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)

IF YOU HAVE ANY QUESTIONS REGARDING THIS AGREEMENT, PLEASE CALL OUR BUSINESS OFFICE AT (516) 676-1166, MONDAY THROUGH FRIDAY, 8 A.M. TO 5 P.M. EXCEPT HOLIDAYS. THIS AGREEMENT CONFORMS TO THE NYS PUBLIC SERVICE COMMISSION'S REGULATLIONS. IF YOU REQUIRE ANY ADDITIONAL ASSISTANCE PLEASE CALL THEM AT 1-800-342-3377. WHEN MAKING PAYMENTS, PLEASE WRITE YOUR ACCOUNT ON YOUR CHECK AND SEND PAYMENTS TO AQUARION WATER COMPANY OF SEA CLIFF, 325 PROSPECT AVENUE, SEA CLIFF, NY 11579

Q. Rendering of Bills – Bills for general customers will be rendered quarterly or monthly at the option of the Company. The bills will include the minimum charge in advance for the ensuing period plus the charges for excess water used during the preceding period over the minimum allowance. For "seasonal" customers, the initial minimum charge is payable in advance as provided in the rate classification.

R. Backbilling

1. Notice – Every backbill must contain a written explanation of the specific reason for the backbill, and if the bill covers more than a 24-month period, a statement as to why the billing was not limited as stated in Section (3) – Limitations on Backbilling Period.

A backbill must be accompanied by an offer of a payment agreement in accordance with Section 5-Subdivision P – Deferred Payment Agreements of this tariff, if applicable.

2. Limitations on Issuance of Backbills (Residential Service) – The Company may not issue a backbill more than six months after the Company actually became aware of the circumstance, error or condition that caused the underbilling.

The Company may not upwardly revise a backbill, and must issue a downwardly revised backbill as soon as reasonably possible and within two months after the Company becomes aware that the first backbill was excessive.

3. Limitations on Backbilling Period (Residential Service) When the failure to bill earlier was due to a Company deficiency, the Company must limit the backbilling period to 12 months before the Company actually became aware of and corrected the circumstance, error or condition that caused the underbilling, unless the Company can demonstrate that the customer's culpable conduct caused or contributed to the original underbilling.

When the failure to bill earlier was not due to a Company deficiency, the Company must limit the backbilling period to 24 months before the Company actually became aware of and corrected the circumstance, error or condition that caused the underbilling, unless the Company can demonstrate that the customer's culpable conduct caused or contributed to the original underbilling.

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)