PSC No: 1 – Water UNITED WATER NEW ROCHELLE INC. Initial Effective Date: November 1, 2006 Statement Type: PWAS Statement No. 1

PURCHASED WATER ADJUSTMENT SURCHARGE STATEMENT

(In old tariff this statement would be referred to Statement No. 13.)

Applicable to all Metered Customers

I. General Description

Purpose: To recover any increases in the cost of water from the New York City Water Board (NYCWB) beyond the approved July 1, 2005 rate.

II. Computation of the Purchased Water Adjustment Surcharge

Calculation: As early as possible after notification of an increase in the NYCWB rate, the Company shall make a compliance filing to be effective on the same date of the NYCWB rate increase.

Surcharge Amount: The charge will be expressed in cents per CCF carried to four (4) decimal places, applied to the total CCF billed and subject to all revenue based taxes.

Formula:

Where:

NNYCWB = New NYCWB rate

- CNYCWB = NYCWB rate in effect July, 2005.
- LUFW = Lost and Unaccounted for water at 18% or actual, whichever is less.
- CCF = Hundred Cubic Feet
- MG = Million Gallons

Issued in compliance with the Commission Order in Case 04-W-1221 dated August 24, 2005.

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