

March 17, 2004

Honorable Jaclyn A. Brillling
Secretary
Public Service Commission
3 Empire State Plaza
Albany, New York 12223

Dear Secretary Brillling:

The enclosed Extraordinary Repairs and Plant Replacement Escrow Account Statement No. 1 and Rate of Return Incentive Statement, Supplement No. 1 to Tariff Schedule P. S. C. No. 1 - Water, filed by Independent Water Works, Inc. is transmitted electronically for filing in compliance with Case 02-W-0742.

P.S.C. No. 1 - Water
Extraordinary Repairs and Plant Replacement Escrow
Account Statement No. 1
Rate of Return Incentive Statement No. 1

Effective: December 1, 2002

Very Truly Yours,

Norman Nadel, Secretary
c/o Hogan and Rossi
Independent Water Works, Inc.

Enc.