PSC No. 1 - Water United Water South County Water Inc. Initial Effective Date: 06/01/05 Leaf No. 38 Revision: 0 Superseding Revision: 0

GENERAL INFORMATION

V. BILLING, MTR. RDG., NOTIFICATION & TERM. (cont'd.)

O. Deferred Payment Agreements (cont'd.)

- (3c) A payment agreement offered for nonpayment of arrears, upon application of service, or upon request for reconnection, may require the customer or applicant:
 - (3c.1) to make a down payment of up to 20% of the amount covered by the agreement, or the cost of one month's average usage, whichever is greater, and to pay the balance in installments up to the cost of 1 months average usage, or one tenth of the balance, whichever is greater.
- (3d) A payment agreement offered for backbilling, if applicable, may require the customer to pay the outstanding charges in three or more monthly installments of up to the cost of one month's average usage, or one twenty-fourth of such charges, whichever is greater.
- 4. Broken Agreements for Residential Customers
 - (4a) When a customer fails to make timely payments in accordance with a payment agreement, the Corporation will send a reminder notice at least eight calendar days before the day when a final termination notice will be sent, stating that:
 - (4a.l) the customer must meet the terms of the existing payment agreement by making the necessary payment within 20 calendar days of the date the payment was due or a final termination notice may be issued; and
 - (4a.2) if the customer can demonstrate an inability to pay the terms of the payment agreement, the customer should immediately contact the Corporation to arrange a new payment agreement. The customer must be able to demonstrate that financial circumstances have changed significantly because of conditions beyond the customer's control.
 - (4b) If by the 20th calendar day after payment was due, the Corporation has neither received payment nor negotiated a new payment agreement, the Corporation will demand full payment of the total outstanding charges and send a final termination notice.

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