

PSC NO: 1 – WATER
COMPANY: Aquarion Water Company of Sea Cliff, Inc.
INITIAL EFFECTIVE DATE: DECEMBER 1, 2006

LEAF: 50
REVISION: 0
SUPERSEDING REVISION: 0

GENERAL INFORMATION

H. Construction Loan Agreement for an Applicant Who Cannot Qualify as a Reasonably Permanent Customer with Applicant Performed Installation*.

FOURTH: If the length of the main extension exceeds seventy-five (75) feet and the Applicant does not elect to enter into an Agreement for Main Extension – Subject to Surcharge, as set forth in Section 6F. of the Company's General Information General Rules, the Applicant shall be entitled to a refund without interest of a portion of the advance if additional reasonably permanent customers are connected directly to the main extension within five (5) years of the date the main extension was completed. Such refund shall be computed one (1) year after completion of the main extension and each of the next succeeding four (4) years. Such refund shall be equal to the number of new customers connected directly to the main extension during that year multiplied by seventy-five (75) feet and then multiplied by the average cost per foot of the main extension determined by dividing the total amount of the deposit by the total length of the main extension.

FIFTH: The right to any refunds, partial or total, except such refunds as shall have already accrued pursuant to Paragraphs THIRD and FOURTH hereof, shall expire five (5) years from the date of the completion and approval of the extension. The total amount of all refunds, as hereinabove set forth, shall in no case exceed the Company's original cost estimate for the Applicant performed extension estimate together with associated taxes, or in the event the actual cost is less than Applicant's estimate, then the refund shall not exceed the actual cost of the extension together with associated taxes.

SIXTH: No interest on the refund will be paid except that if refunds are not made within sixty (60) days of the date the Applicant is entitled to a refund, the refund shall begin to accumulate interest beginning on the sixty-first (61st) day at the then existing customer deposit rate established by the Public Service Commission. Such interest obligation shall cease when a reasonable effort has been made by the Company to tender the refund.

SEVENTH: The above considerations shall be in addition to and independent of any charges against the Applicant individually as a customer of the Company, for service or water for which the said Applicant may be charged at the regular rates of the Company.

EIGHTH: Should the Applicant for any reason fail to commence installation within ninety (90) days of the Agreement, the company shall have the right to terminate this Agreement.

NINTH: The covenants contained herein are to apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties.

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