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PSC No: 1 – Water NITED WATER NEW ROCHELLE INC.

Initial Effective Date: November 1, 2006 Superseding Revision:

GENERAL INFORMATION

Deposits will be refunded in a single payment after one (1) year from the date water service is made available, after deducting unpaid water bills. An interest rate per annum as prescribed by the Commission will be paid on such deposits.

8.1 DEPOSIT FOR RESIDENTIAL SERVICE

(a) The Company may require the payment of a security deposit from:

a seasonal, short-term or temporary customer(s);

a delinquent Customer, as long as at least 20 calendar days before its request for a deposit, the Company provides the Customer with written notice that the failure to make a specified payment before a specified date may result in a request for a deposit and states how the deposit would be calculated; or

a Customer whose service was terminated for nonpayment during the preceding six months.

The Company may not require a deposit from:

a Customer or Applicant who is known to the Company as a recipient of public assistance, supplemental security income benefits or additional state payments; or

a Customer or Applicant who is known to the Company as an elderly, blind or disabled person, unless that Customer's service was terminated for nonpayment within the preceding six months.

If a deposit is authorized by this section, the Company must offer a Customer, except for a seasonal, short-term or temporary Customer, the opportunity to pay the deposit in installments, considering the Customer's financial circumstances in a manner consistent with the deferred payment agreement.

(b) Deposit Calculation

The amount of deposit must not be more than the cost of twice the Customer's average monthly usage, except in the case of Customers whose usage varies widely, where the deposit must not be more than the cost of twice the average monthly usage for the peak season.

The amount of the deposit must be based on service used during the previous 12-month period, as shown by any relevant billing history, and any relevant information concerning expected use.

Issued in compliance with the Commission Order in Case 04-W-1221 dated August 24, 2005.

Issued by: M.J. Pointing, V.P. & Gen. Mgr., 225 Palmer Ave., New Rochelle, NY 10801