrom.

THIRD: To provide all easements and rights of way, which the Company considers necessary either from the Applicant or from third persons, as the case may be, to assure the legal feasibility of the extension, without cost to the Company.

FOURTH: To abide by all the rules and regulations of the Company and the Rules and Regulations set forth in the Company's Schedule for Water Service (P.S.C. NO. 1 – Water), duly filed with the Public Service Commission of the State of New York, as may be amended from time-to-time.

FIFTH: The title to the mains and service connections furnished and installed by the Company shall be and remain the sole property of the Company and the extension shall be and remain a part of the distribution system of the Company for all purposes. Should further or additional longitudinal or lateral extensions be made from any point on this extension, the additional customer connected to the initial extension via the additional extension shall be charged a pro rata share of the remaining unrefunded advance times the percentage of the remaining refund period, to the total refund period of ten (10) years and such amount charged to the additional customer shall be credited and refunded to the Applicant.

ARTICLE THREE

BOTH PARTIES AGREE THAT:

FIRST: As soon as the actual cost of the main extension, including the cost of the service connections is known, if the estimated cost exceeds the actual cost, the Company shall within ninety (90) days refund the difference and the proportionate amount of taxes to the Applicant. If the actual cost exceeds the estimated cost by 20% or more, or the Company does not make the required refund within ninety (90) days, the refund shall include interest from the ninety-first (91st) day. Such interest shall be at a rate equal to the then existing customer deposit rate established by the Public Service Commission.

SECOND: If the actual cost exceeds the Applicant's advance, the excess, including the proportionate amount of taxes, shall be paid to the Company by the Applicant within thirty (30) days of receipt of notice from the Company explaining the reason for the additional cost.

Issued by: Charles V. Firlotte, Chairman of the Board and President, 325 Prospect Ave., Sea Cliff, NY 11579-1926
(Name of Officer, Title, Address)