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PSC No. 1 - Water Leaf No. 50
United Water South County Water Inc. Revision: 0
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GENERAL INFORMATION

IX. EXTENSION OF MAINS (cont'd.)

A. Procedures (Permanent Customers (cont'd.)

(3.2) that he shall first have executed an agreement, the terms of which shall provide substantially as follows:

Applicant shall agree to pay to the Company the rates charged to customers served under paragraph 2 above and in addition a surcharge of twelve per cent (return, depreciation, taxes and maintenance) per year of the actual, reasonable cost of such portion of said main extension (excluding the cost of any service pipe and accessories) that is in excess of 75 feet distance from the end of the nearest water main appropriate to the service requested if the size of said extension be six inches or less in nominal diameter or if the service requested requires a main larger than six inches in diameter or twelve per cent of the estimated cost of six-inch main if the Company lays a main greater than six inches in diameter when not necessary for the service requested; provided, however, that if a hydrant be connected to said main extension, the amount of main allowed without surcharge shall be increased 20 feet for each hydrant connected thereto; said surcharge to be paid ratably at the end of each regular billing period, provided, however, that said surcharge shall begin at the date when water service is first available to the applicant and shall cease ten years from that date. Whenever more than one customer shall be connected to said extension, said surcharge shall be so adjusted as to yield to the company not more than said twelve per cent in any one year from all customers served from said extension and said surcharge shall be reasonably allocated to the several customers served from said extension, taking into account that 75 feet of main and a service are to be allowed without surcharge for each customer and 20 feet of main allowed without surcharge for each hydrant connected thereto. Whenever the number of customers on a main extension multiplied by 75 feet plus the number of hydrants on the same extension multiplied by 20 feet shall equal or exceed the length of the main extension, or whenever the total revenue in one year from all customers on the main extension shall exceed one-fourth of the total cost of said main extension, said cost to be the actual or estimated cost, all surcharges shall cease; and no surcharge shall be imposed if the total estimated revenue in one year shall exceed one-fourth of said total actual or estimated cost; and

(3.3) that he shall first have furnished reasonable security as to performance of his agreement if so required by the Company.

Issued in compliance with order in Case 02-W-0949 dated 05/21/2004

Issued by: Robert J. Iacullo, President, 360 West Nyack Rd., West Nyack, NY 10994