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January 28, 2008

VIA HAND DELIVERY

Hon. Jaclyn Brilling, Secretary
New York State Public Service Commission
3 Empire Plaza
Albany, NY 12223-1350

RE: Aqua New York, Inc. - Case 07-W-0107
Application to Increase Rates and Implement a New Rate Design

Dear Secretary Brilling:

Enclosed for filing with the Public Service Commission are five copies of proposed tariffs that would effectuate an increase in rates and implement a single tariff rate design for the five small water systems that now comprise Aqua New York, Inc. (Aqua NY).

By Order dated September 25, 2007, in Case 07-W-0711, the Commission approved the merger and transfer of Cambridge Water Works Company, Inc. (Cambridge), Dykeer Water Company, Inc. (Dykeer), Waccabuc Water Works, Inc. (Waccabuc) and Wild Oaks Water Company, Inc. (Wild Oaks) into Aqua NY. Aqua New York is the successor company to Kingsvale Water Company, Inc. (Kingsvale) which was one of the five small systems acquired by Philadelphia Suburban Corporation in 2003. See Case 02-W-1447, *Philadelphia Suburban Corporation, et al.*, Order Authorizing Stock Transfers (issued March 11, 2003). On January 16, 2004, Philadelphia Suburban Corporation was renamed Aqua America, Inc. On August 3, 2005, Kingsvale changed its name to Aqua NY. As previously noted, on September 25, 2007, the Commission approved the merger of Cambridge, Dykeer, Waccabuc and Wild Oaks into Aqua NY. These five systems are very small; Cambridge has 473 customers, Dykeer has 120, Aqua NY (fka Kingsvale) has 170, Waccabuc has 80 and Wild Oaks has 192, for a total customer count of 1,035.

Aqua NY is requesting an increase in rates of \$300,000. Although the attachments hereto demonstrate that an increase of \$350,000 is justified, Aqua NY has decided to request an increase that is not a "major change" as defined in Public Service Law Section 89-c(10). The main drivers supporting this increase are as follows:

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- **Capital expenditures:** Since Aqua America's acquisition of the five companies in 2003, approximately \$1.6 million has been spent in improving the systems through the end of 2007. Aqua NY is not earning a return on its investment in the companies and, in fact, has incurred a net loss every year for the past three years. See Attachment A relating to historic expenditures made by Aqua NY since 2003. For the years 2007 through the rate year ended June 30, 2009, Aqua NY is anticipating another approximately \$900,000 in expenditures on system improvements, including a tank and main extension. See Attachment B relating to the projected capital expenditures and Attachment C which reflects a pro forma rate base.
- **Increases in operation and maintenance expenses since the five companies last had a rate case in 1999:** These increases relate to increased cost of power and chemicals, operator contract costs, and materials and supplies. See Attachment D for historic and pro forma income statements.
- **Increases in depreciation expense relating to the additional capital expenditures and higher property taxes based on current tax bills.**

The rates of the five small companies were last established via multi-year rate plans adopted as part of the Commission's approval of the transfer of their stock to AquaSource Utility, Inc. *See, e.g. Case 98-W-1274, AquaSource Utility, Inc. and Cambridge Water Works Company – Stock Transfer*, Untitled Order (issued January 8, 1999). In that Order, the Commission decided that if the aggregate of certain unavoidable costs (power, chemicals, taxes, testing costs, and the depreciation and return components of extraordinary capital additions) increase at an annual rate more than 5% greater than the allowed GDP escalator, the company would be permitted to seek a rate increase. This provision was also contained in the multi-year rate plans for each of the other four small companies. Since the companies were acquired by Aqua America, approximately \$1.6 million, or approximately \$1,550 per customer, has been invested in system improvements and the revenue requirement on these improvements would exceed \$150,000 on a cumulative basis. This amount far exceeds increases in the GDP deflator over the period from 2004-2007. The GDP Implicit Price Deflator has increased 10.5% since 2003 while the lost revenue requirements on the capital expended since 2003 would have equated to a rate increase to customers of more than 30%. This increase does not factor in any increases in expenses relating to power, chemicals, contractor/management costs, depreciation and property taxes.

Aqua NY is also requesting a single rate design to replace the individual designs which now exist for each of the five small companies. The proposal is to utilize the Dykeer rate design, which has a basic minimum charge and a single rate per thousand gallons. See Attachment E for a comparison of the rate designs for each of the companies and the impact on customer bills. Also, see Attachment F which is a copy of a

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proposed consolidated tariff. Please note that as a way of moderating customer bill payments, Aqua NY is considering switching from quarterly to monthly billing.

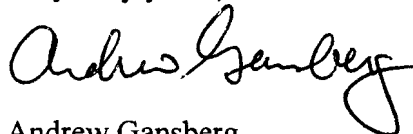
The pre-tax rate of return included in this filing is 11.5% and is based on a review of a number of small water company decisions in 2007 in which companies were granted an 11.5% pre-tax rate of return. In various recent Commission orders, the Office of Accounting, Finance and Economics has indicated that a pre-tax return of between 10.5% and 11.5% is appropriate for small water companies. *See, e.g., Case 06-W-1552, Mt. Ebo Water Works, Inc., Order Approving Rates and Charges (issued October 25, 2007), p.8.*

Aqua NY is also requesting a System Improvement Charge (SIC) since capital expenditures will need to be made for a tank and new main extension at Cambridge. The estimated expenditures for the tank are \$200,000 and \$150,000 for a transmission main from the new tank into the Town of Cambridge. The new tank and transmission main are needed to increase fire flows and increase system reliability by replacing an older transmission main. In addition, Aqua NY proposes to include in base rates the surcharge authorized for Cambridge in accordance with the Order in Case 05-W-1211 (issued April 17, 2007). With regard to the amortization of the debt, Aqua NY proposes to continue to amortize the loan over the eight-year period ending in 2012.

Aqua NY will notify its customers of the proposed increase by mail and, therefore, is requesting a waiver of the requirement for newspaper publication.

Based on the extensive expenditures made since 2003 by Aqua NY, we are requesting that this filing be processed as quickly as possible in order that the company may begin earning a return on existing and projected investments in the water systems. As mentioned above, while Aqua NY has spent over \$1.6 million since 2003, there are additional substantial expenditures that need to be made through the rate year ending June 30, 2009. As the Commission is aware, Aqua NY is a subsidiary of Aqua America, which has a history of acquiring small water systems and is continually looking for opportunities to expand operations in New York. Thank you for your consideration.

Very truly yours,



Andrew Gansberg
Counsel to Aqua New York, Inc.

Attachments

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ATTACHMENTS A - F

AQUA NEW YORK - 5 Small Companies
HISTORICAL CAPEX BY COMPANY
Dollars in 000

Attachment A

Year	Cambridge	Dykeer	Kingsvale	Waccabuc	Wild Oaks	Total
2007	\$ 70	\$ 12	\$ 47	\$ 42	\$ 8	\$ 179
2006	461	22	105	67	74	729
2005	90	177	74	12	2	355
2004	111	142	8	11	20	292
2003	28	25	2	17	-	72
Total	\$ 760	\$ 378	\$ 236	\$ 149	\$ 104	\$ 1,627
Customers	473	120	170	80	192	1,035

**AQUA NEW YORK - 5 Small Companies
CAPEX BY COMPANY**

Attachment B

2007	Wells, equip treatment	Tanks	Meters	Mains	Services	Hydrant	Total
CAMBRIDGE	\$ 4,175	\$ 22,804		\$ 21,244	\$ 6,286	\$ 15,549	\$ 70,058
DYKEER				-	11,747		11,747
KINGSVALE	44,126		427	-		1,958	46,511
WACCABUC	13,575		(1,803)	15,583	15,091		42,446
WILD OAKS	7,915		390	-			8,305
TOTAL	\$ 69,791	\$ 22,804	\$ (986)	\$ 36,827	\$ 33,124	\$ 17,507	\$ 179,067

2008	Wells, equip treatment	Tanks	Meters	Mains	Services	Hydrant	Total
CAMBRIDGE	\$ -	\$ -	\$ 40,000	\$ 37,000	\$ -	\$ 7,500	\$ 84,500
DYKEER				7,000			7,000
KINGSVALE	150,000		20,000	5,000		5,000	180,000
WACCABUC	-			2,000	15,000	4,000	21,000
WILD OAKS	200,000		-	10,000			210,000
TOTAL	\$ 350,000	\$ -	\$ 60,000	\$ 61,000	\$ 15,000	\$ 16,500	\$ 502,500

2009	Wells, equip treatment	Tanks	Meters	Mains	Services	Hydrant	Total
CAMBRIDGE	\$ -	\$ -	\$ -	\$ 37,000	\$ -	\$ 7,500	\$ 44,500
DYKEER				7,000			7,000
KINGSVALE	-		-	5,000		-	5,000
WACCABUC	-			7,000	15,000	4,000	26,000
WILD OAKS	20,000			10,000			30,000
TOTAL	\$ 20,000	\$ -	\$ -	\$ 66,000	\$ 15,000	\$ 11,500	\$ 112,500

Attachment C

AQUA NY - 5 SMALL COMPANIES
PROJECTED RATE BASE

Rate Year Average Ended 6/09
\$ 4,356,253 (1,087,177)
3,269,076
65,379
(18,000) (609,998)
\$ 2,706,457

Utility Plant in Service
Accum depreciation

Net Plant

Plus
Working capital @ 20% of O&MLess
Deferred taxes
Contributions in aid of construction

Rate Base

AQUA NEW YORK - 5 Small Companies
ProForma Income Statements
Historical and projected

Attachment D
Page 1 of 2

	Actual 2005	Actual 2006	Actual 2007	Projected 2008	Rate Year ended 6/09	Rate Increase	With new rates	See page 2 of 2
Revenues	\$ 485,582	\$ 227,655	\$ 476,069	\$ 510,000	\$ 510,000	\$ 350,000	\$ 860,000	1
Labor	-	3,636	-	16,098	16,419		16,419	2
Employee benefits	-	19	24	1,138	1,194		1,194	2
Purchased water	988	1,853						
Power costs	55,702	61,204	53,116	57,978	58,645		58,645	3
Chemicals	8,907	16,783	13,180	13,253	13,405		13,405	3
Management fees - AQUA	4,611	49,873	32,855	21,022	21,548		21,548	4
Customer operations	200		10,958	13,141	13,470		13,470	4
Outside Contractors	135,484	148,050	155,297	158,869	160,696		160,696	5
Leases	-	-	-	-	-		-	
Supplies (M&S)	12,455	22,359	11,287	11,547	11,679		11,679	6
Rate case expenses					10,000		10,000	
Transportation	782	-	-				-	
Insurance	-	772	612	626	633		633	
Bad debt expense	96,610	21,588	60,738	2,550	2,550	1,750	4,300	7
Miscellaneous	14,634	14,130	15,243	13,300	13,453		13,453	6
Total O&M	330,373	340,267	353,310	309,522	323,692	1,750	325,442	
Depreciation	76,040	90,991	106,320	121,612	126,655		126,655	8
Amortization	(12,999)	(12,999)	(12,999)	(12,998)	(12,998)		(12,998)	8
Taxes other than income	77,671	105,838	94,264	108,415	109,763		109,763	9
Income taxes	5,808	(98,956)	(32,282)	(33,911)	(41,570)	132,335	90,765	
Total Operating Expense	476,893	424,141	508,613	492,640	505,542	134,085	639,627	
Utility Operating Income	8,689	(196,486)	(32,544)	17,360	4,458	215,915	220,373	
Rate Base (average)					\$ 2,706,467		\$ 2,706,467	
Pre-tax Rate of Return					-1.37%		11.50%	

**Aqua New York
Explanations of ProForma
Line Items**

**Attachment D
Page 2 of 2**

Item #

- 1** The decrease in revenues in 2006 resulted from the Cambridge true-up of a surcharge mechanism pursuant to Case 05-W-1211
- 2** Represents allocations of salaries and benefits of Aqua New York employees relating to oversight of company operations as well as accounting, financial, regulatory and forecasting activities.
- 3** Power and chemicals in the rate year are based on an average of the 3 actual years and escalated by the GDP Implicit Price Deflator (GDP) of 2.3% (3q2007 over 3q 2006). This will be updated when 4q is available.
- 4** Corporate management charges in 2005 were inadvertently not allocated to the small New York companies.
- 5** Primarily includes contract costs for a roving plant operator, who visits each of the 5 locations on a daily basis and other contract work including water testing, infrastructure repairs and paving.
- 6** Used the GDP to escalate these costs into the rate year.
- 7** Bad debt expense projected through the rate year is based on .5% of revenues. The higher bad debt expense in 2007 resulted from high levels of over 90 days past due, which required an increase in the reserve.
- 8** Depreciation expense is based on projected CAPEX closed to utility plant through the rate year ended June 30, 2009.
- 9** Property taxes are based on the latest bills, which are escalated by the GDP through the rate year.

Current rate designs

Rate Increase	Cambridge*	Dykeer	Kingsvale	Waccabuc	Wild Oaks	Consolidated
Curent tariff	\$ 184,620	\$ 81,840	\$ 81,940	\$ 46,400	\$ 115,200	510,000
Assume Dykeer rate	\$ 322,586	\$ 81,840	\$ 115,940	\$ 54,560	\$ 130,944	\$ 705,870
Increase from rate design change	\$ 137,966	\$ -	\$ 34,000	\$ 8,160	\$ 15,744	\$ 195,870
Increase in base rates	\$ 37,695	\$ 16,710	\$ 16,730	\$ 9,474	\$ 23,521	104,130
Total maximum increase for MINI filing	\$ 175,661	\$ 16,710	\$ 50,730	\$ 17,634	\$ 39,265	\$ 300,000
Overall percent increase	95.15%	20.42%	61.91%	38.00%	34.08%	58.82%
From rate design change	74.73%	0.00%	41.49%	17.58%	13.66%	38.40%
From base rate increase	20.42%	20.42%	20.42%	20.42%	20.42%	20.42%
*Includes surcharge						

Attachment F

PSC NO. 1 - WATER

COMPANY: Aqua New York, Inc.

INITIAL EFFECTIVE DATE: May 1, 2008

LEAF: 1

REVISION: 0

SUPERSEDING REVISION: 0

COVER SHEET

PSC NO. 1 – WATER

AQUA NEW YORK, INC.

SUPERSEDING PAPER TARIFFS FOR THE FOLLOWING COMPANIES:

PSC NO. 3 – WATER, CAMBRIDGE WATER WORKS COMPANY

PSC NO. 1- WATER, KINGSVALE WATER COMPANY, INC.

PSC NO. 1 – WATER, WACCABUC WATER WORKS, INC.

PSC NO. 1 – WATER, WILD OAKS WATER COMPANY, INC.

SUPERSEDING ELECTRONIC TARIFF FOR:

PSC NO. 2 – WATER, DYKEER WATER COMPANY, INC.

SCHEDULE

FOR

WATER SERVICE

For detailed description of Territory, see General Information Leaf No. 3, Paragraph 1.

(Note: It will not be necessary to replace this title page in case at a later date the schedule is made to apply to additional territory or area.)

Subsequent changes will be effective as shown on individual leaves.

Issued By: Karl Kyriss, President, Aqua New York, Inc. 60 Brooklyn Ave., Merrick, NY 11566
(Name of Officer, Title, Address)

PSC NO. 1 - WATER
COMPANY: Aqua New York, Inc.
INITIAL EFFECTIVE DATE: May 1, 2008

LEAF: 2
REVISION: 0
SUPERSEDING REVISION: 0

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PSC NO. 1 - WATER

COMPANY: Aqua New York, Inc.

INITIAL EFFECTIVE DATE: May 1, 2008

LEAF: 3

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GENERAL INFORMATION

1. Territory (County, Town Development, Streets, etc.)

Cambridge System – Village of Cambridge, portions of the towns of Jackson and White Creek, Washington County. Dykeer System – Town of Sommers, Hamlet of Lincolndale, Development known as The Willows, Westchester County. Kingsvale System – Town of Ulster, Developments known as Whittier, Deer Run and parts of Kuku Ln., Ulster County. Waccabuc System – Town of Lewisboro, Development known as Indian Hill, Westchester County. Wild Oaks System – Town of Lewisboro, Developments known as Wild Oaks Park in Goldens Bridge, Katonah Close Guilford Circle, The Glen at Lewisboro, Cedar Woods and Deer Tract Lane and Nash Road, Westchester County.

2. Application for Water Service

- A. Written application for service may be required.
- B. A separate application may be required for each premise.
- C. Premises may be subject to inspection by the company.
- D. Applications need not be accepted from customers with charges due on any water accounts with the company. The company must accept an application if the customer enters into a deferred payment agreement.
- E. Service pipe installations are subject to company approval.

3. Deposits – Security

- A. As a condition of receiving service, the company may require a deposit from customers that are delinquent (having a bill remaining unpaid 23 days from the date mailed), seasonal, short term or temporary or who have had service terminated for non-payment during the preceding 6 months. In addition, a deposit may also be required from a non-residential customer whose credit has not been established with the company. A delinquent customer shall be provided with a written notice 20 days before the deposit is assessed which states that failure to make timely payments will permit the company to require a deposit from such customer.
- B. Deposits from applicants and customers may not exceed two times the estimated average monthly bill for a calendar year, except in the case of customers whose usage varies widely where deposits may not exceed twice the average monthly bill for the peak season.
- C. The company shall perform an annual review of the billing history of every customer who has a deposit with the company to assure that a deposit is still required under (3A) above and that the amount of the deposit conforms with (3B) above. The company reserves the right to review the deposit at any time. If a review shows that the deposit held falls short of the amount the company may require by 25 percent or more, the company may require the payment of an additional amount. If a review shows that the deposit held exceeds the amount required by 25 percent or more, the company shall refund the excess to the customer. The customer may request a downward revision of the deposit.

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PSC NO. 1 - WATER
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GENERAL INFORMATION

4. Deposits – Interest

Every deposit shall earn simple interest at the rate per annum prescribed by the Public Service Commission. The interest must be paid to customers when the deposit is returned. If the deposit has been held for 12 consecutive months or more, the interest must be credited to the customer no later than the first bill rendered after the next succeeding first day of October and at the end of each succeeding 12 month period.

5. Deposits – Return

A. The company shall return to a customer a deposit or portion of a deposit and all interest thereon no more than 30 days after:

- (1) the day the account is closed and all bills are paid; or
- (2) the date of the first bill for service rendered after a 12 month period during which time the customer was not delinquent, provided there is no other basis for the company to request a deposit; or
- (3) a review of the deposit shows that a reduction of the deposit is warranted.

B. A deposit or portion of a deposit plus interest thereon that is subject to return may be credited to the customer's account in the amount of any outstanding charges. If any balance remains, a refund check shall be issued.

6. Deposits – Other

- A. In the event that the applicant desires service for a trailer or other non-permanent structure, he shall deposit with the company all costs of the connection of such service. Said deposit shall bear simple interest as required above and shall be refunded at the end of 10 years, or sooner in the event that a permanent structure for such service connection is completed.
- B. The company may also require deposits from customers to guarantee future payments as set forth in lawn sprinkler, main extension, or other forms of contracts which are in a form approved by the Public Service Commission. The interest rates for these deposits will be the same as the interest rates for security deposits and such interest will be credited to the customer as prescribed by Commission rules.

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PSC NO. 1 - WATER
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LEAF: 5
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SUPERSEDING REVISION: 0

GENERAL INFORMATION

7. General Rules

- A. Customers must provide 10 days' written notice prior to the date on which termination of service is requested or prior to a change of occupancy, until which date the customer will be responsible for payment of service.
- B. Fire hydrants shall not be used without the written permission of the company or unless in conformance with filed fire protection tariff provisions.
- C. The company will not be liable for damage resulting from the presence of its facilities, supply, or use of water service, except damage resulting from gross negligence of the company.
- D. The company may shut off water in its mains to make repairs and extensions. Where possible, proper advance notice will be made to customers affected.
- E. The use of water for sprinkling, swimming pools, or other less essential uses may be restricted or prohibited where such use may unreasonably reduce the adequacy of service for other domestic purposes.
- F. There must be a separate service for each premise.
- G. Installation of service pipes and mains will not normally be made when the ground is frozen.
- H. The customer is responsible for service pipes and plumbing within the property line. Any plumbing work done on the customer's service pipe is subject to approval by the company. No underground work shall be covered up until it has been inspected and approved by the company.
- I. All leaks on customer premises or the customer portion of the service pipe must be repaired as soon as possible.
- J. All mains, services (up to the property line) and other water system facilities will be maintained and replaced by the company.
- K. The company will supply water in the distribution system at pressures between 20 and 100 pounds per square inch (psi) and will strive, where practicable, to maintain a normal working pressure of 60 psi with a minimum of 35 psi. If the company makes changes to its system which cause the pressure to increase to over 100 psi to existing customers, the company will be responsible for the first installation of the necessary equipment in the customer's premises. From that point on the equipment will be considered part of the customer's internal plumbing and the customer will be responsible for its maintenance or replacement. If a water pressure reducing valve, in the customer's or applicant's opinion, is necessary or desired to safeguard the plumbing, it is the customer's or applicant's responsibility to purchase, install and maintain this equipment. Where a pressure reducing valve is used it is also advisable to install a suitable pressure relief valve. All installations will comply with the local building codes and standards and are considered a part of the customer's internal plumbing.

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LEAF: 6
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SUPERSEDING REVISION: 0

GENERAL INFORMATION

- L. Where an applicant is seeking service at an elevation or gradient which could not otherwise be adequately serviced by existing plant, the company will require that the applicant bear the additional cost of providing such extraordinary service, or in the alternative, require the applicant to purchase, install and maintain the necessary special equipment, such as a hydro-pneumatic system, needed to serve the premises. The installation of a hydro-pneumatic system as part of the customer's internal plumbing may be subject to approval of the Health Department and should comply with local building codes and standards.
 - M. Cross connections to water sources other than the company's or with other facilities are strictly prohibited. Customers must, at their expense, install and maintain such backflow prevention devices as may be required by the company in accordance with good water works practice or applicable laws or regulations.
 - N. Customers must permit company representatives to enter their premises on reasonable request for purposes relating to the operation and maintenance of the company's system, including inspection of the customer's and the company's facilities, installation, reading, testing, replacement and removal of meters, and terminating and restoring service.
 - O. No person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface, block access to or tamper with any pipe, valve, meter, structure, appurtenance or equipment which is a part of the water works system.
8. Metered Service (if applicable and provided for in Service Class No. ____ or Nos. ____)
- A. A meter of a type approved by the Commission is required for each premises.
 - B. The company will furnish, install, and maintain the meter. Unless the meter register is set at zero, the company shall attach a tag with the date and meter dial reading at the time of installation.
 - C. The customer will provide a location for the meter acceptable to the company and will be responsible for the cost of repairing damage resulting from human interference, frost, backflow of hot water, or other such causes.
 - D. Where the company agrees it is necessary to set a meter outside the building, it shall be installed at the expense of the customer in a pit acceptable to the company which is both water-tight and frostproof. The cover of the pit shall be fastened with a convenient locking device. Where the distance from the property line to the front wall of the building is greater than 75 feet, the company may require that the meter be set in a pit at or near the property line. If the pit is to be installed on property not owned or controlled by the customer, written consent of the owner of the property shall be obtained prior to the installation.

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LEAF: 7

REVISION: 0

SUPERSEDING REVISION: 0

GENERAL INFORMATION

- E. The company reserves the right to remove, test, and replace the meter.
 - F. The company shall afford the customer an opportunity to verify the final reading of any water meter removed from the premises and obtain the customer's signature on a meter removal card which shows the date removed and the reading.
 - G. Meters will be tested in conformance with rules of the Public Service Commission. In the case of a disputed account involving the accuracy of the meter, the company will have the meter tested upon the request of the customer. Should the customer request to have a second meter test within 1 year, the customer will be responsible for the actual cost incurred to have the meter tested including the cost to remove the meter, payable in advance to the company. This fee will be refunded if the meter's final weighted average is found to register in excess of 100 percent. Adjustments in bills for over-registration of the meter will be made in accordance with the current rules of the Public Service Commission.
 - H. Bills will show meter readings and the dates read.
 - I. Bills will be reasonably estimated where a meter has been inaccessible and will be so indicated on the bill.
 - J. Where a meter has ceased to register or its percentage of accuracy cannot be determined, an estimated bill for the current period may be rendered. For all other periods the bill shall be the minimum applicable charge.
9. Unmetered Service (if applicable and provided for in Service Class No. ____ or Nos. ____)

All applicable provisions of this tariff shall apply.

10. Extension of Mains

Mains will be extended in conformance with Commission Rules and Regulations found in 16 NYCRR, Part 501.

11. Discontinuance of Service – Non –Payment

Service may be discontinued under the following provisions: for non-payment of any amount due for water supplied, for failure to make any payment due under a deferred payment agreement or for meter repairs (see Section 8C), for failure to post a required deposit or for failure to pay any fee or charge accruing under the contract or tariff.

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PSC NO. 1 - WATER

COMPANY: Aqua New York, Inc.

INITIAL EFFECTIVE DATE: May 1, 2008

LEAF: 8

REVISION: 0

SUPERSEDING REVISION: 0

GENERAL INFORMATION

- A. A bill not paid within 23 days of mailing is considered delinquent, the company may discontinue service after complying with 16 NYCRR, Part 533 which requires: (1) 15 days written notice if served personally, or (2) 15 days after a registered letter containing such notice has been signed or refused, or (3) 18 days after mailing written notice in a post-paid wrapper. Service will not be re-established until payment of all proper arrears, charges and deposits is made or a deferred payment agreement is entered into. Receipt of a subsequently dishonored negotiable instrument in response to a notice of discontinuance shall not constitute payment of the customer's account and the company shall not be required to issue additional notice prior to discontinuance. There will be a charge for processing all returned checks equal to the bank charge plus a handling fee of \$5.00 (not to exceed the maximum allowed by Section 5-328 of General Obligations Law).
- B. The company will not discontinue service to residential premises for non-payment of bills on a Friday, Saturday, Sunday, public holiday (as defined in General Construction Law), or on a day on which the utility's main office is closed. Discontinuance can only take place from Monday to Thursday between the hours of 8 a.m. and 4 p.m.
- C. The company will not discontinue service for non-payment of bills to any person or entity receiving public assistance if the payment for such service is to be paid directly by the Department of Social Services or by the local Social Services representatives.

12. Discontinuance of Service – Other

- A. Service rendered under any application, contract or agreement may be discontinued by the company after reasonable notice for any of the following reasons:
 - (1) For willful or indifferent waste of water due to any cause or for non-authorized use of water.
 - (2) For failure to protect from damage the meter and connection, or for failure to protect and maintain the service pipe or fixtures on the property of the customer in a condition satisfactory to the company.
 - (3) For tampering with any meter, connections, service pipe, curb cock, seal or any other appliance of the company controlling or regulating the customer's water supply.
 - (4) For failure to provide the company's employees reasonable access to the premises supplied, or for obstructing the way of ingress to the meter or any other appliances controlling or regulating the customer's water supply.
 - (5) In case of vacancy of the premises.

Issued By: Karl Kyriess, President, Aqua New York, Inc. 60 Brooklyn Ave., Merrick, NY 11566
(Name of Officer, Title, Address)

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GENERAL INFORMATION

- (6) For cross connections.
- (7) For submetering or reselling water.
- (8) For non-compliance with water usage restrictions.
- (9) For violation of any rule or regulation of the company as filed with the Public Service Commission, provided such violation affects the reliability or integrity of the water system.
- B. Written notice of discontinuance of service shall contain the information required by 16 NYCRR Section 533.3 and will be given except in those instances where a public health hazard exists.
- C. The company may, at any time, temporarily discontinue water service in case of accident, or for the purpose of making connections, alterations, repairs, changes, etc.
- D. Except as stated in the preceding paragraph, or in the case of a violation that threatens the integrity of the water system, the company shall not discontinue service to any customer on a Friday, Saturday, Sunday, Public Holiday or on a day when the company is not open for business. Public Holiday shall refer to those holidays defined in the General Construction Law.

13. Discontinuance of Residential Service – Special Procedures

If termination of service would result in serious impairment to health and safety, the company must delay the termination of service or, if service has already been terminated, must restore service, for thirty days under the following conditions.

- A. all occupants are either blind, disabled, 62 years of age or older or 18 years of age or under;
- B. a medical emergency exists; or
- C. if heating would be affected between November 1 and April 1.

It is the customer's responsibility to notify the company that such conditions exist and to provide any required documentation. The company may require that the customer make appropriate arrangements to pay any arrears as well as pay current bills.

14. Deferred Payment Agreements

In addition to those circumstances in Section 13, the company will consider granting customers reasonable payment terms in cases where a customer is threatened with termination of service, or where the company has issued a backbill to a customer. Any such agreement may require the customer to make a reasonable down payment, and to pay bills when issued.

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GENERAL INFORMATION

15. Complaint Handling Procedures

- A. The company will promptly investigate and evaluate all complaints received from customers regarding bills for service rendered or required deposits. The results of the company's findings will be reported to the customer. During the period of investigation and evaluation, service will not be discontinued, nor shall a new notice of termination be issued, provided, however, that the customer will be required to pay the undisputed portion of any balance due, which may include for current usage.
- B. After the completion of such an investigation, if the company determines that the disputed service has been rendered, or that the disputed charge or deposit is proper in whole or in part, the company may require that the full bill or deposit be paid. Appropriate notices of the determination shall be given to the customer, and where notice of discontinuance of service was previously sent, or is served with the determination, such notice shall include a statement advising the customer of the availability of the Commission's complaint handling procedures, including the address and telephone number of the Department's Consumer Services Division. Where prior notice of discontinuance was sent, company procedure provides for discontinuance of service if customer fails to pay the proper amount due and owing within 5 days after notice of the company determination was served personally on the customer or at least 8 days after mailing of the notice. Under no circumstances will discontinuance of service occur if so precluded by the Commission.
- C. In situations where the complaint procedures of the Commission have been invoked and it is determined that the disputed service has been rendered or that the disputed charge or deposit is proper and prior notice of discontinuance was sent, a customer's service will not be discontinued for failure to pay the amount found due and owing until at least 5 days after notice of the Commission's determination, where personal service is made, or at least 8 days after mailing of such a notice.

16. Restoration of Service

A charge will be made to restore service after discontinuance at the customer's request, for non-payment or for violation of these rules.

This charge will be \$50.00 during normal business hours (8:00 a.m. to 4:00 p.m., Monday through Friday), \$75.00 outside of normal business hours Monday through Friday and \$100.00 on weekends or public holidays. The holidays for which the \$100.00 charge will apply are as follows:

New Year's Day
Dr. Martin Luther King, Jr. Day
Lincoln's Birthday
Washington's Birthday
Memorial Day
Independence Day

Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Day

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GENERAL INFORMATION

In a case where service is being restored after discontinuance for non-payment, the company may require full payment of all arrears as well as the restoration of service charge. If the company and the customer have entered into some form of payment agreement, the agreed upon down payment may be required before service will be restored.

If it becomes necessary to disconnect service at the main because of willful acts of a customer, the service restoration charge will include the actual costs incurred by the company to disconnect and reconnect the service.

17. Interest on Customer Overpayments

The company will provide interest on a customer overpayment as follows:

- A. A customer overpayment is defined as payment by the customer to the company in excess of the correct charge for water service supplied to the customer which was caused by erroneous billing by the utility.
- B. The rate of interest on such amounts shall be the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest shall be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment was refunded.
- C. The company will not pay interest on customer overpayments that are refunded within 30 days after such overpayment is received by the company.

18. Regulation

All matters, rules and other situations concerning the rendering of water service which are not specifically covered herein or in a provision of the New York State Codes, Rules and Regulations and which are subject to the jurisdiction of the Public Service Commission, and for which a customer and the company cannot agree as to an equitable and fair solution will be referred to said Commission to be resolved. Either the customer or the company may request that a rule or provision of this tariff be changed for a particular situation.

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LEAF: 12
REVISION: 0
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SERVICE CLASSIFICATION NO. 1

Applicable to use of Service for:

Residential, small, commercial, and general use.

Character of Service

Continuous.

Rate:

\$6.05 per 1,000 gallons for all usage.

Service Charge: (No Water Allowance)

Meter Size Quarterly Charge

5/8 inch	\$98.74
¾ inch	\$118.51
1 inch	\$138.25
1-1/2 inch	\$166.77
2 inch	\$197.49
3 inch	\$324.78
4 inch	\$443.29
6 inch	\$789.80

Terms of Payment

Bills shall be rendered quarterly in arrears and are due and payable upon receipt. Bills not paid within 23 days of mailing are delinquent and the late payment charge becomes applicable and service may be discontinued after proper notice as required by law.

Late Payment Charge

A late payment charge to be computed at the rate of 1 ½ percent per month, compounded monthly, may be applied to all balances left unpaid 23 days following mailing of the bill.

Term

Terminable by the customer upon 10 days' written notice to the company.

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LEAF: 13
REVISION: 0
SUPERSEDING REVISION: 0

SERVICE CLASSIFICATION NO. 2

Applicable to use of Service for:

Private Fire Protection.

Character of Service

Continuous.

Rate(s):

Fire Hydrants each	\$57.61
Standpipe – 4" connection, each	\$57.61
Standpipe – 2" connection, each	\$31.54
Sprinkler heads, each	\$.34

Terms of Payment

Bills shall be rendered quarterly in arrears and are due and payable upon receipt. Bills not paid within 23 days of mailing are delinquent and the late payment charge becomes applicable and service may be discontinued after proper notice as required by law.

Late Payment Charge

A late payment charge to be computed at the rate of 1 ½ percent per month, compounded monthly, may be applied to all balances left unpaid 23 days following mailing of the bill.

Term

Terminable by the customer upon 10 days' written notice to the company.

Special Provisions:

Service under this classification for field purposes only. Rate for sprinkler heads applies only to those directly connected to company mains.

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SERVICE CLASSIFICATION NO. 3

Applicable to use of Service for:

Public Fire Protection.

Character of Service

Continuous.

Rate(s):

Hydrants, each \$68.86

Terms of Payment

Bills shall be rendered quarterly in arrears and are due and payable upon receipt. Bills not paid within 23 days of mailing are delinquent and the late payment charge becomes applicable and service may be discontinued after proper notice as required by law.

Late Payment Charge

A late payment charge to be computed at the rate of 1 ½ percent per month, compounded monthly, may be applied to all balances left unpaid 23 days following mailing of the bill.

Term

Terminable by the customer upon 10 days' written notice to the company.

Special Provisions:

The above rate to the Village of Cambridge shall include the privilege, by a designated village official, of flushing the village streets twice yearly. This is to be done during periods agreeable to the customer and Aqua New York, Inc.

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SERVICE CLASSIFICATION NO. 4

Applicable to use of Service for:

Fire service on connections equipped with a detector check valve or approved meter and used exclusively for private fire service.

Character of Service

Continuous.

Rate(s):

4 inch connection	\$260.95
6 inch connection	\$260.95

Terms of Payment

Bills shall be rendered quarterly in arrears and are due and payable upon receipt. Bills not paid within 23 days of mailing are delinquent and the late payment charge becomes applicable and service may be discontinued after proper notice as required by law.

Late Payment Charge

A late payment charge to be computed at the rate of 1 ½ percent per month, compounded monthly, may be applied to all balances left unpaid 23 days following mailing of the bill.

Term:

Agreement is effective for a term of not less than one year and service may be discontinued after one year upon 10 days' written notice to the company.

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