Received: 10/19/2010 Status: CANCELLED Effective Date: 11/01/2010

P.S.C. No. 1 – Water Statement Type: DEPC United Water New Rochelle Inc. Statement No. 3

Initial Effective Date: November 1, 2010

DEFERRED EXCESS PER CAPITA (DEPC) ADJUSTMENT SURCHARGE STATEMENT

Applicable to all Metered Customers

The Company has accumulated certain deferred debts on its books resulting from charges for "excess" water consumption imposed by the New York City Water Board (NYCWB), based on the per capita water use in the Company's system in excess of the per capita water use in New York City. These excess water charges for the period September 24, 1994 – September 30, 2008, have not been have not been, and are not presently being, recovered in base rates or the Purchase Water Adjustment Statement (PWAS) surcharge currently in effect in the Company's tariff.

From the total amount of \$6,713,991, the Company has collected \$4,414,361 with interest from metered customers as of October 31, 2010 through the Deferred Excess Per Capita Adjustment Surcharge Statement (DEPC). The difference of \$2,516,743 with interest, will be recovered by varying surcharges over the four year rate period November 1, 2010 —October 31, 2014, pursuant to the Commission Order in Case 09-W-0824. The surcharge for each rate year will be as follows:

\$0.1605 per CCF effective November 1, 2010 \$0.0731 per CCF effective November 1, 2011 \$0.0562 per CCF effective November 1, 2012 \$0.0464 per CCF effective November 1, 2013

The surcharge applied to all metered customer' bills will be subject to all revenue based taxes. The surcharge will continue through October 31, 2014 or until a total \$2,516,743 which includes interest calculated at the Commission authorized rate of 10.77% has been recovered.

Issued in compliance with the Commission Order in Case 09-W-0824 dated October 15, 2010.

Issued by: M.J. Pointing, V.P. & Gen. Mgr., 360 West Nyack Road, West Nyack, NY 10994