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: 28 REVISION: 0 SUPERSEDING REVISION:

GENERAL INFORMATION

SECTION VI. PAYMENT FOR WATER SERVICE

1. All bills are payable in accordance with the terms of the applicable service classification. For new services installed at any time during the billing period, the minimum charge and the amount of water allowed thereunder will be pro-rated according to the number of days remaining to complete the billing period after the service has been made available.

2. Meters will be read quarterly, bi-monthly, or monthly, and customers will be billed quarterly, bi-monthly, or monthly, at the Company's option.

3. The quantity recorded by the meter will be considered the amount of water passing through the meter, which amount will be conclusive on both the customer and the Company, except when the meter has been found to be registering inaccurately, or has ceased to register.

In all cases where a meter is found to be defective, it will be immediately replaced by a meter that has been tested and properly adjusted.

In cases where it is found that a meter has ceased to register or has registered inaccurately and the percentage of accuracy cannot be determined by reasonable test, an estimated bill for the billing period immediately preceding the date when such meter was found defective and for the period from said date to the date of replacement of the meter may be rendered to a non-residential customer but the right to render an estimated bill is strictly limited to such periods and for all other periods the bill shall be the minimum rate provided in the applicable rate schedule. The estimated bill shall be based upon the amount of water consumed in the corresponding period In prior years, except where it appears that there has been a change in the occupancy of the premises or in the use of water, in which case an equitable adjustment shall be made.

4. The customer will notify the Company in writing of any change in occupancy. No adjustment of bills will be made by the Company as between owners or tenants unless ten (10) days notice prior to change of occupancy has been given to the Company. No rebate will be given for unoccupied premises unless notice of non-occupancy is given as required in paragraph 5 hereunder.

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