

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

LEAF: 54
REVISION: 0
SUPERSEDING REVISION: 0

GENERAL INFORMATION

I Construction Loan Agreement for Real Estate Development with Company Performed Installation*.

SECOND: (a) 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.

Except as provided in subparagraph (b) below, no refund on the advance shall be made to the Applicant before the expiration of one (1) year from the date of the completion of the extension, i.e. the date when water service becomes available to the premises to be served by the extension.

At the expiration of one (1) year from the date of completion of the aforesaid extension and annually thereafter for a period of up to five (5) years from the date of completion of the aforesaid extension, the Applicant shall be entitled to a refund, without interest. Such refund shall be equal to the number of new reasonably permanent customers connected directly to the main extension during that year multiplied by seventy-five feet and then multiplied by the average cost per foot of the main extension determined by dividing the total amount of the deposit by the total length of the main extension. Any refund made shall include a proportionate amount of taxes.

(b) The cost of installing the fire hydrants shall be refunded to the Applicant at such time as the hydrants become usable and revenue is collected through hydrant charges.

THIRD: The right to any refunds, partial or total, except such refunds as shall have already accrued pursuant to Paragraphs FIRST and SECOND hereof, shall expire five (5) years from the date of the said completion of the extension. The total amount of all refunds, as hereinabove set forth, shall in no case exceed the amount of the advance.

FOURTH: No interest on the refund accrued pursuant to Paragraph SECOND hereof will be paid except that if refunds are not made within sixty (60) days of the date the Applicant is entitled to a refund, the refund shall begin to accumulate interest at the then existing customer deposit rate established by the Public Service Commission beginning on the day the Applicant is entitled to the refund. Such interest obligation shall cease when a reasonable effort has been made by the Company to tender the refund.

FIFTH: The above considerations shall be in addition to and independent of any charges against the Applicant individually as a customer of the Company, for service or water for which the said Applicant may be charged at the regular rates of the Company.

SIXTH: Should the Company for any reason fail or be unable to furnish, lay and connect said extension as herein provided, it shall not be liable to the Applicant for more than the amount advanced to the Company.

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