Received: 08/31/2006 Effective Date: 11/01/2006

> PSC No: 1 – Water Statement Type: DPWS UNITED WATER NEW ROCHELLE INC. Statement No. 1

Status: CANCELLED

Initial Effective Date: November 1, 2006

DEFERRED PURCHASED WATER STATEMENT

(In old tariff this statement would be referred to as Statement No. 5.)

Applicable to all Metered Customers

United Water New Rochelle has accumulated certain deferred debits on its books resulting in increased purchased water expense by the New York City Water Board (NYCWB) from July 1, 2002 through August 27, 2005 for which it has been billed and recovery has not been incorporated into Purchased Water Adjustment Statement No. 1 (In old tariff this statement would be referred to as Statement No. 13). The Company will collect this deficiency over a four-year period commencing on August 28, 2005. The surcharge to be applied to all Customer bills shall be 9.1300 cent(s) per hundred cubic feet (Ccf) and be subject to all revenue-based taxes. The surcharge shall continue for four years or until a total of \$2,829,069 plus interest calculated on the net of tax balance at the 10.94% Commission authorized rate has been recouped at which time this special tariff shall expire.

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