

PSC NO: 1 - WATER
COMPANY: Aquarion Water Company of Sea Cliff, Inc.
INITIAL EFFECTIVE DATE: DECEMBER 1, 2006

STATEMENT TYPE: GRT
STATEMENT NO: 1

GENERAL INFORMATION

TAX STATEMENT NO. 1

(This Tax Statement Supercedes Tax Statement No. 7 in the old Paper Tariff P.S.C. #3 – Water)

A. Pursuant to Case No. 27611, Case No. 98-M-0489 and Case No. 00-M-1556, all customer billings will be subject to an effective New York State Gross Receipts Tax. In addition, customers may be subject to local utility revenue taxes.

B. Revenue based taxes will be subject to the following Area Rate Adjustments:

	<u>Aggregate Tax Rate</u>	<u>Effective Aggregate Tax %*</u>
Incorporated Village of Sea Cliff	100%	1.01%
All Other Areas	.00%	.00%

$$*Effective Aggregate Tax \% = \frac{\text{Aggregate Tax Imposed} (\%)}{100 - \text{Aggregate Tax Imposed} \%}$$

C. Change in the local utility tax rate from that stated above may be modified by the utility by filing a tariff statement allowing the new rate to become effective 15 days after such occurrence.

Issued By: Charles V. Firlotte, Chairman of the Board and President, 325 Prospect Ave., Sea Cliff, NY 11579-1926
(Name of Officer, Title, Address)