Received: 09/11/2006 Status: CANCELLED Effective Date: 12/01/2006

PSC NO: 1 – WATER

COMPANY: Aquarion Water Company of Sea Cliff, Inc.

REVISION: 0

INITIAL EFFECTIVE DATE: DECEMBER 1, 2006

SUPERSEDING REVISION: 0

GENERAL INFORMATION

5. P. Deferred Payment Agreements – Residential Service - (Cont'd)

3. Terms of Agreement – A payment agreement must require the customer or applicant to pay all current bills on time.

Unless otherwise agreed to by the Company and the customer, a Company is required to offer a payment agreement that covers amounts up to the cost of twice the customer's average annual usage. The down payment may include any amount owed in excess of twice the customer's average annual usage. If the customer and Company are unable to agree upon a payment agreement under these circumstances, either party may seek a determination from the Commission or its designee in accordance with paragraph (2) of this Section.

A payment agreement offered for nonpayment of arrears, upon application for service or upon request for reconnection, under subparagraph (1) of this Section, may require the customer or applicant to: (a) 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 (b) pay the balance in monthly installments up to the cost of one month's average usage or one-tenth of the balance, whichever is greater.

4. Broken Agreements – If a customer fails to make timely payments in accordance with a payment agreement, the Company must send a reminder notice at least eight calendar days before the day when a final termination notice will be sent.

If by the twentieth calendar day after payment was due, the Company has not received payment or negotiated a new agreement, the Company may demand full payment of total outstanding charges and send a final termination notice.

Issued by: <u>Charles V. Firlotte, Chairman of the Board and President, 325 Prospect Ave., Sea Cliff, NY 11579-1926</u>
(Name of Officer, Title, Address)