

**PSC No. 5 - WATER****STATEMENT TYPE: IPTSS****COMPANY: NEW YORK AMERICAN WATER COMPANY, INC.****STATEMENT NO.: 2****INITIAL EFFECTIVE DATE: JANUARY 1, 2018****INCREMENTAL PROPERTY TAX SURCHARGE STATEMENT**

Pursuant to Commission Order issued May 18, 2017 in Case 16-W-0259, the Company is required to surcharge its Sea Cliff District customers for the property taxes in excess of the average property taxes of the Merrick District in Service Area 2. The surcharge is effective June 1, 2017, and will be in effect for the approved rate plan through March 31, 2021.

The charge is applied as a volumetric rate of \$0.4947 per 100 gallons for water service customers for the period June 1, 2017 – December 31, 2017, and a volumetric rate of \$0.3624 per 100 gallons for water service customers for the period January 1, 2018 – March 31, 2018.

The charge is applied as 33.40% of current fire service charges for fire customers for the period June 1, 2017 – December 31, 2017, and 24.47% of current fire service charges for fire customers for the period January 1, 2018 – March 31, 2018.

Issued by: Carmen P. Tierno, President, 60 Brooklyn Avenue, Merrick, New York 11566