Received: 10/12/2012 Status: CANCELLED Effective Date: 10/14/2012

PSC NO: 2 - WATER

COMPANY: NEW YORK AMERICAN WATER COMPANY, INC.

INITIAL EFFECTIVE DATE: October 14, 2012

LEAF: 87

REVISION: 0

SUPERSEDING REVISION:

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

Revenue Tax Surcharge Statement No. 1

Pursuant to Case 27611, Opinion No. 81-22, all customer billings will be subject to a New York State Gross Receipts Tax. Pursuant to Case 00-M-1556, such tax rates will be 2.0% effective January 1, 2001. The effective tax rate (2.083%) is higher due to compounding of the New York State tax.

Issued by: William M. Varley, President, 733 Sunrise Hwy., Lynbrook, NY 11563