Received: 03/02/2011 Status: CANCELLED Effective Date: 03/29/2012

PSC NO: 2 WATER

COMPANY: HOPEWELL SERVICE CORPORATION

STATEMENT TYPE: SURC

STATEMENT NO: 1

INITIAL EFFECTIVE DATE: JUNE 1, 2011

2011 SURCHARGE STATEMENT NO. 1

From July 2005 through October 2007, Hopewell Service Corporation ("Hopewell") purchased and/or had installed plant and improvements that qualify as capital investments. These capital improvements totaled nearly \$83,000. Sagamor Water Corp. ("Sagamor") loaned Hopewell \$57,798.

This surcharge is to enable Hopewell to repay Sagamor for the loan. The loan is calculated with a five-year term at 1.5% per month interest. The interest rate reflects the cost that Sagamor could incur for these funds. For the five-year term, the annual payment on the loan is \$17,612.27; \$126.71 per customer annually, or \$31.68 per customer per quarter. The first surcharge will be billed on June 1, 2011, and continue for five years.

Issued By: Michael E. Gillespie, 847 Route 376, Wappingers Falls, NY 12590

Cancelled by supplement No. 3 effective 10/27/2011 Suspended to 03/29/2012 by order in Case 11-W-0087. See Supplement No. 2. The supplement filing date was 09/16/2011 Suspended to 09/29/2011 by order in Case 11-W-0087. See Supplement No. 1. The supplement filing date was 05/26/2011