

PSC NO: 3 – WATER**COMPANY: NEW YORK AMERICAN WATER COMPANY, INC.****INITIAL EFFECTIVE DATE: October 14, 2012**

Issued in compliance with order in Case 12-W-0217 dated 08/17/2012

STATEMENT TYPE: GRT**STATEMENT NO: 1****GENERAL INFORMATION****TAX STATEMENT NO. 1**

A. Pursuant to Case No. 27611, Case No. 98-M-0489 and Case No. 00-M-1556, all customer billings will be subject to an effective New York State Gross Receipts Tax. In addition, customers may be subject to local utility revenue taxes.

B. Revenue based taxes will be subject to the following Area Rate Adjustments:

	<u>Aggregate Tax Rate</u>	<u>Effective Aggregate Tax %*</u>
Incorporated Village of Sea Cliff	100%	1.01%
All Other Areas	.00%	.00%

$$\text{*Effective Aggregate Tax \%} = \frac{\text{Aggregate Tax Imposed (\%)}}{100 - \text{Aggregate Tax Imposed \%}}$$

C. Change in the local utility tax rate from that stated above may be modified by the utility by filing a tariff statement allowing the new rate to become effective 15 days after such occurrence.

Issued by: William M. Varley, President, 733 Sunrise Hwy., Lynbrook, NY 11563
(Name of Officer, Title, Address)