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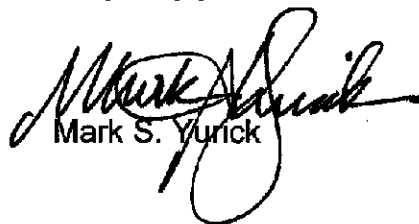
Renee Jenkins
Chief of Docketing
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43266-0573

**Re: In the Matter of the Application of Aqua Ohio, Inc. for Authority to
Increase its Rates and Charges in its Masury Division
PUCO Case No. 09-560-WW-AIR**

Dear Ms. Jenkins:

Please find attached Aqua Ohio, Inc.'s Low-Income Assistance Program Agreement to be docketed in the above-captioned proceeding. Please contact me with any questions or concerns.

Very truly yours,


Mark S. Yurick

MSY/clb

cc: All Parties

This is to certify that the images appearing are an
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Aqua Ohio, Inc. Masury Low-Income Assistance Program
Agreement

This Agreement made effective this 18th day of July, 2010 by and between Aqua Ohio, Inc. (hereinafter, the "Company"), and The Salvation Army, a New York not-for-profit corporation, having its corporate principal offices located at 440 West Nyack Road, West Nyack, NY 10994, and duly authorized to conduct business in the State of Ohio, without limitation, acting by and through its local operating units located in Cleveland and Warren, hereinafter referred to as the "Community Agencies." The parties to this Agreement are hereinafter collectively referred to as "Parties."

WITNESS:

WHEREAS, Company is providing funding, as set forth in the Stipulation entered into between the Parties on April 13, 2010, as amended on May 4, 2010, and approved by the Public Utilities Commission of Ohio in Case No. 09-560-WW-UNC on May 5, 2010 (hereinafter the "Stipulation"), to implement a water assistance program to provide financial assistance to eligible customers toward the payment of their water bill with the Company in accordance with the provisions of this Agreement; and

WHEREAS, there are lower income residents of Ohio who are residential customers of Company that may benefit from the availability of additional funding to assist with the payment of their water bill with the Company and to maintain their water service; and

WHEREAS, the Community Agency either is qualified and positioned to identify the Company's lower income customers that qualify for assistance under the Low-income Assistance Program ("Program") set forth in this Agreement or will engage in training to become qualified; and

WHEREAS, the Parties agree that the financial assistance provided as a part of the Program shall be furnished as provided herein.

NOW THEREFORE, in consideration of the promises, representations and covenants contained herein, and in satisfaction of the Stipulation and Order in Case Number 09-560-WW-UNC the Parties agree as follows:

ARTICLE I. DEFINITIONS

1.1 **Eligible Customer.** Any person who: (1) resides in the Aqua Masury Division, (2) is the named customer for water service at said residence; (3) has a household income of 200% of the Federal Poverty Guideline or below; and, (4) has made at least a partial payment on their account in the last 90 days, or makes at least a partial payment on the outstanding bill in the month of the completed application for funds under the Program set forth herein. Community Agencies are required to verify payments by reviewing proof of payment on bills and/ or by requesting such information from the Company. Exceptions may be made in cases of extreme hardship. Details of any exception to this section 1.1(4) shall be documented on the Water Assistance Application Form.

1.2 **Eligible Residence.** Any residential dwelling, house, or apartment in which the water service is provided by the Company and is individually metered.

1.3 **Program Period.** The Program Period will be from the effective date set forth above until all funds are expended.

ARTICLE II. PROGRAM PROCEDURES

2.1 The Program is available and will be provided for the benefit of Eligible Customers throughout the year, i.e., there is no predetermined period when the funding under the Program is available, provided that funding will be made available during the Program Period and up to the maximum amount of the contribution from the Company described below.

2.2 The Community Agency will use the Application Form attached as an exhibit to this Agreement in providing services under the Program to Eligible Customers.

2.3 The Community Agency shall obtain written permission and a copy of the Eligible Customer's most recent water bill prior to considering the customer for assistance under the Program

established by this Agreement. Customer eligibility must be documented on the Application Form and will be maintained in the Community Agency's customer file and is subject to review by the Company at the request of the Company.

2.4 Applicants will be required to present themselves in person at the office of the Community Agency to participate in an interview. The interview will include the completion of an Aqua Ohio Financial Assistance Application Form, attached hereto and incorporated herein by reference as if fully set forth and marked as Exhibit 1.

2.5 The Community Agencies have the option of accepting telephone applications for those applicants who are homebound, would have to take unpaid time-off from work, or who do not have readily available transportation to physically visit the Community Agency. Proof of identification and income for those applications which are processed by telephone must be provided to the Community Agency by the applicant via US Mail or FAX and shall be verified and recorded on the Application Form.

2.6 The Community Agencies are required in conjunction with the Company to maintain a balance sheet with the current status of available funds.

2.7 Additional General Requirements must be met by the Community Agency, and the Company shall cooperate with such Community Agency activities:

- A. Schedule interviews for each customer within ten (10) days of the customer's initial call.
- B. Serve any of the Company customers living within the service territory that is being served by the Community Agency, regardless of their county of residence.
- C. Maintain completed program application forms for a minimum of two (2) years.
- D. E-mail completed application forms to designated contacts within the Company.
- E. Contact the Company when an applicant has a pending service termination notice to arrange a stay of the disconnection if funds are available (from any or all sources of assistance) to pay at least the minimum amount due to avoid disconnection, and such stay shall not be unreasonably refused by the Company. The Eligible Customer may also enter into a payment arrangement with the Company, consistent with

Company's existing guidelines and criteria, in addition to any assistance being provided under this Program, if needed, to avoid disconnection.

- F. Contact the Company when an applicant's water service has been terminated to arrange for reconnection once the Eligible Customer completes the interview and application process and funds are available (from any or all sources of assistance) to pay at least the minimum amount due to permit reconnection, and such reconnection shall not be unreasonably refused by the Company. The Eligible Customer may also enter into a payment arrangement with the Company, consistent with the Company's existing guidelines and criteria, in addition to any assistance provided under this Program, if needed, to permit reconnection.
- G. A recipient of financial assistance will not be disconnected due to the passage of time from when the Community Agency provides the Company with the application form until the time the Company posts such payment to the water account.

2.9 The Community Agency will provide the necessary personnel to administer the Program and the tasks required under this Agreement.

ARTICLE III. PROGRAM GUIDELINES

3.1 Financial Assistance shall be provided up to an amount of \$150; however, notwithstanding the foregoing, the Community Agency may use its discretion to provide a greater amount of assistance up to \$250 as needed for any particular applicant in the case of extreme hardship. A brief description of the extreme hardship shall be noted on the Water Assistance Application Form. Assistance amounts may not exceed account balances necessary to maintain service (subject to section 3.2 below).

3.2 Financial assistance may only be used for water usage associated with water service provided by the Company. Assistance may not be provided for payment of non-water charges, theft of service charges, or return check charges. However, assistance can be provided to help customers initiate service or to pay regulated charges such as deposits or reconnection fee's. In no event may the awarding of assistance result in a credit balance on a customer account or the issuance of a refund check by the Company.

3.3 Financial assistance can be provided for payment of any past-due account balances.

3.4 The Community Agency agrees that it will only award grants to Eligible Customers in a manner consistent with the terms of this Agreement.

ARTICLE IV. FUNDING AND ACCOUNTING

4.1 The Company shall provide Five Thousand Dollars (\$5,000) funding for the Program, as set forth in the Stipulation.

4.2 The \$5,000 funding shall be provided to the Warren Salvation Army. However, the Warren Salvation Army can arrange for the use of other Salvation Army service units within the Masury Division (if required) to effectively reach Aqua customers.

4.3 The Warren Salvation Army shall be provided an administration fee of \$250 as compensation for its services to administer the Low Income Water Assistance Program out of the total \$5,000 contribution, enabling \$4,750 being available for customer assistance.

4.4 Other than the administrative fee, the Company shall administer the funds and shall post credits to accounts at the level established by the Community Agency at the amount listed on the application form.

ARTICLE V. TERMS AND OBLIGATIONS

5.1 The term of this Agreement shall be from the effective date first set forth above and shall terminate when all funds are expended.

5.2 The Company agrees to perform all of its respective obligations hereunder and to provide an accounting of how the funding for the program was disbursed based upon information provided by the Community Agency. The Companies shall provide an on-going estimate of the balance of remaining funds to the Community Agency.

5.3 The Community Agency represents that: (a) it is a governmental agency or charitable organization organized under the laws of Ohio and qualified and/or licensed to conduct charitable activities or social services in Ohio and (b) the Community Agency has the requisite legal authority to enter into this Agreement and comply with obligations set forth herein.

5.4 The Community Agency shall indemnify the Company's and the Company parent, affiliates, employees, agents, representatives, directors, officers, successors, heirs and assigns against, and hold each of them harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorneys' fees, to persons or property, including employees, contractors, or agents of the Community Agency arising out of or in connected with, or resulting from the actions or inactions of the Community Agency stemming from or relating to this Program or this Agreement, to the extent permitted under Ohio law.

5.5 The following persons are the contacts for the Company:

Aqua Ohio:

Louis Kreider, Vice President-Division Manager of the Lake Erie Division
lskreider@aquaamerica.com
440-255-3984 (x216)

Masury Division:

Doug Brown, Customer Service Manager
debrown@aquaamerica.com
330-755-1100 x16

Chris Snarey, Adm. Asst.
cksnarey@aquaamerica.com
330-755-1100 x10.

5.6 The following persons are the contacts for the Community Agencies:

The Salvation Army Divisional Headquarters

2507 E. 22nd Street

Cleveland, Ohio 44115

Karen Brauer, Divisional Social Services Director Northeast Ohio
(216) 780-9649

Karen.brauer@use.salvationarmy.org

The Warren Salvation Army

270 Franklin St. S.E.

Warren, Ohio 44483

Misty Coffelt, Captain

(330) 392-1573

misty.coffelt@use.salvationarmy.org

ARTICLE VI. MISCELLANEOUS

6.1 The Company shall have the right to audit the financial assistance awarding process under this Program, to ensure the validity of the award and associated record keeping conforms to the requirements imposed by this Agreement.

6.2 Any personal information and/or documentation provided by customers will be used only for the purpose of determining and verifying customer eligibility, administering the Program, or otherwise in a manner consistent with the rights and responsibilities as stated in this Agreement.

6.3 This Agreement shall be governed by the laws of the State of Ohio.

6.4 This Agreement may be modified or amended only by written Agreement of the Parties hereto, and the Parties may not assign their obligations or benefits, in whole or in part, without the prior written consent of the other, provided, however, that the Company may assign this Agreement to a parent corporation or affiliate, successor by way of merger, consolidation, or the acquisition of the assets of the Company.

6.5 This Agreement is not intended to, does not, and shall not be construed to be a partnership, joint venture, or agency relationship of any type between the Parties to this Agreement or to co-contributors of the funding of the Program.

6.6 The employees, agents or representatives of the Community Agency shall not be deemed an employee, agent or representative of the Company and shall not represent themselves as employees, agents or representatives of the Company.

6.7 This writing represents the entire Agreement between the Parties and supersedes all prior written or oral agreements.

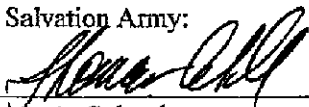
6.8 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

6.9 All forms and printed material developed by the Community Agency to implement or promote the Program must be coordinated with the Company.

6.10 This Agreement is entered into in satisfaction of the terms of the Stipulation and shall be interpreted as fully satisfying the terms of the Stipulation at paragraph 11 of the Stipulation, and ordered in paragraph 9 of the Commission's May 5, 2010 Order in case number 09-560-WW-AIR.

WITNESS WHEREFORE, the parties have caused this agreement to be executed by their duly authorized representative made effective as of July 28, 2010.

For The Salvation Army:


Thomas A. Schenk

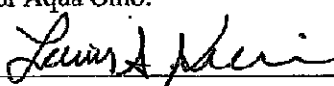
Secretary

Title

7/19/2010

Date

For Aqua Ohio:


VICE PRESIDENT OF OPERATIONS

Title

7/28/10

Date