Notice of Changes in Rates for Water Service

On November 14, 2014 the Public Service Commission of the State of New York (PSC) issued an Order in Case Nos. 13-W-0539, 13-W-0564 and 14-W-0006 approving the merger of United Water Westchester Inc. ("UWW") into United Water New Rochelle Inc. ("UWNR") and permits UWNR to change its name and operate as United Water Westchester Inc. The Order also establishes a three-year rate plan and authorizes the former UWNR (to be known as Rate District 1) to increase permanent rates for water service by $3.9 million effective December 5, 2014, an additional $3.6 million beginning the second year of the plan along with a Levelizing Surcharge of $0.3 million and $1.5 million in the third year with the Levelizing Surcharge increasing to $2.4 million. The Levelizing Surcharge will expire at the end of the third year or shortly thereafter.

As a result, the typical UWW Rate District 1 residential customer will see an average increase in quarterly water service of $26.73 or 29.7 cents a day (13.0 percent) in the first year; $17.49 or 19.4 cents a day (7.5 percent) in the second year; and $17.43 or 19.4 cents a day (7.0 percent) in the third year. United Water plans to implement monthly rather than quarterly billing in 2015, and as such the average increases to typical residential customers' monthly bills will be $8.91 in the first year; $5.83 in the second year and $5.81 in the third year.

A full breakdown on your new service charges is included in this pamphlet.

The primary reasons for the increase in rates include increases in property taxes, labor and medical expenses, utility plant-in-service additions and also the cost of water purchased from New York City which has increased since the Company's last rate filing.

About Your Bill

In addition to base rates charged for water usage, you may have the following charges or credits itemized on your bill during the three-year rate plan.

Deferred Excess Purchased Water - This surcharge reflects rate increases that New York City charged the Company for excess entitlement water purchases for the period September 24, 1994 – September 30, 2008, that are not included in the rates and charges authorized by the Public Service Commission by this Order, but paid by United Water Westchester Rate District 1.

Levelizing Surcharge - In order to level rates throughout the three-year plan period, the PSC has set a levelizing surcharge for the second and third years of the plan only.

Revenue, Production Cost and Property Tax Reconciliation - (Reconcile) The PSC authorizes United Water to earn a level of revenue based on an average year. Adjustments or reconciliations may be made annually based upon actual revenues or property taxes.

Long Term Main Renewal and Delaware Interconnection Project final reconciliation (LTDP) - Per the PSC's Order in Case 09-W-0824, the final reconciliation of both LTMRP and DIP is currently being surcharged. This is expected to expire at the end of 2015.

Municipal Public Fire Protection (MPFP) - Pursuant to Chapter 433 of the Laws of 2013 Relating to Fire Service Protection, municipalities may petition the PSC to direct the Company to shift the costs for public fire hydrant service from the municipality to all other customers. The MPFP surcharge allows the Company to recover those costs previously recovered from municipalities.

Make-Whole Surcharges - The PSC's Order establishes a three-year rate plan covering the three years November 1, 2014 through October 31, 2017. New rates for Rate Year One, however, will not become effective until December 5, 2014. In order to ensure that the Company receives the full amount of additional revenues, the PSC has authorized a "Make-Whole Surcharge" to be charged to both metered customers (the Make-Whole Surcharge) and to public fire customers or those customers subject to the MPFP explained above (the Make-Whole Surcharge Fire) through October 31, 2015 the first year of the three-year rate plan.

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In keeping with our commitment to the environment, this publication was printed on recycled paper.

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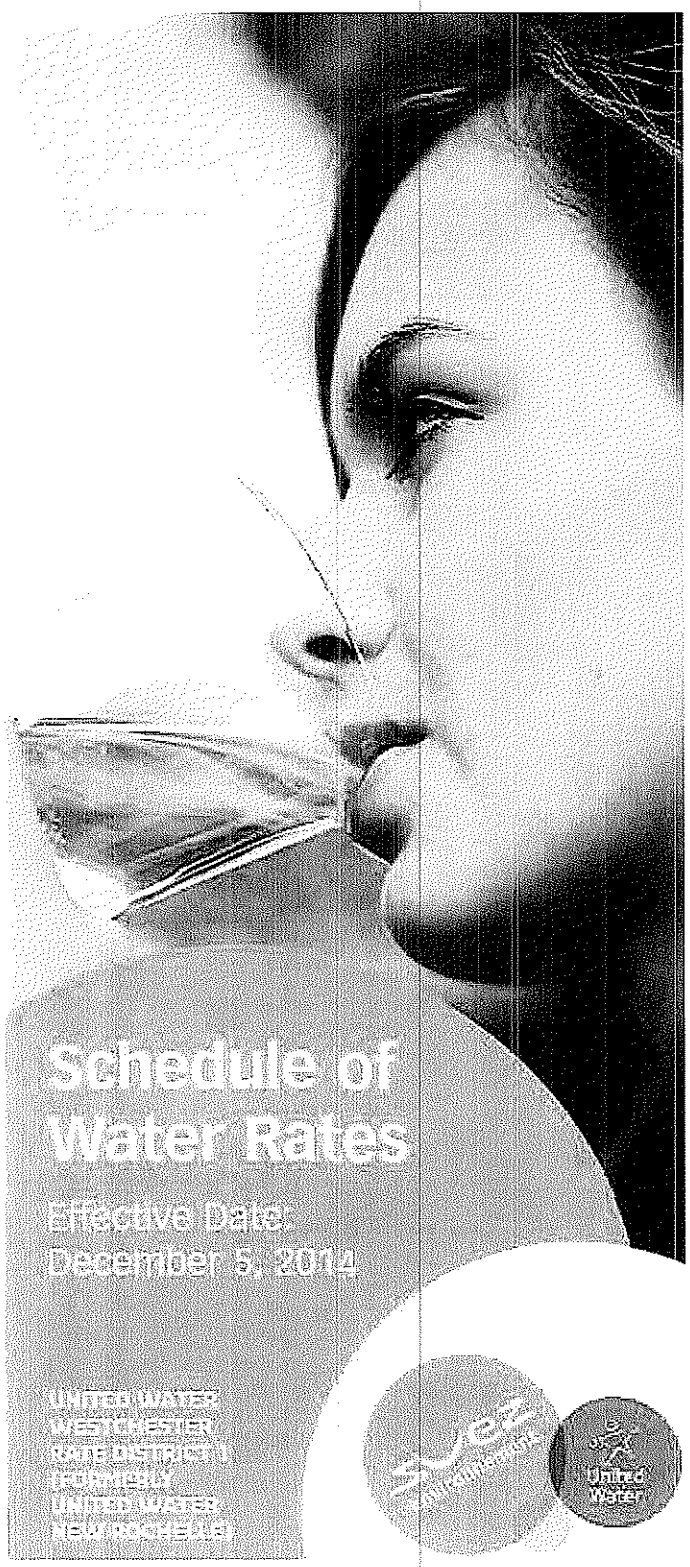

Schedule of Water Rates

Effective Date:
December 5, 2014

UNITED WATER
WESTCHESTER
RATE DISTRICT 1
(FORMERLY
UNITED WATER
NEW ROCHELLE)

UNITED WATER WESTCHESTER - RATE DISTRICT 1

(FORMERLY UNITED WATER NEW ROCHELLE)

FOR WATER SERVICE

SCHEDULE OF METERED RATES

This rate schedule is effective December 5, 2014, for metered customers for all quantities used. The currently existing Minimum Charge and Lawn Sprinkler Service rates have been eliminated and a new Fixed Meter Facility Charge has been established. In addition, the cost of water purchased from New York City, along with certain other costs, has been unbundled from the previous Consumption Charge and is now shown as a Purchased Water Charge. The remaining portion is now referred to as a Delivery Charge.

GENERAL WATER SERVICE

Delivery Charge	Rate
All consumption per hundred cubic feet	$ 3.6369
Purchased Water Charge – All consumption per hundred cubic feet	$ 2.1471

*One hundred cubic feet is equal to 748 gallons.

FACILITY CHARGES

Size Of Meter	Rate per Quarter	Rate per Month
1/2" & 5/8"	$ 27.00	$ 9.00
3/4"	40.23	13.41
1" & 1-1/4"	54.00	18.00
1-1/2"	134.19	44.73
2"	214.92	71.64
3"	470.34	156.78
4"	846.18	282.06
6"	1,880.82	626.94
8"	4,425.00	1,475.00

If you have any questions about your bill, the new rates or the Commission's Order, you may call United Water or visit the New York Public Service Commission website at http://www.dps.state.ny.us. Access the Commission Documents section of the homepage and reference Cases No. 13-W-0539, 13-W-0564 and 14-W-0006. Commission Orders may also be obtained from its Central Files office, 14th Floor, 3 Empire State Plaza, Albany NY 12223 (518-474-2500).

FIRE PROTECTION

PRIVATE FIRE SERVICE CHARGES (NO CHANGE IN RATES)

Connection	Rate per Quarter	Rate per Month
4"	$ 302.03	$ 100.68
6"	680.10	226.70
8"	1,209.69	403.23
10"	1,889.46	629.82
Hydrant Charge	680.10	226.70

PUBLIC FIRE SERVICE CHARGES

	Rate per Quarter	Rate per Month
Hydrant Charge	$ 273.69	$ 91.23

METER RESET FEE

Meter Reset Fee: In cases where the Company suspends service to unoccupied premises pursuant to its Tariff, the Company will charge the customer for re-setting the meter as follows:

Meter Size	Inside Buildings	Meter Pit or Vault
5/8"-1"	$ 90.00	$ 115.00
1 ½"-2"	115.00	140.00
3" and Larger	275.00	325.00

AVERAGE CUSTOMER INFORMATION

	Usage in CCF	Dollar Amount	Total
Facility Charge		$ 9.00	$ 9.00
Consumption	12	$ 3.6369	$ 43.64
Purchased Water	12	2.1472	25.77
Subtotal Monthly Bill			$ 78.41

		Surcharge %	Per CCF	Total
Revenue Reconciliation		5.91%		$ 4.63
Deferred Excess Entitlement	[1]		$ 0.0464	0.56
Make-Whole Surcharge		1.20%		0.63
Municipal Public Fire Protection	[2]			7.90
Long Term Main Renewal and DIP		0.92%		0.72
Make-Whole Surcharge Fire		0.81%		0.06
Temporary State Assessment		1.21%		1.12
Total Monthly Bill				$ 94.04
Annualize				12
Total Annual Bill				$ 1,128.43

[1] Expected to expire First Quarter 2015

[2] Surcharge amount varies by Municipality

Note: the current Levelizing Surcharge will expire First Quarter 2015