

IMPORTANT NOTICE TO CUSTOMERS OF PDM UTILITY CORP.

PDM Utility Corp. Regulations - Article 26

Article 26 of the Regulations of PDM Utility Corp. (the Regulations), among other matters, sets forth the procedure to be followed when a dispute arises between Subscriber and PDM Utility Corp. (PDMU) on any bill issued by the company. In the aforementioned Article, and as part of the claim procedure, it is informed that customers may resort to the Public Service Commission (PSC) to deposit a payment and simultaneously file a complaint before the agency.

However, we must inform you that due to the approval of Act 149 of 2014, the PSC transferred to the Department of Transportation and Public Works the power to regulate and order compliance with local and federal regulations on the handling of natural gas and pipeline transportation of products in Puerto Rico.

Therefore, any claim or action that requires the attention or intervention of the CSP by virtue of the Regulation, shall be construed that the same shall be directed before the Department of Transportation and Public Works, Directorate of Excavations, Demolitions and Pipelines. Contact information:

Address: Centro Gubernamental Roberto Sánchez Vilella
Torre Sur
Attn.: Pipeline Safety
PO Box 41269
San Juan, PR 00940-1269

Phone No.: 787-722-7967

COMMONWEALTH OF PUERTO RICO
PUBLIC SERVICE COMMISSION
HATO REY, PUERTO RICO

REGULATIONS OF
PALMAS DEL MAR UTILITIES
NO. 1

APPROVED BY THE COMMISSION : August 1, 1978
FILED AT THE DEPARTMENT OF STATE: August 8, 1978
EFFECTIVE DATE : September 8, 1978

CHAPTER 1: GENERAL DISPOSITIONS

ARTICLE 1: Legal Basis

These regulations are adopted under the authority of Article 14 of Law Number 109 of 28 June 1962, as amended, known as "Public Service Law".

ARTICLE 2: Application and Scope

A. These regulations govern the supply of aqueduct and sewer services and facilities by PDM Utility Corporation, a firm dedicated to said services under the jurisdiction of the Public Service Commission.

B. These regulations are adopted with the purpose of establishing reasonable norms of operation which permit and guarantee an adequate, efficient and safe aqueduct and sewer service by PDM Utility Corporation and with the purpose of establishing the rights and duties of the subscribers and users of the service and the company.

C. The approval and promulgation of these regulations do not except the Company from fulfilling any of the duties and obligations it may have, pursuant to the laws of the Commonwealth of Puerto Rico.

ARTICLE 3: Definitions

When used in these Regulations or on the Rates List, the following terms shall have the meanings stated below:

- a. SUBSCRIBER: The person in whose behalf the service is rendered, as evidenced by the signature appearing on the application or service contract or, in lieu of the signed application or contract, as evidenced by the payment of the bills which are regularly issued in his name, regardless of the identity of the person receiving the service.
- b. CONNECTION: The portion of the aqueduct or sewer network between the main pipe in the street and the meter - or the boundary of the subscriber if there is no meter.

- C. NOTICE: Written notification delivered or mailed to the subscriber telling him that the Company intends to take some action that may affect him; informing him the date and nature of the action, warning him about the possible consequences and advising him of his rights in this respect, especially the right to go before the Public Service Commission.
- d. CHARGE: Amount of money indicated in the Rates List to be charged for services of recurrent or non-recurrent nature and related to the aqueduct and sewer services.
- e. CONNECTION CHARGE: The one charged for establishing a new service or for re-establishing the same, and which will include, among others, the following work: preparation of the forms and documents needed to establish each account or to re-establish an account; the reading of the meter, if necessary, and the physical connection of the Company's facilities.
- f. CHARGE FOR AVAILABILITY OF SERVICES: The one charged when services are available, although they are not being used. The owner of a lot or of a unit will begin to pay this charge from the time it has aqueduct and sewer services available, even though he does not request them. The charge will vary depending on the type of property in question.
- g. METER TEST CHARGE: The subscriber will be charged for meter tests when he requests said test and the Company carries it out more than twice in a natural year. There will be no charge when the meter shows an inaccuracy of more than 2 1/2%.

- h. COMMISSION: Public Service Commission of the Commonwealth of Puerto Rico.
- i. COMPANY: PDM Utility Corporation, acting through its officers and agents or employees, duly authorized within the framework of their respective duties.
- j. SERVICE CONNECTIONS: The point at which the subscriber's pipes are connected to the Company's facilities. This is the meter in the case of the aqueduct and the boundary of the property in the case of the sewer.
- k. CONSUMPTION: Volume of water served.
- l. METER: The measuring device used by the Company to record the subscriber's water consumption.
- m. EXTENSION OF MAIN PIPES: The extension or substitution of main pipes and other facilities needed beyond the existing service facilities.
- n. DATE OF PRESENTATION: The five calendar days following the date when a bill is mailed, as evidenced by the postmark, or when the Company delivers it to the subscriber or user as per receipt to that effect.
- o. DUE DATE: The fifteen calendar days following the date of presentation.
- p. LAW: Law Number 109 of 28 June 1962, as amended, known as "Public Service Law".
- q. BILLING PERIOD: Period of time covered by a regular bill.
- r. PERSON: Any individual, society, firm, association, corporation, government agency, firm, partnership, trust, or other entity, including trustees and administrators or receivers of a person and, where its use may be applicable in these regulations, lessees. All the real property belonging to a subscriber and used in a specific integrated activity located in

one or more buildings and/or locations, as long as: (a) said buildings and/or locations are on a same unit of property; or (b) said buildings and/or locations are on two or more adjacent units of property or (c) said buildings and/or locations are on two or more units of property which would be contiguous or adjacent if they were not separated by walks, alleys, public ways, pluvial ways or railways, only.

- t. AQUEDUCT SERVICE: The supply of drinking water through pipes for use by a subscriber or user.
- u. SEWER SERVICE: The collection, treatment and disposition of sewage coming from the subscribers' properties.
- v. COMMERCIAL SERVICE: Service given to subscribers or users that use their property for the sale, warehousing or distribution of goods, in some commercial activity, or for non-residential purposes.
- w. METERED SERVICE: That for which the bill is calculated, based on metered consumption.
- x. PERMANENT SERVICE: That rendered in a continuous manner.
- y. FIRE PROTECTION PUBLIC SERVICE: The availability of the aqueduct and sewer system for the fire protection of the community and the general public.
- z. RESIDENTIAL SERVICE: That given to a subscriber mainly for domestic use.
- aa. APPLICANT: Person applying for aqueduct and sewer service provided by the Company.
- bb. APPLICATION: Form provided by the Company which is filled in to request the service.
- cc. TEMPORARY SUSPENSION: That by means of which the Company stops giving the service to the subscriber or user for a limited period of time, closing the meter in the situations contemplated in these Regulations.

- dd. RATES LIST: Listing of prices of the different items of one same service and of the different services.
- ee. CLANDESTINE CONNECTION: Every connection or enjoyment of the aqueduct service without the knowledge and approval of the Company. It includes the enjoyment of the service through diversions of the installations of registered subscribers and the unauthorized re-installations of suspended or discontinued services.
- ff. SUBSCRIBER'S PIPES: Pipes and their appurtenances installed inside the property of the subscriber, up to the service connections.
- gg. USER: Person who enjoys the services given by the Company, because the service is in his name, because the subscriber has so authorized or who, because of any other circumstances has legal possession of the property.

CHAPTER II: GENERAL PROVISIONS REGARDING
THE RENDERING OF SERVICE

ARTICLE 4: Territory Served by the Company

The Company shall render the services which are the object of these Regulations within the geographic limits of the Palmas del Mar Community, which at the present has an area of approximately 2700 "cuerdas", located in the municipalities of Humacao and Yabucoa, Puerto Rico, and, more specifically, within the limits specified in the master plan for the development of Palmas del Mar dated 10 May 1973. (Exhibit II, which is part of the Commissions' file; Misc. 386)

ARTICLE 5: Service Description

A. Aqueduct Service

1. The Company shall supply drinking water for human consumption to the subscriber's pipes in a regular fashion and in sufficient amounts to adequately serve the subscriber's reasonable needs and requirements.

2. Under normal conditions, the pressure of the water flow in the main company lines shall not be less than thirty pounds per square inch (30 psig), nor shall the static pressure exceed one hundred and twenty five pounds per square inch (125 psig). During the hours of maximum demand in the months of greater consumption, the pressure of the flow shall not be less than twenty five pounds per square inch (25 psig) and, during the hours of less demand, the static pressure shall not exceed one hundred and twenty five pounds per square inch (125 psig).

3. Periodically, the Company shall carry out a chemical analysis of the water to determine its suitability for human consumption.

B. Sewer Service

The Company shall provide the connection, main lines, treatment plant and other appurtenances to transport sewage from the subscriber's pipes for the purpose of disposing of it and processing the effluent in accordance with the requisites put in effect by the government agencies which have jurisdiction over this matter.

ARTICLE 6: Continuity of Service

1. The Company shall exercise all possible efforts to avoid interruptions to service and, if this occurs, it shall restore service within the shortest possible time, consistent with the safety of the users and the general public.

2. The Company shall not be responsible for interruptions due to the shortage or insufficiency of the supply or for any loss or damage of any kind or type if said loss or damage is a result of an accident or of reasons beyond its control.

3. The Company shall not plan interruptions in its service unless they are indispensable for providing it adequately. Should there be any need to plan an interruption of service, the Company shall notify the Commission, all the affected users, in advance, informing them of the approximate time and the anticipated duration of the same. The planned interruption shall take place during the hours when least inconveniences they will cause the users. When the interruption affects one or more fire hydrants, the Company shall notify the Fire Department and the other officials in charge of fire protection in advance, giving details of time and duration of the interruption. The Company shall also notify them as soon as service is restored.

CHAPTER III: DUTIES OF THE COMPANY

ARTICLE 7: Quality and Availability of Service

A. The Company shall give a continuous, adequate and safe service. For this purpose, it shall develop and establish a program of tests, inspections and conservation, as well as operational criteria for the evaluation of the quality of service.

B. The Company shall plan the expansion of its system with an eye to providing prompt service to any person who requests it within the geographic boundaries of the franchise. The expansion plans shall be available for examination by the public.

C. The Company shall view a service to such quality that will comply with the norms established by the pertinent state agencies, especially the Health Department, the Aqueducts and Sewer Authority and the Environmental Quality Board.

ARTICLE 8: Treatment Towards the Public

The Company shall see to it that all its employees in direct contact with the public give it a courteous and efficient treatment.

ARTICLE 9: Safety

A. In the construction, installation, repairs and use of its equipment and facilities, the Company shall watch for the safety of the public, users and employees.

B. The Company shall give immediate notice and shall supply the Commission with reports on any accident related to the service it gives and in which any person is killed or injured.

ARTICLE 10: Information Which Shall be Made Available to the Public

A. Rates

1. The Company shall offer any person requesting it a detailed explanation of its rates and other matters related to the service in such a way that the applicant, subscriber or user is duly oriented.

2. The Company shall maintain copies of its rates in its commercial offices, as well as copies of these Service Regulations. Said copies shall be available for inspection by any person who so requests.

3. In case new or revised rates are established pursuant to the Law, the Company shall notify all the affected subscribers immediately after they are established.

B. Applications and Service Contract

1. The Company shall inform every applicant the approximate date on which the requested service may be connected.

2. The Company shall give every applicant a copy of his application and service contract once it is filled in.

C. Quality of Water

1. The Company shall give every subscriber or user who so requests a description of the type of drinking water, including the chemical analysis of said water at the date of its request.

D. Regulations to be provided

1. The Company shall give every subscriber or user a complete copy of these Regulations.

ARTICLE 11: Reports and Records

The Company shall maintain the following records which shall be available for examination by the public:

A. Results of studies, tests and observations of Service.

B. Record of all the complaints of the subscribers or users related to service or billing. These records must include date and time at which the complaint is received; nature, date and time of the decision taken, as well as any other relevant information, such as refusal to give access to the property, bill adjustments, meter tests and others. It must also contain all correspondence between the subscriber or user and the Company regarding the problem. The records must be maintained for a minimum period of three years, with an eye on being able to carry out significant comparative studies.

C. Records of interruptions in substantial portions of the network, origin of said interruptions, action taken, and date of such action. In these cases, the public should be informed of the interruption and the approximate time at which service will be restored.

D. Record of all pending service applications in filing date order, including applications for new services.

E. Copy of the general balance sheet and of the profit-and-loss statement of PDM Utility Corporation submitted to the Commission in compliance with the provisions of the franchise system of said Company.

ARTICLE 12: Attention to Subscribers and Users' Communications

A. The Company shall promptly answer every communication received from its subscribers or users or the general public regarding its services.

ARTICLE 13: Attention to Requests and Requisitions of the Commission

A. The Company shall submit to the Commission, within the reasonable period of time indicated by the latter, the reports, petitions for information, or any other requisition the former itself or its staff may make for official purposes.

ARTICLE 14:

A. Billing. - The Company shall bill for the services rendered according to the rates approved by the Commission and shall charge the same - in accordance with the classification of services - at regular intervals, pursuant to the provisions of Article 25 of these Regulations. The bills shall clearly show all details for which charges are made.

B. Complaints. - It shall be a duty of the Company to investigate diligently all the complaints received and to provide the facilities and personnel needed to receive and look after the complaints which constitute emergency situations during the 24 hours of the day.

C. Deposit. - On requiring the deposit mentioned in Article 23 of these Regulations, the Company shall issue a receipt to the applicant and shall take the necessary steps so that, in due time, the subscriber may recover said deposit, including the cases in which he may not be able to present the receipt but gives reasonable evidence that he is a subscriber. The Company shall return these deposits pursuant to that provided in the aforementioned Article 23.

D. Connection and Meters. -

1. The Company shall provide and install at its own expense connections of adequate capacity from its main water and sewer pipes to the service connections.

2. The meter shall be the property of the Company, which shall test the same when the subscribers and users so request for the purpose of verifying their reliability. The Company shall carry out only two tests free of charge during any natural year; providing that the subscriber or user will not pay any charge for meter testing if the test reveals an inaccuracy of more than 2 1/2%.

ARTICLE 15: Emergencies

1. The Company shall prepare and establish adequate plans and procedures to face emergencies which may take place and shall instruct its employees about said procedures to reduce interruptions to service to a minimum. These plans and procedures shall be subject to the evaluation and approval of the Commission. The Company shall provide key personnel during emergency periods to assure the continuity of service.

2. In case of a disaster, the Company shall give maximum cooperation to the government agencies with jurisdiction in the area.

3. When, due to an emergency, an interruption which affects service to any fire hydrant takes place, the Company shall immediately notify the beginning and end of said interruption to the Fire Department Chief and to the pertinent public officials. Likewise, it shall give users the notice which circumstances permit.

ARTICLE 16: Shortage of Water

In case there exists or may exist a probable or actual shortage of water, the Company shall distribute its available water supply among the users as directed by the Public Service Commission. If there are no guidelines from the Commission, the Company shall distribute the supply in the way it deems most equitable under the then prevailing conditions, with due consideration for public health and safety.

ARTICLE 17: Use of the Service by Third Persons

A. The subscriber may permit the temporary use of the service to third persons but may not require any compensation for it.

B. The subscriber who permits the use of the service to a third person will not be relieved of any of his obligations and responsibilities towards the Company as a subscriber.

C. The user shall have all the rights obligations and protection pertaining to the subscriber of record.

CHAPTER IV. DUTIES OF THE SUBSCRIBERS AND USERS

ARTICLE 18: Regarding the property of the Company

A. The subscriber shall be responsible for the loss or damage of Company property which was the result of improper use or negligence on his part.

B. The subscriber shall not, nor shall he let persons who are not employees of the Company, repair or adjust any meter or equipment belonging to the Company.

ARTICLE 19: Company's access to the property of the subscriber or user

A. The subscriber or user shall, after receiving notice to that effect, permit daily identified Company staff to enter his property at a reasonable time, with the purpose of carrying out the work needed for the adequate rendering of the service or to transfer Company equipment in the cases when the same is terminated.

B. Entrance to the subscriber's or user's property on the part of the Company shall be governed by the provisions of Article 18 of these Regulations.

ARTICLE 20: Subscriber's pipes

A. The subscriber shall consult and obtain the approval of the Company before installing the pipes in his property. The subscriber's pipes shall extend to the point of easiest access to the Company from the existing main line or to that point which requires the shortest extension of existing main line.

B. The installation of clandestine connections is forbidden. Only duly authorized Company employees or agents may install service connection in the subscriber's property.

C. The subscriber or user shall be responsible for the conservation of the pipes installed in his property.

D. The subscriber or user shall be obliged to give the necessary maintenance to the pipes as well as to the equipment located in his property, making sure that the former complies with the requisites imposed by the laws and regulations in effect.

ARTICLE 21: Arranging for and Obtaining Service

A. Applications.— Every applicant shall fill in the application form provided by the Company and shall make the appropriate deposit.

B. Changes in Service Needs.— The subscriber or user shall notify the Company of any change in his service needs.

C. Charges and Rates.— The subscriber shall pay all the charges and rates approved by the Commission for services rendered which were duly billed, except that he will always pay the charge for availability of service, as this term has been defined in these Regulations and in the Rates List.

D. Protested Bills.— When the user objects any charge billed, he shall be under the obligation of using the protested bills procedure indicated in Article 26 of these Regulations.

CHAPTER V: SPECIFIC PROVISIONS REGARDING
THE RENDERING OF SERVICES

ARTICLE 23: Application for Service

A. General

1. The application form to be filled in by the applicant shall be provided by the Company and, in it, the information needed to determine the types of service required by the applicant and the conditions under which the Company shall render the same shall be specified.

2. The Company shall render the service requested within a reasonable period of time. In those extraordinary cases in which the Company is not able to supply the service applied for within said term,

it shall immediately notify the applicant of the reason for its inability, informing him of his right to go before the Commission.

Pursuant to the terms of the franchise issued to the Company by the Public Service Commission, the services to be rendered by the Company will be for the benefit of those who are owners or holders, by any other title, of real properties in the Palmas del Mar tourist complex, therefore the provisions contained in paragraph A-2 of this article and in paragraph B of Article 7 of these Regulations shall be understood as operating in accordance with the contractual and statutory obligations which govern the rights of those persons in their acquisition or use of the real property inside Palmas del Mar and not as limiting nor amending said obligations.

B. Cancellation of application for service

A duly filled in application for service may be cancelled by the Company before the requested service is initiated in the following cases:

1. Withdrawn by the applicant.

a. The withdrawal of the application before the installation is begun shall give rise to the cancellation of the same by the Company free of cost to the applicant.

b. The withdrawal of the application after the installation work is begun shall entail that the same be cancelled by the Company; and it may retain the payment for the connection charge applicable to the work carried out up to the moment in which the application is withdrawn.

2. Cancelled by the Company

a. The Company may cancel the application for service before the installation of the same is begun when the applicant refuses to comply with the requirements of the application for service installation or if the applicant has committed acts forbidden by these Regulations. In this case, the Company shall reimburse the applicant for any amount of money collected.

b. The Company may cancel the application for service after the installation work is begun if the applicant fails to comply with any of the dispositions of these Regulations. The Company may retain the

payment for the connection charge applicable to the work performed up to the moment of the cancellation, including the expenses related to the completion of the work to restore, and shall reimburse the balance, if any, of any amount collected from the applicant.

c. Improper cancellation or lack of attention to the applicati

Any applicant may claim compensation for damages he may have suffered as a result of the improper cancellation of its application or because the Company does not pay attention to the same. To that effect, he may file a formal complaint at the Commission. This shall not be interpreted as a limitation on the rights of the subscriber or user to claim compensation for damages caused by any other action of the Company or to file an administrative complaint before the Commission

ARTICLE 23: Deposits

A. General.

The Company shall require from the subscribers a deposit or appropriate security equivalent to the estimated consumption of a trimester and shall pay single interest on this deposit at rate of 7% per annum. Said interest shall be computed from the date when the deposit is made to the date on which it is returned to the subscriber.

B. Return of Deposits.

The Company shall return the deposit, plus interests accrued, in the following situations:

1. The Company may return the deposit at any time before discontinuing service.
2. In those cases in which service is permanently discontinued and charges are owed for said service, the deposit shall be applied against said charges and any remainder of the same shall be returned to the subscriber.

In case of permanent disconnection, the Company shall have a reasonable term to read and remove the meter and to ascertain that the obligations of the subscriber have been duly fulfilled before it is obliged to return the deposit.

C. Effect of the deposit.

The payment of the deposit shall not relieve the subscriber from complying with the provisions of these Regulations regarding the payment of bills.

ARTICLE 24: Connection of Service

The Company shall bill the charge for connection of service as a requirement prior to connecting service.

ARTICLE 25: Billing

A. General

1. Invoices for service shall be computed every three months according to the billing cycles established by the Company.

2. The Company may bill every month instead of every three months, as per the pertinent Rates List. In those cases, the third invoice of the trimester shall show the remainder owed, on the basis of the consumption for the trimester.

3. Charges for work carried out upon the petition of the subscriber or user shall be included in the billing period during which they are performed or in the bill which covers the period closest to the date in which the work is performed.

4. When it is not possible to determine consumption because the meter has stopped recording or because access to the same is not possible, the Company may bill the subscriber for an average consumption computed on the basis of the three previous trimesters; provided that when the cause of the impossibility ceases, the Company shall determine and carry out the adjustment corresponding to the subscriber's account.

B. Presentation and Due Date

Bills are payable on the date of presentation, as defined in Article 3 (n) of these Regulations.

C. Payment

The term to make the payment shall extend to the bill's due date, as defined in Article 3 (o) of these Regulations. The Company shall indicate the corresponding due date on all the bills.

ARTICLE 26: Protested Bills

In case of controversy between the subscriber or user and the Company in relation to items of any bill submitted by the Company, the following procedure shall be observed:

1. The subscriber or user shall pay the part of the bill which is not in controversy within the period of twelve (12) calendar days

from the date of presentation of the same and shall give a written notice to the Company of the reasons for protesting the rest of the total amount of the bill. In the alternative, the subscriber may give written notice of his protest to the Company while at the same time paying the total bill.

2. Within the twenty (20) calendar days following the date in which the subscriber or user mails or personally delivers to the Company the aforementioned written notice, the Company shall carry out an investigation of the reasons given by the subscriber or user and shall notify the subscriber or user -in writing- of the results of the investigation and the position or decision of the Company regarding the protested charges. Once this term expires, if the Company has not made any determination about this, it shall cancel all protested charges.

3. If the subscriber or user were in agreement with the decision of the Company regarding the protested charges, he shall pay the same within the next ten (10) days following the remittance of said Company decision.

4. If the subscriber or user is not in agreement with the result of the investigation mentioned in Paragraph number 2 of this article, he shall pay the Company under protest or deposit said amount at the Commission simultaneously with the filing of a formal complaint before the Public Service Commission within the fifteen (15) calendar days following the date of final notice of the Company. In those cases in which the subscriber or user does not make the payment of the bill according to the terms of this article nor does he resort to the procedure herein established, the Company may suspend service for non-payment pursuant to that provided below in Article 27.

5. The Commission may, in any case it determines is justified, relieve the complainant from depositing the protested charges. In those cases, the Company shall not suspend service to the user for reason of the protested charges until, in due time, the case is solved in its merits.

6. The partial non-compliance with any of these dispositions on the part of the subscriber or user does not relieve the Company of responsibility, but could carry a reduction in the amount of the indemnization granted, if any, as a result of a complaint filed under Article 20 of the Law.

ARTICLE 27: Suspension and Restoration of Service

A. Upon Subscriber's request

a. The subscriber may obtain the permanent suspension of service by requesting it from the Company no less than five (5) calendar days before the date he wants it to be effective. If said request is made in the way herein stated, service charges will be charged up to the date when the suspension is effective, provided that this date may not be later than five (5) days after the date it is requested.

b. In the cases in which the subscriber or user owns the property where the installation is located, when he requests permanent suspension of service or in the cases in which he does not notify the Company, the latter may also bill him the charges for availability of service even though he may have abandoned the property and may not be using the service.

B. By the Company. - Non-payment

The Company may take the following measures in those cases in which a user is delinquent in the payment of services and does not make use of the procedure established in Article 25 of these Regulations.

a. Temporarily suspend service to the user after giving him notice of arrears in the payment of the service and of the intention to suspend it. The Company shall temporarily suspend service fifteen (15) calendar days after the suspension notice of thirty (30) calendar days after the presentation of the bill, whatever comes first.

b. Permanently suspend service to the user after giving him notice of the arrears in the payment of service and of the intention to suspend it permanently. The Company shall suspend service permanently fifteen (15) calendar days after the date of the suspension notice

or forty five (45) days after the date of presentation of the bill, whatever comes last.

c. The Company shall not suspend service permanently without there being a previous temporary suspension.

d. The Company shall be obliged to restore service as soon as the subscriber or user pays the charges that caused the suspension.

2. Other reasons

The Company may also suspend service when, according to its belief, the following occurs:

- a. Substantial violation of these Regulations.
- b. Waste of water.
- c. Use of equipment or appliances in an imminently dangerous manner.
- d. Use of water with detriment to the service the Company should render or in detriment to other subscribers.
- e. Illegal enjoyment of service.

In all these cases mentioned in Section B (2) of this Article, the Company shall adequately notify the subscriber or user (through the mail, personally, by telephone or telegram) depending on the circumstances in each case, the reason or reasons on which its intention to suspend service is based and shall advise him of his right to go before the Commission with a complaint if he disagrees with said suspension.

1. The Company shall not suspend service in the cases to which subsections (a) and (b) of Section B (2) of this Article refer until ten (10) calendar days have gone by after the subscriber or user is notified and as long as he has not gone before the Commission. In case of suspension, the subscriber or user may file the pertinent complaint before the Commission as provided by the Law.

2. The Company may suspend service without notification in the cases referred to in subsections (b), (c) and (e) of Section B(2) of this article. The subscriber or user may, within the ten (10) calendar days following suspension, file the pertinent complaint before the Commission if he is not in agreement with the action of the Company.

C. Filing of Complaints - Effects

The Company shall cease all actions to collect the protested charges and/or to suspend service for non-payment or for any other reason once the corresponding complaint is filed before the Commission. In those cases in which service has been suspended for non-payment before the filing of the complaint, the Company shall restore it if the subscriber or user deposits the protested amount in the Commission or if the Commission excuses him for this obligation. In the cases where suspension of service is not due to non-payment, the Company shall restore service until the case is decided on its merits, providing that this shall not apply when the suspension is caused by the situations considered in paragraphs (b), (c) and (d) of Section B(2) of this article.

D. Reconnection

1. When service to the user is suspended due to non-payment or based on the reasons stated above, said user shall be bound to pay the charge for reconnection authorized in the rates. Said charge will not be in order if the Commission decides that the suspension was improper.

2. The Company shall be obliged to reconnect service within 24 hours after charges are paid if the Company has official knowledge of the deposit of the protested charges in the Commission or if it is ordered to do so by the Commission.

ARTICLE 28: Access to the User's Property

A. Through its duly identified staff, the Company shall have a right to have access to the user's property, after notification to that effect during reasonable hours and by reasons related to the service, excusing the Company from such notification and restriction regarding hours in cases of emergency for the rendering of service.

B. The Company shall notify the user in writing or through the telephone of the date and time, at which the Company staff will arrive and the purpose of the visit, providing that, in the cases where there is an emergency situation where public safety is affected, notice may be given in the manner circumstances permit.

C. In its notice, the Company shall indicate the telephone number and the office which the user may call in the event that said date and day are too burdensome for him, to agree on another date and time. The notice shall advise him of his obligation to permit access to his property and of the possibility of a suspension of service for noncompliance with that obligation. The Company shall not suspend service until after five (5) calendar days from the date of the notice, provided there is no communication from the user to the Company to agree on a date convenient to him. It is provided that this shall not apply to emergency situations; the user still being able to file the appropriate complaint before the Commission if he disagrees with the Company's actions.

D. Improper Disconnections

Any user may claim compensation for damages suffered as a result of improper suspensions. To that effect, he may file a formal complaint before the Commission. This norm shall not be interpreted as a limitation upon the rights of the users to claim compensation for damages caused by any other action of the Company. It shall not be understood, either, that a user's rights to file an administrative complaint before the Commission are limited.

ARTICLE 29: Amendments and Temporary Deferments

A. Any petition to amend these regulations or any request for temporary deferment related to the compliance with any disposition of the same shall be made through a written motion to the Commission. The Commission shall consider said petition for amendment or for temporary deferment through the procedure established by the Law for the approval of Rules and Regulations. The petition for temporary deferment, together with the Commission's decision, shall become part of the file for regulating procedure.

B. The Commission, in the exercise of the powers conferred on it by the Law, reserves the right to amend or modify these Regulations wholly or in part, to require services, equipment, facilities or to carry out any modification regarding the application of the same;

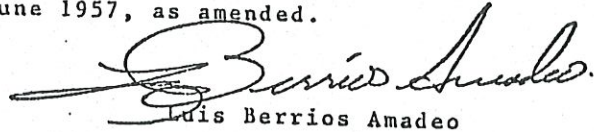
all these following the procedure established by the Law to these ends.

ARTICLE 30: Separability

If any clause, paragraph, article or section of these Regulations were declared unconstitutional in a final judgment by a court with competent jurisdiction, the judgment entered to that effect shall not affect nor invalidate the rest of it, rather, its effect shall be limited to the clause, paragraph, article, section of the Regulations which is declared unconstitutional.

ARTICLE 31: Effectiveness

These Regulations shall be in effect thirty (30) days after they are approved by the Public Service Commission of Puerto Rico, and pursuant to Article 50 (c) of the Law and after the original and two copies of the same in Spanish and English are filed at the Department of State of Puerto Rico pursuant to the provisions of Law Number 112 of 30 June 1957, as amended.



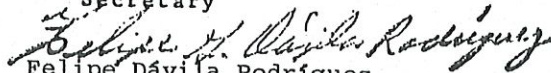
Luis Berrios Amadeo

President

ATTEST:

Raquel Marrero Gines

Secretary



Felipe Dávila Rodríguez
Acting Secretary