

March 29, 2006

Jaclyn A. Brillling, Esq.
Secretary to the Commission
NYS Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

Dear Secretary Brillling:

On behalf of Arbor Hills Waterworks, Inc. (Arbor Hills) enclosed is Cancellation Supplement No. 3, and Escrow Account for Capital Improvements Statement No. 2 which is in compliance with the Commission's Order issued March 29, 2006.

P.S.C. No. 3 – Water

Escrow Account for Capital Improvements Statement No. 2
Cancellation Supplement No.32

Effective date: April 1, 2006

By this letter it is requested that the Staff of the Water Rates Section file the attached statement and supplement electronically with the Department of Public Service.

Arbor Hills also requests waiver of newspaper publication.

Very truly yours,

Andrew Sferra
PO Box 424
Pleasantville, NY 10570