

PSC NO: 2 - WATER
COMPANY: The Chaffee Water Works Company
INITIAL EFFECTIVE DATE: November 1, 2010

STATEMENT: CWC
STATEMENT NO.: 1

(Issued in compliance with Commission Order in C. 08-W-1407 issued and effective October 14, 2010)

CUSTOMER CREDIT STATEMENT

(Customer credit established from a variance ordinance signed between the Township of Sardenia and Gernatt Asphalt Products, Inc. on October 2, 2007)

Pursuant to the Commission Order in Case No. 08-W-1470 issued and effective October 14, 2010, The Chaffee Water Works Company will credit its customers equally with the money it receives from Gernatt Asphalt Products, Inc., over approximately the next five years, as the result of a zoning variance agreement between the Zoning Board of the Township of Sardenia and Gernatt Asphalt Products, Inc..

Credit Calculation:

Funds received from Gernatt ÷ current number of customers = \$XXX/yr. or \$XXX/quarter/customer.

Terms of Credit:

The credit will continue until all funds received from Gernatt Asphalt Products, Inc. have been passed back to the customers.

Filing of Statements

The company shall file a new statement each time it receives funds from Gernatt Asphalt Products, Inc. showing the calculation of the new customer credit to be applied to customer bills in the succeeding quarters.

Issued By: Rodney Franz, The Chaffee Water Works Company, 13419 Allen Rd.,
Chaffee, NY 14030
(Name of Officer, Title, Address)