

PSC No. 1 - WATER**STATEMENT TYPE: TSAS****COMPANY: NEW YORK AMERICAN WATER COMPANY, INC.****STATEMENT NO: 1****INITIAL EFFECTIVE DATE: OCTOBER 14, 2012**

Issued in compliance with order in Case 12-W-0217 dated 08/17/2012

GENERAL INFORMATION**TEMPORARY STATE ASSESSMENT SURCHARGE**

The Commission Order in Case 09-M-0311 ("Order"), dated June 19, 2009, directed that electric, gas, steam, and water utilities and jurisdictional municipal corporations, collect a Temporary State Assessment (TSA), effective from April 1, 2009 through March 31, 2014. (PSL §18-a(6)). The TSA imposes a charge of two percent of the gross operating revenues from intrastate utility operations, less the amounts assessed for Department of Public Service costs and expenses (General Assessment) that are authorized in the annual State Budget, and including carrying charges calculated at the Company's authorized pretax rate of return. Based upon the requirements within the Order, the Company is subject to a TSA of 1.59%. In accordance with the Order, the TSA will be subject to an annual reconciliation, including appropriate adjustments for over- or under-recoveries, as necessary.

Effective July 2, 2012, the Company will recover the TSA through a surcharge equal to 1.59%.

The revenue based TSA will be shown as a surcharge on each customer's bill.
This surcharge will be applied to all bills rendered in every service classification.

Issued by: William M. Varley, President, 733 Sunrise Highway, Lynbrook, NY