May 17, 2007

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

Re: DWSRLF Capital Improvement Surcharge

Dear Secretary Brilling:

The enclosed Surcharge Statement No. 1, filed by The Chaffee Water Works Company, is transmitted electronically for filing, in compliance with the requirements of the Public Service Commission of the State of New York.

Surcharge Statement No. 1 – P.S.C. No. 2 – Water

DWSRLF Capital Improvement Surcharge

Effective: July 1, 2007

Publication

The Chaffee Water Works Company requests waiver of newspaper publication of the attached surcharge statement.

Very truly yours,

Rodney C. Franz, President The Chaffee Water Works Company