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P.S.C. No. 1 – Water United Water New Rochelle Inc. Initial Effective Date: November 1, 2010 Statement Type: DRS Statement No. 1

DEFERRED REVENUE STATEMENT

Pursuant to the Commission Order issued in Case 09-W-0824, the under-collected revenues of \$2,313,799 and \$6,438,137 associated with the levelized rate increases will be recovered through a 4.87% surcharge applied on all customers' bills on a bills-rendered basis commencing November 1, 2012 through October 31, 2013; and 13.41% commencing November 1, 2013 through October 31, 2014. The surcharge will expire at the end of Rate Year 4 or at such time the total amount including interest is fully recovered.

Filed in compliance with Commission Order in Case 09-W-0824, issued October 15, 2010

Issued by: M.J. Pointing, V.P. & Gen. Mgr., 225 Palmer Ave., New Rochelle, NY 10801