

PSC NO: 2 WATER
COMPANY: MISTY HILLS WATER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/04

LEAF: 1
REVISION: 0
SUPERSEDING REVISION:

COVER SHEET

PSC NO. 2 - WATER

SUPERSEDING PSC NO. 1 - WATER

MISTY HILLS WATER CORPORATION

SCHEDULE

FOR

WATER SERVICE

**APPLICABLE
IN**

THE DEVELOPMENT OF MISTY HILLS

**TOWN OF PATTERSON
PUTNMAN COUNTY**

For detailed description of Territory, see General Information Leaf No. 3, Paragraph 1.

(Note: It will not be necessary to replace this title page in case at a later date the schedule is made to apply to additional territory or area.)

Subsequent changes will be effective as shown on individual leaves.

Issued By: Hugh Knickerbocker, President, PO Box 599, Pleasant Valley, NY 12569

Issued By: Hugh Knickerbocker, President, PO Box 3208, Poughkeepsie, NY 12603

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GENERAL INFORMATION

1. Territory

The Development of Misty Hills
Town of Patterton
Putnam County

2. Application for Water Service

- A. Written application for service may be required.
- B. A separate application may be required for each premises.
- C. Premises may be subject to inspection by the company.
- D. Applications need not be accepted from customers with charges due on any water accounts with the company. The company must accept an application if the customer enters into a deferred payment agreement.
- E. Service pipe installations are subject to company approval.

3. Deposits - Security

- A. As a condition of receiving service, the company may require a deposit from customers that are delinquent (having a bill remaining unpaid 23 days from the date mailed), seasonal, short term or temporary or who have had service terminated for non-payment during the preceding 6 months. In addition, a deposit may also be required from a non-residential customer whose credit has not been established with the company. A delinquent customer shall be provided with a written notice 20 days before the deposit is assessed which states that failure to make timely payments will permit the company to require a deposit from such customer.
- B. Deposits from applicants and customers may not exceed two times the estimated average monthly bill for a calendar year, except in the case of customers whose usage varies widely where deposits may not exceed twice the average monthly bill for the peak season.
- C. The company shall perform an annual review of the billing history of every customer who has a deposit with the company to assure that a deposit is still required under (3A) above and that the amount of the deposit conforms with (3B) above. The company reserves the right to review the deposit at any time. If a review shows that the deposit held falls short of the amount the company may require by 25 percent or more, the company may require the payment of an additional amount. If a review shows that the deposit held exceeds the amount required by 25 percent or more, the company shall refund the excess to the customer. The customer may request a downward revision of the deposit.

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4. Deposits - Interest

Every deposit shall earn simple interest at the rate per annum prescribed by the Public Service Commission. The interest must be paid to customers when the deposit is returned. If the deposit has been held for 12 consecutive months or more, the interest must be credited to the customer no later than the first bill rendered after the next succeeding first day of October and at the end of each succeeding 12 month period.

5. Deposits - Return

A. The company shall return to a customer a deposit or portion of a deposit and all interest thereon no more than 30 days after:

- (1) the day the account is closed and all bills are paid; or
- (2) the date of the first bill for service rendered after a 12 month period during which time the customer was not delinquent, provided there is no other basis for the company to request a deposit; or
- (3) a review of the deposit shows that a reduction of the deposit is warranted.

B. A deposit or portion of a deposit plus interest thereon that is subject to return may be credited to the customer's account in the amount of any outstanding charges. If any balance remains, a refund check shall be issued.

6. Deposits - Other

A. In the event that the applicant desires service for a trailer or other non-permanent structure, he shall deposit with the company all costs of the connection of such service. Said deposit shall bear simple interest as required above and shall be refunded at the end of 10 years, or sooner in the event that a permanent structure for such service connection is completed.

B. The company may also require deposits from customers to guarantee future payments as set forth in lawn sprinkler, main extension, or other forms of contracts which are in a form approved by the Public Service Commission. The interest rates for these deposits will be the same as the interest rates for security deposits and such interest will be credited to the customer as prescribed by Commission rules.

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7. General Rules

- A. Customers must provide 10 days' written notice prior to the date on which termination of service is requested or prior to a change of occupancy, until which date the customer will be responsible for payment of service.
- B. Fire hydrants shall not be used without the written permission of the company or unless in conformance with filed fire protection tariff provisions.
- C. The company will not be liable for damage resulting from the presence of its facilities, supply, or use of water service, except damage resulting from gross negligence of the company.
- D. The company may shut off water in its mains to make repairs and extensions. Where possible, proper advance notice will be made to customers affected.
- E. The use of water for sprinkling, swimming pools, or other less essential uses may be restricted or prohibited where such use may unreasonably reduce the adequacy of service for other domestic purposes.
- F. There must be a separate service for each premises.
- G. Installation of service pipes and mains will not normally be made when the ground is frozen.
- H. The customer is responsible for service pipes and plumbing within the property line. Any plumbing work done on the customer's service pipe is subject to approval by the company. No underground work shall be covered up until it has been inspected and approved by the company.
- I. All leaks on customer premises or the customer portion of the service pipe must be repaired as soon as possible.
- J. All mains, services (up to the property line) and other water system facilities will be maintained and replaced by the company.
- K. The company will supply water in the distribution system at pressures between 20 and 100 pounds per square inch (psi) and will strive, where practicable, to maintain a normal working pressure of 60 psi with a minimum of 35 psi. If the company makes changes to its system which cause the pressure to increase to over 100 psi to existing customers, the company will be responsible for the first installation of the necessary equipment in the customer's premises. From that point on the equipment will be considered part of the customer's internal plumbing and the customer will be responsible for its maintenance or replacement. If a water pressure reducing valve, in the customer's or applicant's opinion, is necessary or desired to safeguard the plumbing, it is the customer's or applicant's responsibility to purchase, install and maintain this equipment. Where a pressure reducing valve is used it is also advisable to install a suitable pressure relief valve. All installations will comply with the local building codes and standards and are considered a part of the customer's internal plumbing.

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- L. Where an applicant is seeking service at an elevation or gradient which could not otherwise be adequately serviced by existing plant, the company will require that the applicant bear the additional cost of providing such extraordinary service, or in the alternative, require the applicant to purchase, install and maintain the necessary special equipment, such as a hydro-pneumatic system, needed to serve the premises. The installation of a hydro-pneumatic system as part of the customer's internal plumbing may be subject to approval of the Health Department and should comply with local building codes and standards.
 - M. Cross connections to water sources other than the company's or with other facilities are strictly prohibited. Customers must, at their expense, install and maintain such backflow prevention devices as may be required by the company in accordance with good water works practice or applicable laws or regulations.
 - N. Customers must permit company representatives to enter their premises on reasonable request for purposes relating to the operation and maintenance of the company's system, including inspection of the customer's and the company's facilities, installation, reading, testing, replacement and removal of meters, and terminating and restoring service.
 - O. No person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface, block access to or tamper with any pipe, valve, meter, structure, appurtenance or equipment which is a part of the water works system.
8. Metered Service provided for in Service Class No. ____
- A. A meter of a type approved by the Commission is required for each premises.
 - B. The company will furnish, install, and maintain the meter. Unless the meter register is set at zero, the company shall attach a tag with the date and meter dial reading at the time of installation.
 - C. The customer will provide a location for the meter acceptable to the company and will be responsible for the cost of repairing damage resulting from human interference, frost, backflow of hot water, or other such causes.
 - D. Where the company agrees it is necessary to set a meter outside the building, it shall be installed at the expense of the customer in a pit acceptable to the company which is both water-tight and frostproof. The cover of the pit shall be fastened with a convenient locking device. Where the distance from the property line to the front wall of the building is greater than 75 feet, the company may require that the meter be set in a pit at or near the property line. If the pit is to be installed on property not owned or controlled by the customer, written consent of the owner of the property shall be obtained prior to the installation.

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- E. The company reserves the right to remove, test, and replace the meter.
 - F. The company shall afford the customer an opportunity to verify the final reading of any water meter removed from the premises and obtain the customer's signature on a meter removal card which shows the date removed and the reading.
 - G. Meters will be tested in conformance with rules of the Public Service Commission. In the case of a disputed account involving the accuracy of the meter, the company will have the meter tested upon the request of the customer. Should the customer request to have a second meter test within 1 year, the customer will be responsible for the actual cost incurred to have the meter tested including the cost to remove the meter, payable in advance to the company. This fee will be refunded if the meter's final weighted average is found to register in excess of 100 percent. Adjustments in bills for over-registration of the meter will be made in accordance with the current rules of the Public Service Commission.
 - H. Bills will show meter readings and the dates read.
 - I. Bills will be reasonably estimated where a meter has been inaccessible and will be so indicated on the bill.
 - J. Where a meter has ceased to register or its percentage of accuracy cannot be determined, an estimated bill for the current period may be rendered. For all other periods the bill shall be the minimum applicable charge.
9. Unmetered Service (provided for in SC No. 1)
- All applicable provisions of this tariff shall apply.
10. Extension of Mains
- Mains will be extended in conformance with Commission Rules and Regulations found in 16 NYCRR, Part 501.
11. Discontinuance of Service - Non-Payment
- Service may be discontinued under the following provisions: for non-payment of any amount due for water supplied, for failure to make any payment due under a deferred payment agreement or for meter repairs (see Section 8C), for failure to post a required deposit or for failure to pay any fee or charge accruing under the contract or tariff.

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- A. A bill not paid within 23 days of mailing is considered delinquent, and the company may discontinue service after complying with 16 NYCRR, Part 533 which requires: (1) 15 days written notice if served personally, or (2) 15 days after a registered letter containing such notice has been signed or refused, or (3) 18 days after mailing written notice in a post-paid wrapper. Service will not be re-established until payment of all proper arrears, charges and deposits is made or a deferred payment agreement is entered into. Receipt of a subsequently dishonored negotiable instrument in response to a notice of discontinuance shall not constitute payment of the customer's account and the company shall not be required to issue additional notice prior to discontinuance. There will be a charge for processing all returned checks equal to the bank charge plus a handling fee of \$5.00 (not to exceed the maximum allowed by section 5-328 of General Obligations Law).
- B. The company will not discontinue service to residential premises for non-payment of bills on a Friday, Saturday, Sunday, public holiday (as defined in General Construction Law), or on a day on which the utility's main office is closed. Discontinuance can only take place from Monday to Thursday between the hours of 8 a.m. and 4 p.m.
- C. The company will not discontinue service for non-payment of bills to any person or entity receiving public assistance if the payment for such service is to be paid directly by the Department of Social Services or by the local Social Services representatives.

12. Discontinuance of Service - Other

- A. Service rendered under any application, contract or agreement may be discontinued by the company after reasonable notice for any of the following reasons:
 - (1) For willful or indifferent waste of water due to any cause or for non-authorized use of water.
 - (2) For failure to protect from damage the meter and connection, or for failure to protect and maintain the service pipe or fixtures on the property of the customer in a condition satisfactory to the company.
 - (3) For tampering with any meter, connections, service pipe, curb cock, seal or any other appliance of the company controlling or regulating the customer's water supply.
 - (4) For failure to provide the company's employees reasonable access to the premises supplied, or for obstructing the way of ingress to the meter or any other appliances controlling or regulating the customer's water supply.
 - (5) In case of vacancy of the premises.

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- (6) For cross connections.
 - (7) For submetering or reselling water.
 - (8) For non-compliance with water usage restrictions.
 - (9) For violation of any rule or regulation of the company as filed with the Public Service Commission, provided such violation affects the reliability or integrity of the water system.
- B. Written notice of discontinuance of service shall contain the information required by 16 NYCRR Section 533.3 and will be given except in those instances where a public health hazard exists.
- C. The company may, at any time, temporarily discontinue water service in case of accident, or for the purpose of making connections, alterations, repairs, changes, etc.
- D. Except as stated in the preceding paragraph, or in the case of a violation that threatens the integrity of the water system, the company shall not discontinue service to any customer on a Friday, Saturday, Sunday, Public Holiday or on a day when the company is not open for business. Public Holiday shall refer to those holidays defined in the General Construction Law.

13. Discontinuance of Residential Service - Special Procedures

If termination of service would result in serious impairment to health and safety, the company must delay the termination of service or, if service has already been terminated, must restore service, for thirty days under the following conditions:

- A. all occupants are either blind, disabled, 62 years of age or older or 18 years of age or under;
- B. a medical emergency exists; or
- C. if heating would be affected between November 1 and April 1.

It is the customer's responsibility to notify the company that such conditions exist and to provide any required documentation. The company may require that the customer make appropriate arrangements to pay any arrears as well as pay current bills.

14. Deferred Payment Agreements

In addition to those circumstances in Section 13, the company will consider granting customers reasonable payment terms in cases where a customer is threatened with termination of service, or where the company has issued a backbill to a customer. Any such agreement may require the customer to make a reasonable down payment, and to pay current bills when issued.

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15. Complaint Handling Procedures

- A. The company will promptly investigate and evaluate all complaints received from customers regarding bills for service rendered or required deposits. The results of the company's findings will be reported to the customer. During the period of investigation and evaluation, service will not be discontinued, nor shall a new notice of termination be issued, provided, however, that the customer will be required to pay the undisputed portion of any balance due, which may include bills for current usage.
- B. After the completion of such an investigation, if the company determines that the disputed service has been rendered, or that the disputed charge or deposit is proper in whole or in part, the company may require that the full bill or deposit be paid. Appropriate notices of the determination shall be given to the customer, and where notice of discontinuance of service was previously sent, or is served with the determination, such notice shall include a statement advising the customer of the availability of the Commission's complaint handling procedures, including the address and telephone number of the Department's Office of Consumer Services. Where prior notice of discontinuance was sent, company procedure provides for discontinuance of service if customer fails to pay the proper amount due and owing within 5 days after notice of the company determination was served personally on the customer or at least 8 days after mailing of the notice. Under no circumstances will discontinuance of service occur if so precluded by the Commission.
- C. In situations where the complaint procedures of the Commission have been invoked and it is determined that the disputed service has been rendered or that the disputed charge or deposit is proper and prior notice of discontinuance was sent, a customer's service will not be discontinued for failure to pay the amount found due and owing until at least 5 days after notice of the Commission's determination, where personal service is made, or at least 8 days after mailing of such a notice.

16. Restoration of Service

A charge will be made to restore service after discontinuance at the customer's request, for non-payment or for violation of these rules.

This charge will be \$50.00 during normal business hours (8:00 a.m. to 4:00 p.m., Monday through Friday), \$75.00 outside of normal business hours Monday through Friday and \$100.00 on weekends or public holidays. The holidays for which the \$100.00 charge will apply are as follows:

New Year's Day
Dr. Martin Luther King, Jr. Day
Lincoln's Birthday
Washington's Birthday
Memorial Day
Independence Day

Labor Day
Columbus Day
Veteran's Day
Thanksgiving Day
Christmas Day

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In a case where service is being restored after discontinuance for non-payment, the company may require full payment of all arrears as well as the restoration of service charge. If the company and the customer have entered into some form of payment agreement, the agreed upon down payment may be required before service will be restored.

If it becomes necessary to disconnect service at the main because of willful acts of a customer, the service restoration charge will include the actual costs incurred by the company to disconnect and reconnect the service.

17. Interest on Customer Overpayments

The company will provide interest on a customer overpayment as follows:

- A. A customer overpayment is defined as payment by the customer to the company in excess of the correct charge for water service supplied to the customer which was caused by erroneous billing by the utility.
- B. The rate of interest on such amounts shall be the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest shall be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, and compounded monthly, until the date when the overpayment was refunded.
- C. The company will not pay interest on customer overpayments that are refunded within 30 days after such overpayment is received by the company.

18. Regulation

All matters, rules and other situations concerning the rendering of water service which are not specifically covered herein or in a provision of the New York State Codes, Rules and Regulations and which are subject to the jurisdiction of the Public Service Commission, and for which a customer and the company cannot agree as to an equitable and fair solution will be referred to said Commission to be resolved. Either the customer or the company may request that a rule or provision of this tariff be changed for a particular situation.

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SERVICE CLASSIFICATION NO. 1

Applicable to use of Service for:

Residential, commercial, and general use.

Character of Service

Continuous.

Rate:

\$151.98 per quarter.

Minimum Charge:

Terms of Payment

Bills shall be rendered quarterly in arrears and are due and payable upon receipt. Bills not paid within 23 days of mailing are delinquent and the late payment charge becomes applicable and service may be discontinued after proper notice as required by law.

A late payment charge to be computed at the rate of 1 1/2 percent per month, compounded monthly, may be applied to all balances left unpaid 23 days following mailing of the bill.

Term

Terminable by the customer upon 10 days' written notice to the company.

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