Received: 12/21/2011 Status: CANCELLED Effective Date: 01/01/2012

P.S.C. No. 1 – Water Statement Type: DPW United Water Westchester Inc. Statement No. 2

Initial Effective Date: January 1, 2012

DEFERRED PURCHASED WATER STATEMENT NO. 2

Applicable to Metered Customers

Pursuant to Commission Order issued and effective December 17, 2010 in Case No. 09-W-0828, United Water Westchester was authorized to recover the increased costs of purchased water from Westchester Joint Water Works for the period July 1, 2008 through the Year One effective date.

A temporary surcharge of 2.03% of base revenues for the Rate Year Ending October 31, 2010 was set based on an estimated \$780,000 of increased purchased water costs.

According to the Order, once the actual costs related to the Westchester Joint Water Works increases are known, United Water Westchester Inc. should file a proposal for Staff to review and approve detailing how the remaining balance of deferred purchased water costs will be recovered.

The actual purchased water cost was \$1,221,038, including applicable interest, resulting in a remaining balance of \$997,665 to be recovered as of December 31, 2011. As a result, the current temporary surcharge of 2.03% is increased to 4.29% effective January 1, 2012, and it will remain in effect until October 31, 2013, or until such time as the full amount is recovered.

Issued in compliance with the Commission Order in Case 09-W-0828 dated December 17, 2010

Issued by: M.J. Pointing, V.P. and General Mgr., 2525 Palmer Ave., New Rochelle, NY 10801