PSC NO: 2 - WATER COMPANY: NEW YORK AMERICAN WATER COMPANY, INC. INITIAL EFFECTIVE DATE: October 14, 2012 Issued in compliance with order in Case 12-W-0217 dated 08/17/2012

LEAF: 67 REVISION: 0 SUPERSEDING REVISION:

GENERAL INFORMATION

5. Whenever a customer of the Company of any kind is subsequently connected to a main or an extension thereof (except if the extension is installed under the terms of the Construction Loan Contract as included in the Company's filed tariff) which is installed by the Company under the provisions of this contract, said annual nine percent (9%) surcharge payable by the Municipality shall be recomputed on the basis of the cost of the main extension that is in excess of an allowance to the Municipality of seventy-five (75) feet for each such customer of the Company thereafter attached to the said main extensions made hereunder plus twenty (20) feet for each hydrant connected in accordance with Section VIII of the Company's filed tariff except as modified by the provisions of Section IX of the Company's filed tariff, and said allowance to the Municipality shall be in lieu of, and not in addition to, the thirty (30) foot allowance provided in paragraphs 2 and 3 hereof.

6. Said surcharge shall be paid by the Municipality to the Company ratably at the end of each billing period.

7. Whenever the applicable allowance to the Municipality hereunder shall equal or exceed the aggregate length of the main extensions installed hereunder, all surcharges provided to be paid by the Municipality shall cease.

8. The Company will proceed with due diligence to order the necessary materials and to make the extensions and installations provided hereunder after receipt by the Company of said materials.

9. All mains, hydrants and hydrant connections to be installed hereunder will be installed at the Company's cost, and shall be and remain the property of the Company with full right of ownership, including the right to extend any main installed by the Company hereunder in or to any other lands, streets or avenues.

IN WITNESS WHEREOF, the parties hereto have duly caused these presents to be signed by their duly authorized officers and their respective corporate seals to be hereunto affixed, all as of the day and year first above written.

Issued by: William M. Varley, President, 733 Sunrise Hwy., Lynbrook, NY 11563