

P.S.C. No. 1 - Water
COMPANY: FOUR CORNERS WATER WORKS CORPORATION
INITIAL EFFECTIVE DATE: December 1, 2006

STATEMENT TYPE: LOC
STATEMENT NO. 1

LINE OF CREDIT ACCOUNT
STATEMENT NO. 1

The company is authorized to obtain a Line of Credit (LOC) with a maximum balance of \$40,000 to cover the cost of extraordinary repairs, emergency maintenance and major improvements, which are not covered through base rates. This account will be subject to the following conditions:

1. This LOC account will be established with the owners of the stock of the Four Corners Waterworks Corp., in a separate account, and will be under the control of the company.
2. The water company will have access to the funds in this account solely for the purposes noted above and any associated revenue taxes.
3. Once the LOC account has been accessed and money used for appropriate purposes, the company will be permitted to bill all customers to zero the balance in the account. The unit customer charge will be determined by dividing the balance in the account by the number of customers at that time. The company may not charge a unit customer charge greater than \$50 per quarter (for customers with a 5/8 inch meter and \$125 for customers with a 3/4 inch meter) unless approved by the Commission. The company will prorate the unit charge across customers in the same ratio as done for quarterly service charges.
4. The company must submit copies of all account statements and a complete accounting of the revenues and expenses for the account by January 30th of each year. All information should be sent to the Secretary's Office. In addition, the company may be required to submit, at Staff's request, prioritized plans for repairs and use of funds as well as additional account information.

Issued in compliance with Order of the Public Service Commission in
Case 05-W-0615, Issued and Effective November 10, 2006.

Issued By: Andrew Stark, President, 115 Stevens Avenue, Valhalla, NY 10595
(Name of Officer, Title, Address)