

..DID: 13451
..TXT: PSC NO: 1 WATER STATEMENT TYPE: RORI
COMPANY: WOODBURY HEIGHTS ESTATES WATER CO., INC. STATEMENT NO: 1
INITIAL EFFECTIVE DATE: 10/31/00
STAMPS: Issued in compliance with Order dated October 23, 2000 in C. 00-W-0679
RECEIVED: 10/26/00 STATUS: Effective EFFECTIVE: 10/31/00

RATE OF RETURN INCENTIVE
STATEMENT NO. 1

In order to ensure compliance with Commission and Department of Health directives, The Woodbury Heights Estates Water Co., Inc. will be required to annually demonstrate such compliance to Commission Staff.

If Staff believes that the company did not properly manage the escrow account or comply with all applicable Commission and Department of Health requirements, it will recommend to the Commission that the company be found to not be in compliance. If the Commission determines that the company is not in compliance, the company will deposit each quarter an amount equal to 19% of each customer's quarterly bill (including fire protection) for the year following the year of non-compliance into the Extraordinary Repair and Plant Replacement Escrow Account.

This formal review process will be discontinued after the year ended December 31, 2003, if the Commission finds that the company for the period October 31, 2000 to December 31, 2003, has properly managed the escrow account and has been and is in compliance with Commission and Department of Health directives.

Issued in compliance with the Order dated October 23, 2000 in Case 00-W-0679.

Issued By: William Brodsky, President, 275 N. Middletown Rd., Pearl River, NY 10965
(Name of Officer, Title, Address)