

Table 1 W

**WATER INDUSTRY  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,  
(\$000s)**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$681,445	\$632,794	\$585,888	\$534,146	\$473,492
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)	302	302	302	302	302
3 Other Investments				694	558
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments	302	302	302	996	860
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	(351)	(7,396)	(372)	9,460	5,336
7 Notes and Accounts Receivables - Net	14,338	18,331	13,669	13,475	11,824
8 Receivables from Associated Companies	3,842	1			57
9 Materials and Supplies	2,163	2,643	2,658	2,492	2,331
10 Prepayments	7,241	8,027	320	14,285	10,970
11 Accrued Utility Revenue	15,352	12,734	13,114	13,359	13,171
12 Misc Current and Accrued Assets	1,691	181	179	169	212
13 Total Current and Accrued Assets	44,276	34,521	29,568	53,240	43,901
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	5,756	5,529	5,534	5,882	6,311
15 Other Deferred Debits	94,108	90,221	78,825	57,254	57,212
16 Accumulated Deferred Income Taxes	6,630	7,445	7,563	9,472	8,162
17 Total Deferred Debits	106,495	103,195	91,923	72,608	71,685
18 <b>Total Assets and Other Debits</b>	<b>\$832,519</b>	<b>\$770,813</b>	<b>\$707,681</b>	<b>\$660,989</b>	<b>\$589,938</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$29,375	\$29,375	\$29,375	\$29,375	\$29,375
20 Preferred Stock Issued	1,125	1,125	1,125	1,125	2,125
21 Other Paid-in Capital	212,535	208,674	177,281	154,503	101,780
22 Retained Earnings	182,288	175,173	161,390	151,667	134,249
23 Reacquired Capital Stock					
24 Total Proprietary Capital	425,322	414,346	369,170	336,669	267,528
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	166,773	126,814	116,795	112,920	115,390
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable	36,258	41,899	42,029	35,150	25,371
27 Accounts Payable	8,579	8,856	12,650	13,182	14,902
28 Payables to Associated Companies	7,389	12,524	20,247	21,162	16,530
29 Customer Deposits	197	209	184	208	199
30 Taxes Accrued	4,970	(1,998)	7,002	5,191	5,532
31 Interest Accrued	2,716	2,206	2,371	2,659	2,323
32 Matured Long-Term Debt				1,000	297
33 Misc Current and Accrued Liabilities	11,357	5,913	7,344	12,915	8,809
34 Total Current and Accrued Liabilities	71,466	69,607	91,827	91,467	73,962
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	4,638	4,235	4,344	6,338	5,920
36 Other Deferred Credits	41,138	40,193	40,264	32,450	38,310
37 Accumulated Deferred Investment Tax Credits	1,556	1,617	1,678	1,787	1,841
38 Accumulated Deferred Income Taxes	116,126	108,895	82,904	78,765	86,210
39 Total Deferred Credits	163,458	154,940	129,191	119,341	132,281
<b>OPERATING RESERVES</b>					
40 Operating Reserves	5,500	5,105	699	593	777
41 <b>Total Liabilities and Other Credits</b>	<b>\$832,519</b>	<b>\$770,813</b>	<b>\$707,681</b>	<b>\$660,989</b>	<b>\$589,938</b>

**WATER INDUSTRY**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**  
**(\$000s)**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$200,860	\$186,783	\$179,565	\$163,077	\$154,772	1
Operating Expense:						
Operation Expense	75,855	73,858	69,177	65,123	61,959	2
Maintenance Expense	12,502	11,559	10,306	10,288	9,683	3
Depreciation and Amortization Expense	18,408	15,157	14,460	13,297	12,554	4
Taxes Other than Income Taxes	43,096	39,482	39,881	38,675	38,350	5
Income Taxes	19,387	15,159	13,682	7,861	7,589	6
Total Operating Expenses	169,248	155,216	147,505	135,245	130,134	7
Net Operating Revenues	31,612	31,567	32,060	27,833	24,637	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	<b>31,612</b>	<b>31,567</b>	<b>32,060</b>	<b>27,833</b>	<b>24,637</b>	<b>10</b>
<b>OTHER INCOME</b>						
Interest and Dividend Income	1,762	832	609	602	855	11
Allowance for Funds Used During Construction	3,432	2,867	2,107	2,461	2,210	12
Miscellaneous Nonoperating Income	269	932	93	(245)	1,146	13
Other Income	(45)	7	490	(22)	891	14
Total Other Income	5,418	4,639	3,298	2,796	5,101	15
Other Income Deductions	1,250	217	881	143	63	16
Taxes-Other Income and Deductions	(100)	9	38	936	350	17
<b>Income Available</b>	<b>35,880</b>	<b>35,980</b>	<b>34,439</b>	<b>29,550</b>	<b>29,325</b>	<b>18</b>
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt	9,340	7,556	7,523	7,704	7,783	19
Interest on Debt to Associated Co.	5,368	5,512	5,684	4,897	3,725	20
Other Interest Expense	1,907	1,352	2,587	3,851	5,414	21
Total Interest Charges	16,615	14,420	15,794	16,451	16,923	22
Income Before Extraordinary Items	19,265	21,560	18,646	13,099	12,402	23
Extraordinary Items						24
<b>Net Income</b>	<b>\$19,265</b>	<b>\$21,560</b>	<b>\$18,646</b>	<b>\$13,099</b>	<b>\$12,402</b>	<b>25</b>
<b>RETAINED EARNINGS</b>						
Unappropriated (BOP)	\$175,173	\$161,390	\$151,667	\$134,249	\$123,578	26
Balance Transferred from Income	19,265	21,560	17,496	13,099	12,402	27
Appropriated	2,800					28
Dividends Declared-Preferred Stock	51	51	51	2,927	2,727	29
Dividends Declared-Common Stock	9,300	7,726	6,984		3,797	30
Adjustments to Retained Earnings			(739)	7,246	4,793	31
Net Change	7,115	13,783	9,723	17,418	10,671	32
Unappropriated (EOP)	182,288	175,173	161,390	151,667	134,249	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	<b>\$182,288</b>	<b>\$175,173</b>	<b>\$161,390</b>	<b>\$151,667</b>	<b>\$134,249</b>	<b>35</b>

Table 3W

**WATER INDUSTRY  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,  
(\$000S)**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$19,265	\$21,560	\$18,059	\$11,451	\$12,402
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	22,087	15,457	14,780	13,918	18,752
3 Deferred Taxes & ITCs	13,989	23,606	7,711	(2,543)	7,553
4 Receivables and Inventory	3,929	(3,495)	(3,945)	(2,366)	(1,700)
5 Payables and Accrued Expenses	4,159	(5,043)	(5,487)	6,478	6,707
6 Capitalized AFUDC - Equity Funds	(3,182)	(3,000)	(2,020)	(2,394)	(2,183)
7 Equity In Loss (Earnings) Of Affiliates	2,052			(1,738)	1,230
8 Other Adjustments	1,157	(3,210)	(16,828)	7,235	13,139
9	(4,680)	(2,647)	4,328	(5,043)	(3,648)
10	(6,699)	(10,720)	17,765	(1,583)	(4,563)
11 Net Cash From Operating Activities	<u>52,076</u>	<u>32,509</u>	<u>34,363</u>	<u>23,415</u>	<u>47,689</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(63,329)	(58,254)	(64,333)	(76,810)	(56,267)
13 Acquisition Of Other Non-Current Assets	(1,487)	(6,088)	(4,655)	(7,877)	(15,589)
14 Investments In & Advances to Affiliates.				57	(188)
15 Contributions & Advances from Affiliates	(343)	(193)	1,390	13,700	160
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies	(277)		(45)		
18 Other Debt & Equity Investments					2,274
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					54
21			137	152	(30)
22					65
23 Net Cash From Investing Activities	<u>(65,436)</u>	<u>(64,534)</u>	<u>(67,507)</u>	<u>(70,779)</u>	<u>(69,520)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	35,964	25,455	23,454	10,679	4,723
25 Common Stock	197			23,700	12,700
26 Preferred Stock			3,800	(1,000)	(800)
27 Short-Term Debt	(141)	(130)	6,880	7,888	1,568
28 Dividends Paid	(12,151)	(7,777)	(7,035)	(2,928)	(6,197)
29 Other Cash Flows - Financing Activities	(3,464)	7,458	(3,779)	13,148	11,718
30		(11)			(7,202)
31					
32 Net Cash From Financing Activities	<u>20,406</u>	<u>24,995</u>	<u>23,320</u>	<u>51,487</u>	<u>16,510</u>
33 Net Increase/(Decrease) In Cash Equivalents	7,045	(7,031)	(9,824)	4,124	(5,321)
34 Cash & Cash Equivalents At Beginning Of Year	(7,395)	(364)	9,460	5,336	10,657
35 Cash & Cash Equivalents At End Of Year	(\$350)	(\$7,395)	(\$364)	\$9,460	\$5,336

**WATER INDUSTRY**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES (\$000s)</b>						
Sales to General Customers	\$139,379	\$131,681	\$137,533	\$135,265	\$124,767	1
Sales to Other Water Companies	14,353	8,612	8,838	7,311	7,863	2
Other Sales of Water	23,026	18,720	14,619	12,959	11,779	3
Total Revenues from Sales of Water	176,758	159,012	160,990	155,535	144,409	4
Other Water Operating Revenues	24,099	27,694	18,540	7,297	10,354	5
Total Water Operating Revenues	\$200,857	\$186,706	\$179,530	\$162,833	\$154,763	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	29,303,979	28,034,052	32,009,744	30,876,847	31,018,817	8
Sales to Other Water Companies	2,790,231	1,219,370	654,576	1,757,201	2,062,728	9
Other Sales of Water	463,485	275,783	275,097	289,822	303,275	10
Total Sales of Water	32,557,695	29,529,205	32,939,417	32,923,870	33,384,820	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	233,453	233,218	234,814	233,410	232,873	13
Sales to Other Water Companies	7,485	7,191	5,705	5,371	4,978	14
Other Sales of Water	3,218	3,100	2,382	2,584	2,834	15
Total Customers	244,156	243,509	242,901	241,365	240,685	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$597.03	\$564.63	\$585.71	\$579.52	\$535.77	18
Average Consumption per Customer (T.Gal)	125.52	120.21	136.32	132.29	133.20	19
Average Revenue per T Gallons Sold	\$4.76	\$4.70	\$4.30	\$4.38	\$4.02	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer						21
Average Consumption per Customer (T.Gal)						22
Average Revenue per T Gallons Sold						23
<b>OPERATION AND MAINTENANCE EXPENSES (\$000s)</b>						
Source of Supply	\$17,439	\$17,784	\$13,169	\$12,240	\$10,841	24
Power and Pumping	14,389	13,455	13,564	12,921	13,136	25
Purification	8,083	7,585	7,199	6,414	5,847	26
Transmission and Distribution	13,617	12,982	11,740	11,900	10,954	27
Customer Accounting and Collecting	7,737	7,504	6,332	6,604	7,066	28
Administrative and General	27,093	22,926	27,464	25,333	23,796	29
<b>Total O &amp; M Expense</b>	<b>\$88,358</b>	<b>\$82,236</b>	<b>\$79,468</b>	<b>\$75,412</b>	<b>\$71,640</b>	<b>30</b>

Table 5 W

**WATER INDUSTRY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,  
(\$000s)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues (\$000s)	\$200,857	\$186,706	\$179,530	\$162,833	\$154,763
2 Sales (Thousands of Gallons)	32,557,695	29,529,205	32,939,417	32,923,870	33,384,820
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$27,484	\$27,781	\$23,614	\$21,650	\$20,546
4 Wages and Benefits	28,643	26,026	25,469	24,984	24,185
5 Other Operation and Maintenance Expense	32,230	28,429	30,384	28,777	26,909
6 Depreciation and Amortization Expense	20,887	15,157	14,466	13,288	12,545
7 Income Taxes-Operating	19,387	15,159	13,682	7,861	7,589
8 Other Taxes-Operating	43,096	39,482	39,881	38,675	38,350
9 Capital Costs	29,129	34,672	32,034	27,597	24,640
10 Total	\$200,857	\$186,706	\$179,530	\$162,833	\$154,763
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	13.7	14.9	13.2	13.3	13.3
12 Wages and Benefits	14.3	13.9	14.2	15.3	15.6
13 Other Operation and Maintenance Expense	16.0	15.2	16.9	17.7	17.4
14 Depreciation and Amortization Expense	10.4	8.1	8.1	8.2	8.1
15 Income Taxes-Operating	9.7	8.1	7.6	4.8	4.9
16 Other Taxes-Operating	21.5	21.1	22.2	23.8	24.8
17 Capital Costs	14.5	18.6	17.8	16.9	15.9
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.84	0.94	0.72	0.66	0.62
20 Wages and Benefits	0.88	0.88	0.77	0.76	0.72
21 Other Operation and Maintenance Expense	0.99	0.96	0.92	0.87	0.81
22 Depreciation and Amortization Expense	0.64	0.51	0.44	0.40	0.38
23 Income Taxes-Operating	0.60	0.51	0.42	0.24	0.23
24 Other Taxes-Operating	1.32	1.34	1.21	1.17	1.15
25 Capital Costs	0.89	1.17	0.97	0.84	0.74
26 Total	6.17	6.32	5.45	4.95	4.64

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water	15,970,527	16,570,420	12,163,113	10,863,580	9,752,704
Fuel for Pumping	8,543,399	8,575,117	9,101,139	8,531,762	8,578,405
Chemicals	2,969,640	2,635,448	2,350,001	2,254,585	2,214,809
Total PW, Fuel and Chemicals	27,483,566	27,780,985	23,614,253	21,649,927	20,545,918
Total - Ultimate Customers	27,483,566	27,780,985	23,614,253	21,649,927	20,545,918

**Wages and Benefits**

Salaries	19,759,178	18,878,324	17,466,577	17,704,812	16,383,233
Pensions and Benefits	8,884,210	7,147,294	8,002,782	7,279,541	7,801,458
Total Wages and Benefits	28,643,388	26,025,618	25,469,359	24,984,353	24,184,691

**Other Expenses**

Total O&M Expenses	88,357,450	82,236,007	79,467,889	75,411,520	71,639,546
-Total PW, Fuel and Chemicals	27,483,566	27,780,985	23,614,253	21,649,927	20,545,918
-Wages and Benefits	28,643,388	26,025,618	25,469,359	24,984,353	24,184,691
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	32,230,496	28,429,404	30,384,278	28,777,239	26,908,937

**Depreciation and Amortization**

Depreciation Exp	18,407,977	15,157,364	14,465,887	13,287,925	12,544,729
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	18,407,977	15,157,364	14,465,887	13,287,925	12,544,729

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	27,483,566	27,780,985	23,614,253	21,649,927	20,545,918
divided by Total Gallons	32,557,695	29,529,205	32,939,417	32,923,870	33,384,820
Cost per KWH	0.0008	0.0009	0.0007	0.0007	0.0006
times Sales for Resale MWHs					
Sales for Resale Cost					

Table 6 W

**WATER INDUSTRY**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**  
**(\$000s)**

	2010	2009	2008	2007	2006	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible	\$320	\$170	\$506	\$506	\$506	1
Source of Supply	62,265	59,317	36,202	35,702	35,247	2
Pumping	105,940	101,884	55,951	51,158	50,564	3
Water Treatment	78,902	78,709	69,953	67,548	57,475	4
Transmission and Distribution	529,093	497,958	464,031	430,648	400,869	5
General	47,590	45,367	38,632	34,927	40,174	6
Purchased or Sold						7
Total Plant in Service	824,109	783,405	665,275	620,489	584,836	8
Plant Leased To Others						9
Construction Work In Progress	52,625	30,858	97,624	79,312	44,502	10
Plant Held For Future Use	8,904	8,904	8,904	8,904	8,904	11
Plant Acquisition Adjustments	(11)	(11)	874	1,887	1,887	12
Accum. Gains & Losses - Utility Land & Land Rights	(1,179)	(1,179)	(1,270)	(1,282)	(1,282)	13
<b>Total Plant</b>	<b>884,447</b>	<b>821,976</b>	<b>771,407</b>	<b>709,310</b>	<b>638,846</b>	<b>14</b>
Accum. Prov. - Depr. & Amort.	203,001	189,182	185,232	175,164	165,354	15
<b>Net Plant</b>	<b>\$681,445</b>	<b>\$632,794</b>	<b>\$586,175</b>	<b>\$534,146</b>	<b>\$473,492</b>	<b>16</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.62	0.50	0.35	0.58	0.59	17
Total Capitalization (\$000s)	\$628,353	\$583,059	\$529,072	\$483,365	\$408,262	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	26.8%	22.1%	22.5%	23.8%	28.8%	19
Preferred Stock	0.2%	0.2%	0.2%	0.2%	0.5%	20
Common Stock & Retained Earnings	67.5%	70.9%	69.8%	69.1%	65.0%	21
Short-Term Debt	5.5%	6.9%	7.6%	7.0%	5.7%	22
Pretax Coverage of Interest Expense	3.4	3.5	2.7	2.3	2.2	23
Com. Stock Dividends as a % of Earnings	63.2%	36.3%	41.1%	33.0%	66.7%	24
Return on Common Equity	4.6%	5.5%	4.9%	3.0%	4.0%	25
Internal Cash Generated as a % of Cash Outflows for Construction	86.9%	122.6%	120.3%	92.6%	489.9%	26
CWIP as a % of Plant	6.0%	3.8%	12.7%	11.2%	7.0%	27
Number of Employees	313	314	323	323	303	28

Current Assets	44,345,852	34,521,463	33,363,189	53,240,027	43,900,940
Current Liabilities	71,466,073	69,607,398	95,621,934	91,466,879	73,940,666
Total Capitalization	628,352,799	583,058,792	529,072,424	483,365,026	408,261,712
Long-Term Debt	168,530,692	128,712,763	118,823,628	115,069,586	117,651,751
Preferred Stock	1,125,000	1,125,000	1,125,000	1,125,000	2,125,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	424,197,107	413,221,029	369,091,378	334,147,284	265,410,698
Short-Term Debt	34,500,000	40,000,000	40,000,000	34,000,000	23,310,369
Pretax Income	56,517,015	46,683,922	42,454,524	37,563,169	37,175,043
Interest Expense	16,615,023	13,408,288	15,793,649	16,451,186	16,922,571
Dividends Paid	12,151,000	7,777,000	7,035,000	2,927,711	6,524,700
Net Income (Excl. Preferred Stock Dividends)	19,214,532	21,402,956	17,096,785	8,860,893	9,782,104
Internal Cash	55,003,815	32,528,769	38,157,517	23,415,098	47,689,384
Cash Outflows for Construction	(63,329,430)	(26,522,715)	(31,720,676)	(25,277,462)	(9,733,594)
CWIP	52,624,546	30,857,816	97,624,483	79,311,852	44,501,679
Total Plant	884,355,796	821,975,767	771,407,021	709,310,015	638,846,172
Number of Employees	313	314	323	323	303
Salaries and Wages					

**HERITAGE HILLS WATER COMPANY  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$4,473,546	\$4,542,076	\$4,708,219	\$4,792,001	\$4,829,579
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	179,627	174,815	115,792	200,933	293,898
7 Notes and Accounts Receivables - Net	110,382	99,491	109,074	105,328	99,691
8 Receivables from Associated Companies					
23 Materials and Supplies					
10 Prepayments	189,377	11,816	8,995	8,190	8,240
11 Accrued Utility Revenue					
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	479,386	286,122	233,861	314,451	401,829
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	19,147				
15 Other Deferred Debits	232,539	275,474	292,605	330,874	408,445
16 Accumulated Deferred Income Taxes	103,000				
17 Total Deferred Debits	354,686	275,474	292,605	330,874	408,445
18 <b>Total Assets and Other Debits</b>	<b>\$5,307,618</b>	<b>\$5,103,672</b>	<b>\$5,234,685</b>	<b>\$5,437,326</b>	<b>\$5,639,853</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
20 Preferred Stock Issued					
21 Other Paid-in Capital					
22 Retained Earnings	(628,355)	(1,043,738)	(1,062,762)	(1,075,362)	(972,520)
23 Reacquired Capital Stock					
24 Total Proprietary Capital	(578,355)	(993,738)	(1,012,762)	(1,025,362)	(922,520)
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable	1,758,132	1,898,723	2,029,108	2,149,586	2,261,751
27 Accounts Payable	48,387	47,185	48,823	78,186	58,866
28 Payables to Associated Companies	3,998,349	4,077,434	4,093,637	4,166,730	4,173,707
29 Customer Deposits					
30 Taxes Accrued	811	411	411	528	528
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	80,294	73,657	75,468	67,658	67,521
34 Total Current and Accrued Liabilities	5,885,973	6,097,410	6,247,447	6,462,688	6,562,373
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction					
36 Other Deferred Credits					
37 Accumulated Deferred Investment Tax Credits					
38 Accumulated Deferred Income Taxes					
39 Total Deferred Credits					
<b>OPERATING RESERVES</b>					
40 Operating Reserves					
41 <b>Total Liabilities and Other Credits</b>	<b>\$5,307,618</b>	<b>\$5,103,672</b>	<b>\$5,234,685</b>	<b>\$5,437,326</b>	<b>\$5,639,853</b>

**HERITAGE HILLS WATER COMPANY**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260	\$1,305,067	1
Operating Expense:						
Operation Expense	370,242	354,715	433,670	433,226	378,627	2
Maintenance Expense	49,512	65,751	56,796	62,353	53,719	3
Depreciation and Amortization Expense	117,060	219,481	122,471	135,237	127,882	4
Taxes Other than Income Taxes	408,168	397,482	386,556	371,031	352,098	5
Income Taxes						6
Total Operating Expenses	944,982	1,037,429	999,493	1,001,847	912,326	7
Net Operating Revenues	587,207	290,504	348,196	353,413	392,741	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	587,207	290,504	348,196	353,413	392,741	10
<b>OTHER INCOME</b>						
Interest and Dividend Income	2,389	2,558	5,249	9,679	11,495	11
Allowance for Funds Used During Construction						12
Miscellaneous Nonoperating Income	90	60				13
Other Income						14
Total Other Income	2,479	2,618	5,249	9,679	11,495	15
Other Income Deductions	13,825					16
Taxes-Other Income and Deductions	(100,359)	3,055				17
<b>Income Available</b>	676,220	290,067	353,445	363,092	404,236	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt	140,460	150,666	160,572	168,887	177,013	19
Interest on Debt to Associated Co.	120,377	120,377	180,273	297,047	296,266	20
Other Interest Expense						21
Total Interest Charges	260,837	271,043	340,845	465,934	473,279	22
Income Before Extraordinary Items	415,383	19,024	12,600	(102,842)	(69,043)	23
Extraordinary Items						24
<b>Net Income</b>	\$415,383	\$19,024	\$12,600	(\$102,842)	(\$69,043)	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	(\$1,043,738)	(\$1,062,762)	(\$1,075,362)	(\$972,520)	(\$903,477)	26
Balance Transferred from Income	415,383	19,024	12,600	(102,842)	(69,043)	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings						31
Net Change	415,383	19,024	12,600	(102,842)	(69,043)	32
Unappropriated (EOP)	(628,355)	(1,043,738)	(1,062,762)	(1,075,362)	(972,520)	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	(\$628,355)	(\$1,043,738)	(\$1,062,762)	(\$1,075,362)	(\$972,520)	35

**HERITAGE HILLS WATER COMPANY  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$415,383	\$19,024	\$12,600	(\$102,842)	(\$69,043)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	139,235	229,748	176,740	197,371	190,016
3 Deferred Taxes & ITCs	(103,000)				
4 Receivables and Inventory	(11,333)	9,583	(3,746)	(7,088)	21,748
5 Payables and Accrued Expenses	1,602	(4,459)	(29,115)	19,320	30,117
6 Capitalized AFUDC - Equity Funds					
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(9,782)	(1,811)	7,810	1,451	104,153
9	6,637	(8,573)	(17,170)	(6,414)	1,474
10	(177,561)	(16,203)	(73,093)	187	139
11 Net Cash From Operating Activities	<u>261,181</u>	<u>227,309</u>	<u>74,026</u>	<u>101,985</u>	<u>278,604</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(46,917)	(37,901)	(38,689)	(82,222)	(51,335)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(46,917)</u>	<u>(37,901)</u>	<u>(38,689)</u>	<u>(82,222)</u>	<u>(51,335)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	(68,861)			(563)	32,943
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt	(140,591)	(130,385)	(120,478)	(112,165)	(104,038)
28 Dividends Paid					
29 Other Cash Flows - Financing Activities					
30					
31					
32 Net Cash From Financing Activities	<u>(209,452)</u>	<u>(130,385)</u>	<u>(120,478)</u>	<u>(112,728)</u>	<u>(71,095)</u>
33 Net Increase/(Decrease) In Cash Equivalents	4,812	59,023	(85,141)	(92,965)	156,174
34 Cash & Cash Equivalents At Beginning Of Year	174,815	115,792	200,933	293,898	137,724
35 Cash & Cash Equivalents At End Of Year	\$179,627	\$174,815	\$115,792	\$200,933	\$293,898

**HERITAGE HILLS WATER COMPANY  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260	\$1,305,067	1
Sales to Other Water Companies						2
Other Sales of Water						3
Total Revenues from Sales of Water	1,532,189	1,327,933	1,347,689	1,355,260	1,305,067	4
Other Water Operating Revenues						5
Total Water Operating Revenues	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260	\$1,305,067	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	100,062	91,103	97,518	93,622	91,170	8
Sales to Other Water Companies						9
Other Sales of Water						10
Total Sales of Water	100,062	91,103	97,518	93,622	91,170	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	2,487	2,487	2,643	2,487	2,612	13
Sales to Other Water Companies						14
Other Sales of Water						15
Total Customers	2,487	2,487	2,643	2,487	2,612	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$616.08	\$533.95	\$509.91	\$544.94	\$499.64	18
Average Consumption per Customer (T.Gal)	40.23	36.63	36.90	37.64	34.90	19
Average Revenue per T Gallons Sold	\$15.31	\$14.58	\$13.82	\$14.48	\$14.31	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$44,804	\$53,609	\$52,367	\$44,655	\$41,293	24
Power and Pumping	92,568	80,034	137,424	132,808	119,716	25
Purification	40,205	49,349	31,286	23,814	14,823	26
Transmission and Distribution	4,375	1,781	792	7,082	538	27
Customer Accounting and Collecting	442	652	864	1,451	199	28
Administrative and General	237,360	235,041	252,296	285,769	255,777	29
<b>Total O &amp; M Expense</b>	<b>\$419,754</b>	<b>\$420,466</b>	<b>\$475,029</b>	<b>\$495,579</b>	<b>\$432,346</b>	<b>30</b>

**HERITAGE HILLS WATER COMPANY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260	\$1,305,067
2 Sales (Thousands of Gallons)	100,062	91,103	97,518	93,622	91,170
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	91,041	79,548	114,499	108,224	102,416
4 Wages and Benefits					
5 Other Operation and Maintenance Expense	328,713	340,918	360,530	387,355	329,930
6 Depreciation and Amortization Expense	117,060	219,481	128,646	125,975	118,620
7 Income Taxes-Operating					
8 Other Taxes-Operating	408,168	397,482	386,556	371,031	352,098
9 Capital Costs	587,207	290,504	357,458	362,675	402,003
10 Total	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260	\$1,305,067
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	5.9	6.0	8.5	8.0	7.8
12 Wages and Benefits					
13 Other Operation and Maintenance Expense	21.5	25.7	26.8	28.6	25.3
14 Depreciation and Amortization Expense	7.6	16.5	9.5	9.3	9.1
15 Income Taxes-Operating					
16 Other Taxes-Operating	26.6	29.9	28.7	27.4	27.0
17 Capital Costs	38.3	21.9	26.5	26.8	30.8
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.91	0.87	1.17	1.16	1.12
20 Wages and Benefits					
21 Other Operation and Maintenance Expense	3.29	3.74	3.70	4.14	3.62
22 Depreciation and Amortization Expense	1.17	2.41	1.32	1.35	1.30
23 Income Taxes-Operating					
24 Other Taxes-Operating	4.08	4.36	3.96	3.96	3.86
25 Capital Costs	5.87	3.19	3.67	3.87	4.41
26 Total	15.31	14.58	13.82	14.48	14.31

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water					
Fuel for Pumping	68,954	47,229	89,603	95,906	90,018
Chemicals	22,087	32,319	24,896	12,318	12,398
Total PW, Fuel and Chemicals	91,041	79,548	114,499	108,224	102,416
Total - Ultimate Customers					

**Wages and Benefits**

Salaries					
Pensions and Benefits					
Total Wages and Benefits					

**Other Expenses**

Total O&M Expenses	419,754	420,466	475,029	495,579	432,346
-Total PW, Fuel and Chemicals	91,041	79,548	114,499	108,224	102,416
-Wages and Benefits					
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	328,713	340,918	360,530	387,355	329,930

**Depreciation and Amortization**

Depreciation Exp	117,060	219,481	128,646	125,975	118,620
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	117,060	219,481	128,646	125,975	118,620

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals divided by Total Gallons Cost per KWH times Sales for Resale MWHs Sales for Resale Cost					
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**HERITAGE HILLS WATER COMPANY**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible			\$80,000	\$80,000	\$80,000	1
Source of Supply	\$683,787	\$683,787	683,787	658,017	575,795	2
Pumping	172,317	172,317	172,317	172,317	172,317	3
Water Treatment	501,532	501,532	482,632	482,632	482,632	4
Transmission and Distribution	5,935,615	5,919,953	6,209,691	5,888,032	5,888,032	5
General	11,765	11,765	11,765	11,765	11,765	6
Purchased or Sold						7
Total Plant in Service	7,305,016	7,289,354	7,640,192	7,292,763	7,210,541	8
Plant Leased To Others						9
Construction Work In Progress						10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights						13
<b>Total Plant</b>	7,305,016	7,289,354	7,640,192	7,292,763	7,210,541	14
Accum. Prov. - Depr. & Amort.	2,831,470	2,747,278	2,644,845	2,500,762	2,380,962	15
<b>Net Plant</b>	\$4,473,546	\$4,542,076	\$4,995,347	\$4,792,001	\$4,829,579	16
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.08	0.05	0.04	0.05	0.06	17
Total Capitalization	\$1,179,777	\$904,985	\$1,048,764	\$1,147,380	\$1,353,125	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	149.0%	209.8%	193.5%	187.3%	167.2%	19
Preferred Stock						20
Common Stock & Retained Earnings	-49.0%	-109.8%	-96.6%	-89.4%	-68.2%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	2.6	1.1	1.1	0.8	0.9	23
Com. Stock Dividends as a % of Earnings						24
Return on Common Equity	NA	NA	NA	NA	NA	25
Internal Cash Generated as a % of Cash Outflows for Construction	527.2%	652.9%	191.3%	124.0%	542.7%	26
CWIP as a % of Plant						27
Number of Employees						28

Current Assets	479,386.00	286,122	233,861	314,451	401,829
Current Liabilities	5,885,973	6,097,410	6,247,447	6,462,688	6,562,373
Total Capitalization	1,179,777	904,985	1,048,764	1,147,380	1,353,125
Long-Term Debt	1,758,132	1,898,723	2,029,108	2,149,586	2,261,751
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(578,355)	(993,738)	(1,012,762)	(1,025,362)	(922,520)
Short-Term Debt					
Pretax Income	690,045	290,067	362,707	372,354	413,498
Interest Expense	260,837	271,043	340,845	465,934	473,279
Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	415,383	19,024	21,862	(93,580)	(59,781)
* Internal Cash	247,357	247,438	74,026	101,985	278,604
Cash Outflows for Construction	46,917	37,901	38,689	82,222	51,335
CWIP					
Total Plant	7,305,016	7,289,354	7,640,192	7,292,763	7,210,541
Number of Employees					
Salaries and Wages					

**JAMAICA WATER SUPPLY COMPANY  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant					
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents					
7 Notes and Accounts Receivables - Net					
8 Receivables from Associated Companies					
23 Materials and Supplies					
10 Prepayments					
11 Accrued Utility Revenue					
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets					
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					
15 Other Deferred Debits					
16 Accumulated Deferred Income Taxes					
17 Total Deferred Debits					
18 <b>Total Assets and Other Debits</b>					
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued					
20 Preferred Stock Issued					
21 Other Paid-in Capital					
22 Retained Earnings					
23 Reacquired Capital Stock					
24 Total Proprietary Capital					
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable					
28 Payables to Associated Companies					
29 Customer Deposits					
30 Taxes Accrued					
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities					
34 Total Current and Accrued Liabilities					
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction					
36 Other Deferred Credits					
37 Accumulated Deferred Investment Tax Credits					
38 Accumulated Deferred Income Taxes					
39 Total Deferred Credits					
<b>OPERATING RESERVES</b>					
40 Operating Reserves					
41 <b>Total Liabilities and Other Credits</b>					

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY  
COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED DECEMBER 31,**

**UTILITY OPERATING INCOME**

Operating Revenues  
Operating Expense:  
    Operation Expense  
    Maintenance Expense  
    Depreciation and Amortization Expense  
    Taxes Other than Income Taxes  
    Income Taxes  
    Total Operating Expenses  
Net Operating Revenues

Other Utility Operating Income

**Total Utility Operating Income**

**OTHER INCOME**

Interest and Dividend Income  
Allowance for Funds Used During Construction  
Miscellaneous Nonoperating Income  
Other Income  
    Total Other Income

Other Income Deductions

Taxes-Other Income and Deductions

**Income Available**

**INTEREST CHARGES**

Interest on Long-Term Debt  
Interest on Debt to Associated Co.  
Other Interest Expense  
    Total Interest Charges

Income Before Extraordinary Items

Extraordinary Items

**Net Income**

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**RETAINED EARNINGS**

Unappropriated (Beginning)

Balance Transferred from Income  
Appropriated  
Dividends Declared-Preferred Stock  
Dividends Declared-Common Stock  
Adjustments to Retained Earnings  
    Net Change

Unappropriated (EOP)

Appropriated (EOP)

**Total Retained Earnings**

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31**

**Cash Flows From Operating Activities**

- 1 Net Income
- Adjustments to reconcile net income to net cash provided by operating activities:
- 2 Depreciation, Depletion & Amortization
- 3 Deferred Taxes & ITCs
- 4 Receivables and Inventory
- 5 Payables and Accrued Expenses
- 6 Capitalized AFUDC - Equity Funds
- 7 Equity In Loss (Earnings) Of Affiliates
- 8 Other Adjustments
- 9
- 10
- 11 Net Cash From Operating Activities

**Cash Flows From Investing Activities**

- 12 Cash Outflows For Construction
- 13 Acquisition Of Other Non-Current Assets
- 14 Investments In & Advances to Affiliates.
- 15 Contributions & Advances from Affiliates
- Net Proceeds - Sale Or Disposition Of:
- 16 Property, Plant & Equipment
- 17 Investments in Affiliated Companies
- 18 Other Debt & Equity Investments
- 19 Other Non-Current Assets
- 20 Other Cash Flows - Investing Activities
- 21
- 22
- 23 Net Cash From Investing Activities

**Cash Flows From Financing Activities**

- Net Proceeds (Payments) - Issuing & Retiring:
- 24 Long-Term Debt
- 25 Common Stock
- 26 Preferred Stock
- 27 Short-Term Debt
- 28 Dividends Paid
- 29 Other Cash Flows - Financing Activities
- 30
- 31
- 32 Net Cash From Financing Activities
- 33 Net Increase/(Decrease) In Cash Equivalents
- 34 Cash & Cash Equivalents At Beginning Of Year
- 35 Cash & Cash Equivalents At End Of Year

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

**SALES AND CUSTOMER DATA**

**REVENUES**

Unmetered Sales to General Customers  
Metered Sales to General Customers  
Sales to Other Water Companies  
Other Sales of Water  
    Total Revenues from Sales of Water  
Other Water Operating Revenues

    Total Water Operating Revenues

**WATER SALES (Thousands of Gallons)**

Unmetered Sales to General Customers  
Metered Sales to General Customers  
Sales to Other Water Companies  
Other Sales of Water

    Total Sales of Water

**AVG CUSTOMERS PER MONTH**

Unmetered Sales to General Customers  
Metered Sales to General Customers  
Sales to Other Water Companies  
Other Sales of Water

    Total Customers

**OPERATING REVENUE RELATIONSHIP**

**METERED GENERAL CUSTOMERS**

Average Annual Bill per Customer  
Average Consumption per Customer (T.Gal)  
Average Revenue per T Gallons Sold

**UNMETERED GENERAL CUSTOMERS**

Average Annual Bill per Customer  
Average Consumption per Customer (T.Gal)  
Average Revenue per T Gallons Sold

**OPERATION AND MAINTENANCE EXPENSES**

Source of Supply  
Power and Pumping  
Purification  
Transmission and Distribution  
Customer Accounting and Collecting  
Administrative and General

**Total O & M Expense**

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**JAMAICA WATER SUPPLY COMPANY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

1 Revenues

2 Sales (Thousands of Gallons)

**DOLLAR AMOUNTS**

3 Purchased Water, Fuel or Power for  
Pumping, and Chemicals

4 Wages and Benefits

5 Other Operation and Maintenance Expense

6 Depreciation and Amortization Expense

7 Income Taxes-Operating

8 Other Taxes-Operating

9 Capital Costs

10 Total

**PERCENT OF REVENUES**

11 Purchased Water, Fuel or Power for  
Pumping, and Chemicals

12 Wages and Benefits

13 Other Operation and Maintenance Expense

14 Depreciation and Amortization Expense

15 Income Taxes-Operating

16 Other Taxes-Operating

17 Capital Costs

18 Total

**DOLLARS PER THOUSAND GALLONS SOLD**

19 Purchased Water, Fuel or Power for  
Pumping, and Chemicals

20 Wages and Benefits

21 Other Operation and Maintenance Expense

22 Depreciation and Amortization Expense

23 Income Taxes-Operating

24 Other Taxes-Operating

25 Capital Costs

26 Total

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water  
Fuel for Pumping  
Chemicals

Total PW, Fuel and Chemicals

Total - Ultimate Customers

**Wages and Benefits**

Salaries  
Pensions and Benefits  
Total Wages and Benefits

**Other Expenses**

Total O&M Expenses  
-Total PW, Fuel and Chemicals  
-Wages and Benefits  
-Other Gains  
+Other Losses  
-Other Revenues  
Other Expenses

**Depreciation and Amortization**

Depreciation Exp  
Amort of Utility Plant  
Amort of Other Utility Plant  
Amort of Property Losses

Total Depre and Amort

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals  
divided by Total Gallons  
Cost per KWH  
times Sales for Resale MWHs  
Sales for Resale Cost

**JAMAICA WATER SUPPLY COMPANY  
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS  
FOR THE YEAR ENDED DECEMBER 31,**

**WATER UTILITY PLANT**

**Plant in Service**

Intangible  
Source of Supply  
Pumping  
Water Treatment  
Transmission and Distribution  
General  
Purchased or Sold

Total Plant in Service

Plant Leased To Others  
Construction Work In Progress  
Plant Held For Future Use  
Plant Acquisition Adjustments  
Accum. Gains & Losses -  
    Utility Land & Land Rights

**Total Plant**

Accum. Prov. - Depr. & Amort.

**Net Plant**

**SELECTED RATIOS AND STATISTICS**

Current Assets / Current Liabilities

Total Capitalization

Percent Of Capitalization (incl S-T Debt)

Long-Term Debt  
Preferred Stock  
Common Stock & Retained Earnings  
Short-Term Debt

Pretax Coverage of Interest Expense

Com. Stock Dividends as a % of Earnings

Return on Common Equity

Internal Cash Generated as a % of  
Cash Outflows for Construction

CWIP as a % of Plant

Number of Employees

**Note:**

Jamaica Water was acquired by the City of New York on May 31, 1996. The company was not required to file a 1996 PSC annual report.

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Current Assets

Current Liabilities

Total Capitalization

Long-Term Debt

Preferred Stock

Common Stock and Retained Earnings  
(Excl. Preferred Stock)

Short-Term Debt

Pretax Income

Interest Expense

Dividends Paid

Net Income  
(Excl. Preferred Stock Dividends)

Internal Cash

Cash Outflows for Construction

CWIP

Total Plant

Number of Employees

Salaries and Wages

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**LONG ISLAND WATER CORPORATION**  
**COMPARATIVE BALANCE SHEET**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$127,324,772	\$114,924,749	\$106,721,698	\$97,577,597	\$92,998,336
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)	63,368	63,368	63,368	63,368	63,368
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments	63,368	63,368	63,368	63,368	63,368
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	111,372	101,428	105,621	156,227	465,472
7 Notes and Accounts Receivables - Net	2,704,953	2,452,314	1,398,610	3,426,062	4,061,781
8 Receivables from Associated Companies	2,709	1,127	99		
23 Materials and Supplies	609,210	618,213	658,066	586,464	491,414
10 Prepayments	1,338,368	1,110,672	643,281	603,093	592,064
11 Accrued Utility Revenue	2,260,531	2,242,542	2,338,989	4,023,883	3,873,634
12 Misc Current and Accrued Assets	173,313	181,107	179,377	169,019	198,659
13 Total Current and Accrued Assets	7,200,456	6,707,402	5,324,043	8,964,748	9,683,024
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	2,408,104	2,165,068	1,923,188	2,024,469	2,125,749
15 Other Deferred Debits	4,940,079	4,843,803	2,575,361	1,820,231	2,243,974
16 Accumulated Deferred Income Taxes	6,132,996	6,213,250	6,423,327	6,634,280	6,871,224
17 Total Deferred Debits	13,481,179	13,222,121	10,921,876	10,478,980	11,240,947
18 <b>Total Assets and Other Debits</b>	<b>\$148,069,775</b>	<b>\$134,917,641</b>	<b>\$123,030,986</b>	<b>\$117,084,693</b>	<b>\$113,985,675</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
20 Preferred Stock Issued	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
21 Other Paid-in Capital	17,578,392	15,546,306	10,517,585	10,500,000	10,500,000
22 Retained Earnings	19,245,998	18,194,229	16,911,972	15,982,258	16,454,836
23 Reacquired Capital Stock					
24 Total Proprietary Capital	47,949,390	44,865,535	38,554,557	37,607,258	38,079,836
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	58,749,000	48,865,000	38,920,000	38,920,000	38,930,000
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					60,369
27 Accounts Payable	1,202,507	1,409,559	1,462,363	894,647	547,437
28 Payables to Associated Companies	2,831,313	7,474,734	15,584,345	14,102,445	656,811
29 Customer Deposits					
30 Taxes Accrued	5,697,445	211,901	2,210,387	(432,074)	2,322,115
31 Interest Accrued	629,640	599,765	557,628	557,629	557,845
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	1,109,744	1,056,106	1,249,428	1,233,279	1,343,637
34 Total Current and Accrued Liabilities	11,470,649	10,752,065	21,064,151	16,355,926	5,488,214
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	164,140	363,111	398,667	261,553	109,553
36 Other Deferred Credits	8,971,708	7,525,497	9,171,618	7,746,457	11,592,615
37 Accumulated Deferred Investment Tax Credits	268,822	283,822	298,822	313,822	328,822
38 Accumulated Deferred Income Taxes	20,496,066	22,262,612	14,623,171	15,879,677	19,456,635
39 Total Deferred Credits	29,900,736	30,435,042	24,492,278	24,201,509	31,487,625
<b>OPERATING RESERVES</b>					
40 Operating Reserves					
41 <b>Total Liabilities and Other Credits</b>	<b>\$148,069,775</b>	<b>\$134,917,641</b>	<b>\$123,030,986</b>	<b>\$117,084,693</b>	<b>\$113,985,675</b>

**LONG ISLAND WATER CORPORATION**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$47,550,469	\$46,757,882	\$46,327,201	\$39,562,110	\$39,587,326	1
Operating Expense:						
Operation Expense	18,926,970	17,816,895	18,004,431	17,797,545	17,482,305	2
Maintenance Expense	2,983,243	2,831,573	2,834,269	3,066,944	3,096,332	3
Depreciation and Amortization Expense	3,375,222	3,316,187	3,330,738	2,995,213	2,654,965	4
Taxes Other than Income Taxes	11,385,019	11,512,735	12,570,215	12,689,517	12,774,373	5
Income Taxes	3,470,564	3,503,675	2,956,643	(1,011,194)	(550,519)	6
Total Operating Expenses	40,141,018	38,981,065	39,696,295	35,538,025	35,457,456	7
Net Operating Revenues	7,409,451	7,776,817	6,630,906	4,024,085	4,129,870	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	7,409,451	7,776,817	6,630,906	4,024,085	4,129,870	10
<b>OTHER INCOME</b>						
Interest and Dividend Income		200,205	105,272	251,356	269,802	11
Allowance for Funds Used During Construction	656,504		179,460	169,583	76,139	12
Miscellaneous Nonoperating Income						13
Other Income		14,324	515,716	12,362	883,558	14
Total Other Income	656,504	214,529	800,448	433,301	1,229,499	15
Other Income Deductions				(2,654)		16
Taxes-Other Income and Deductions		5,817	38,006	935,776	82,004	17
<b>Income Available</b>	8,065,955	7,985,529	7,393,348	3,524,264	5,277,365	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt	3,011,943	2,420,573	2,377,478	2,377,789	2,390,929	19
Interest on Debt to Associated Co.						20
Other Interest Expense	351,621	505,932	1,052,031	1,568,426	3,694,131	21
Total Interest Charges	3,363,564	2,926,505	3,429,509	3,946,216	6,085,060	22
Income Before Extraordinary Items	4,702,391	5,059,024	3,963,839	(421,951)	(807,695)	23
Net Extraordinary Items						24
<b>Net Income</b>	\$4,702,391	\$5,059,024	\$3,963,839	(\$421,951)	(\$807,695)	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$18,194,229	\$16,911,972	\$15,982,258	\$16,454,836	\$17,310,000	26
Balance Transferred from Income	4,702,391	5,059,024	3,963,839	(421,951)	(807,695)	27
Appropriated						28
Dividends Declared-Preferred Stock	50,626	50,767	50,625	50,625	50,484	29
Dividends Declared-Common Stock	3,600,000	3,726,000	2,983,500			30
Adjustments to Retained Earnings				(2)	3,015	31
Net Change	1,051,765	1,282,257	929,714	(472,578)	(855,164)	32
Unappropriated (EOP)	19,245,994	18,194,229	16,911,972	15,982,258	16,454,836	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	\$19,245,994	\$18,194,229	\$16,911,972	\$15,982,258	\$16,454,836	35

**LONG ISLAND WATER CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$4,702,391	\$5,059,024	\$3,963,839	(\$421,951)	(\$807,695)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	3,489,000	3,419,000	3,397,000	3,328,000	3,247,000
3 Deferred Taxes & ITCs	3,972,000	5,202,000	1,256,000	2,103,000	(332,000)
4 Receivables and Inventory	274,000	106,000	53,000	32,706	549,000
5 Payables and Accrued Expenses				(296,000)	(1,049,000)
6 Capitalized AFUDC - Equity Funds	(447,000)	(133,000)	(120,000)	(103,000)	(54,000)
7 Equity In Loss (Earnings) Of Affiliates				(505,000)	
8 Other Adjustments	1,503,000	(2,627,000)	(774,000)	671,000	3,138,000
9	(488,447)	(4,022,000)	(1,776,000)	(1,943,000)	439,000
10		1,199,783	8,101,555	(4,085,000)	(460,072)
11 Net Cash From Operating Activities	<u>13,004,944</u>	<u>8,203,807</u>	<u>14,101,394</u>	<u>(1,219,245)</u>	<u>4,670,233</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(15,285,000)	(10,775,000)	(12,644,000)	(13,046,000)	(7,989,000)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates	(343,000)	(193,000)	1,390,000	13,865,000	
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					54,000
21			137,000	152,000	(30,000)
22					65,000
23 Net Cash From Investing Activities	<u>(15,628,000)</u>	<u>(10,968,000)</u>	<u>(11,117,000)</u>	<u>971,000</u>	<u>(7,900,000)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	9,549,000	9,613,000		(10,000)	
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid	(3,651,000)	(3,777,000)	(3,035,000)	(51,000)	(51,000)
29 Other Cash Flows - Financing Activities	(3,265,000)	(3,076,000)			10,500,000
30					(7,202,000)
31					
32 Net Cash From Financing Activities	<u>2,633,000</u>	<u>2,760,000</u>	<u>(3,035,000)</u>	<u>(61,000)</u>	<u>3,247,000</u>
33 Net Increase/(Decrease) In Cash Equivalents	9,944	(4,193)	(50,606)	(309,245)	17,233
34 Cash & Cash Equivalents At Beginning Of Year	101,428	105,621	156,227	465,472	448,239
35 Cash & Cash Equivalents At End Of Year	\$111,372	\$101,428	\$105,621	\$156,227	\$465,472

**LONG ISLAND WATER CORPORATION**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$35,868,390	\$35,000,507	\$34,314,402	\$29,653,695	\$29,486,946	1
Sales to Other Water Companies	5,910,894	6,222,147	6,028,988	4,982,865	5,290,637	2
Other Sales of Water	3,985,102	3,667,635	3,900,940	3,611,193	3,129,886	3
Total Revenues from Sales of Water	45,764,386	44,890,288	44,244,330	38,247,753	37,907,469	4
Other Water Operating Revenues	1,786,082	1,867,594	2,082,871	1,086,338	1,679,858	5
Total Water Operating Revenues	\$47,550,468	\$46,757,882	\$46,327,201	\$39,334,091	\$39,587,327	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	9,031,750	8,237,521	9,471,600	7,985,616	8,211,236	8
Sales to Other Water Companies	448,465	424,528	521,083	1,621,344	1,805,621	9
Other Sales of Water						10
Total Sales of Water	9,480,215	8,662,049	9,992,683	9,606,960	10,016,857	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	67,907	67,883	67,886	67,834	67,508	13
Sales to Other Water Companies	5,754	5,744	5,701	5,367	4,974	14
Other Sales of Water	339	339	340	672	1,013	15
Total Customers	74,000	73,966	73,927	73,873	73,495	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$528.20	\$515.60	\$505.47	\$437.15	\$436.79	18
Average Consumption per Customer (T.Gal)	133.00	121.35	139.52	117.72	121.63	19
Average Revenue per T Gallons Sold	\$3.97	\$4.25	\$3.62	\$3.71	\$3.59	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$263,204	\$257,597	\$191,572	\$211,026	\$247,612	24
Power and Pumping	4,538,598	4,047,021	4,367,329	4,168,792	4,132,691	25
Purification	2,139,330	1,977,491	1,741,845	1,570,693	1,755,707	26
Transmission and Distribution	2,925,352	2,830,458	2,892,307	3,411,162	3,175,275	27
Customer Accounting and Collecting	1,733,560	1,657,067	1,392,285	1,410,834	1,105,489	28
Administrative and General	10,310,168	9,878,834	10,253,362	10,091,982	10,161,862	29
<b>Total O &amp; M Expense</b>	<b>\$21,910,212</b>	<b>\$20,648,468</b>	<b>\$20,838,699</b>	<b>\$20,864,489</b>	<b>\$20,578,636</b>	<b>30</b>

**LONG ISLAND WATER CORPORATION  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues	\$47,550,468	\$46,757,882	\$46,327,201	\$39,334,091	\$39,587,327
2 Sales (Thousands of Gallons)	9,480,215	8,662,049	9,992,683	9,606,960	10,016,857
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$3,518,464	\$3,129,715	\$3,084,516	\$2,997,782	\$3,104,948
4 Wages and Benefits	8,937,221	8,728,346	8,769,535	8,123,182	7,513,230
5 Other Operation and Maintenance Expense	9,454,528	8,790,407	8,984,648	9,743,525	9,960,459
6 Depreciation and Amortization Expense	3,375,222	3,316,187	3,330,738	2,995,213	2,654,965
7 Income Taxes-Operating	3,470,564	3,503,675	2,956,643	(1,011,194)	(550,519)
8 Other Taxes-Operating	11,385,019	11,512,735	12,570,215	12,689,517	12,774,373
9 Capital Costs	7,409,450	7,776,818	6,630,906	3,796,066	4,129,871
10 Total	\$47,550,468	\$46,757,882	\$46,327,201	\$39,334,091	\$39,587,327

	<b>PERCENT OF REVENUES</b>				
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	7.4	6.7	6.7	7.6	7.8
12 Wages and Benefits	18.8	18.7	18.9	20.7	19.0
13 Other Operation and Maintenance Expense	19.9	18.8	19.4	24.8	25.2
14 Depreciation and Amortization Expense	7.1	7.1	7.2	7.6	6.7
15 Income Taxes-Operating	7.3	7.5	6.4	(2.6)	(1.4)
16 Other Taxes-Operating	23.9	24.6	27.1	32.3	32.3
17 Capital Costs	15.6	16.6	14.3	9.7	10.4
18 Total	100.0	100.0	100.0	100.0	100.0

	<b>DOLLARS PER THOUSAND GALLONS SOLD</b>				
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.37	0.36	0.31	0.31	0.31
20 Wages and Benefits	0.94	1.01	0.88	0.85	0.75
21 Other Operation and Maintenance Expense	1.00	1.01	0.90	1.01	0.99
22 Depreciation and Amortization Expense	0.36	0.38	0.33	0.31	0.27
23 Income Taxes-Operating	0.37	0.40	0.30	-0.11	-0.05
24 Other Taxes-Operating	1.20	1.33	1.26	1.32	1.28
25 Capital Costs	0.78	0.90	0.66	0.40	0.41
26 Total	5.02	5.40	4.64	4.09	3.95

**Purchased Water, Fuel or Power for Pumping and Chemicals**

Purchased Water					
Fuel for Pumping	2,386,612	2,153,626	2,319,771	2,306,729	2,421,348
Chemicals	1,131,852	976,089	764,746	691,053	683,601
Total PW, Fuel and Chemicals	3,518,464	3,129,715	3,084,516	2,997,782	3,104,948
Total - Ultimate Customers					

**Wages and Benefits**

Salaries	6,492,138	6,341,013	6,295,469	5,789,732	5,312,192
Pensions and Benefits	2,445,083	2,387,333	2,474,066	2,333,450	2,201,038
Total Wages and Benefits	8,937,221	8,728,346	8,769,535	8,123,182	7,513,230

**Other Expenses**

Total O&M Expenses	21,910,213	20,648,468	20,838,699	20,864,489	20,578,637
-Total PW, Fuel and Chemicals	3,518,464	3,129,715	3,084,516	2,997,782	3,104,948
-Wages and Benefits	8,937,221	8,728,346	8,769,535	8,123,182	7,513,230
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	9,454,528	8,790,407	8,984,648	9,743,525	9,960,459

**Depreciation and Amortization**

Depreciation Exp	3,375,222	3,316,187	3,330,738	2,995,213	2,654,965
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	3,375,222	3,316,187	3,330,738	2,995,213	2,654,965

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	3,518,464	3,129,715	3,084,516	2,997,782	3,104,948
divided by Total Gallons	9,480,215	8,662,049	9,992,683	9,606,960	10,016,857
Cost per KWH	0.0004	0.0004	0.0003	0.0003	0.0003
times Sales for Resale MWHs					
Sales for Resale Cost					

**LONG ISLAND WATER CORPORATION**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible	\$148,580	\$591	\$257,232	\$257,232	\$257,232	1
Source of Supply	6,451,408	6,451,407	6,203,915	6,203,915	6,203,914	2
Pumping	10,848,961	10,661,389	10,028,257	9,664,848	9,598,830	3
Water Treatment	20,785,579	20,776,016	20,893,500	20,846,253	18,004,952	4
Transmission and Distribution	116,800,335	109,214,531	101,142,849	90,555,677	82,479,365	5
General	8,750,732	8,746,375	8,015,938	8,102,720	7,901,319	6
Purchased or Sold						7
<b>Total Plant in Service</b>	<b>163,785,595</b>	<b>155,850,309</b>	<b>146,541,691</b>	<b>135,630,647</b>	<b>124,445,612</b>	<b>8</b>
Plant Leased To Others						9
Construction Work In Progress	10,151,175	3,055,445	2,586,939	2,426,053	797,233	10
Plant Held For Future Use	110,933	110,933	110,933	110,933	110,933	11
Plant Acquisition Adjustments			885,558	885,558	885,558	12
Accum. Gains & Losses - Utility Land & Land Rights						13
<b>Total Plant</b>	<b>174,047,703</b>	<b>159,016,687</b>	<b>150,125,121</b>	<b>139,053,191</b>	<b>126,239,336</b>	<b>14</b>
Accum. Prov. - Depr. & Amort.	46,722,931	44,091,938	43,403,423	41,475,594	33,241,000	15
<b>Net Plant</b>	<b>\$127,324,772</b>	<b>\$114,924,749</b>	<b>\$106,721,698</b>	<b>\$97,577,597</b>	<b>\$92,998,336</b>	<b>16</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.63	0.62	0.25	0.55	1.76	17
Total Capitalization	\$106,698,390	\$93,730,535	\$77,474,557	\$76,527,258	\$77,070,205	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	55.1%	52.1%	50.2%	50.9%	50.5%	19
Preferred Stock	1.1%	1.2%	1.5%	1.5%	1.5%	20
Common Stock & Retained Earnings	43.9%	46.7%	48.3%	47.7%	47.9%	21
Short-Term Debt					0.1%	22
Pretax Coverage of Interest Expense	3.4	3.6	1.1	0.6	0.8	23
Com. Stock Dividends as a % of Earnings	78.5%	77.0%	123.0%	-10.8%	-5.9%	24
Return on Common Equity	10.3%	12.1%	6.7%	-1.3%	-2.7%	25
Internal Cash Generated as a % of Cash Outflows for Construction	85.1%	76.1%	111.5%	-9.3%	58.5%	26
CWIP as a % of Plant	5.8%	1.9%	1.7%	1.7%	0.6%	27
Number of Employees	90	90	90	90	89	28

Current Assets	7,200,455.00	6,707,401.87	5,324,043	8,964,748	9,683,024
Current Liabilities	11,470,649	10,752,065	21,064,151	16,355,926	5,488,215
Total Capitalization	106,698,390	93,730,535	77,474,557	76,527,258	77,070,205
Long-Term Debt	58,749,000	48,865,000	38,920,000	38,920,000	38,930,000
Preferred Stock	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	46,824,390	43,740,535	37,429,557	36,482,258	36,954,836
Short-Term Debt					60,369
Pretax Income	11,536,519	6,816,787	3,793,097	2,510,416	4,726,846
Interest Expense	3,363,564	1,914,642	3,429,509	3,946,216	6,085,060
Dividends Paid	3,651,000	3,777,000	3,035,000	51,000	51,000
Net Income (Excl. Preferred Stock Dividends)	4,651,765	4,902,144	2,467,650	(472,576)	(858,179)
Internal Cash	13,004,944	8,203,807	14,101,394	(1,219,245)	4,670,233
Cash Outflows for Construction	15,285,000	10,775,000	12,644,000	13,046,000	7,989,000
CWIP	10,151,175	3,055,445	2,586,939	2,426,053	797,233
Total Plant	174,047,703	159,016,687	150,125,121	139,053,191	126,239,336
Number of Employees	90	90	90	90	89
Salaries and Wages					

**UNITED WATER WESTCHESTER  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$33,408,563	\$30,615,391	\$29,241,561	\$29,120,048	\$27,567,795
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)	239,001	239,001	239,001	239,001	239,001
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments	239,001	239,001	239,001	239,001	239,001
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	3,725	6,307	24,789	159,321	
7 Notes and Accounts Receivables - Net	590,404	303,005	550,947	1,031,097	748,065
8 Receivables from Associated Companies					
9 Materials and Supplies	(247)				193,582
10 Prepayments	297,285	282,253	274,468	197,327	242,198
11 Accrued Utility Revenue	1,701,690	1,492,673	1,514,563	1,422,745	1,292,569
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	2,592,857	2,084,237	2,364,767	2,810,490	2,476,413
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					81,095
15 Other Deferred Debits	2,905,112	1,480,512	1,853,424	1,465,393	2,548,779
16 Accumulated Deferred Income Taxes	552	382,412	34,247	151,699	
17 Total Deferred Debits	2,905,664	1,862,924	1,887,671	1,617,092	2,629,874
18 <b>Total Assets and Other Debits</b>	<b>\$39,146,085</b>	<b>\$34,801,554</b>	<b>\$33,733,000</b>	<b>\$33,786,632</b>	<b>\$32,913,083</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	1,685,000	1,685,000	\$1,685,000	\$1,685,000	\$1,685,000
20 Preferred Stock Issued					1,000,000
21 Other Paid-in Capital	21,829,495	20,429,495	20,399,495	19,299,495	6,400,000
22 Retained Earnings	6,009,375	4,475,706	4,356,060	4,335,046	3,601,505
23 Reacquired Capital Stock					
24 Total Proprietary Capital	29,523,870	26,590,201	26,440,555	25,319,541	12,686,505
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					2,000,000
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable	1,043,552	678,499	706,296	941,471	234,763
28 Payables to Associated Companies					11,016,247
29 Customer Deposits	2,100	2,100	1,100	100	
30 Taxes Accrued	(350,168)	(129,675)	85,609	675,129	144,607
31 Interest Accrued					36,875
32 Matured Long-Term Debt				1,000,000	250,000
33 Misc Current and Accrued Liabilities	962,648	801,164	500,900	366,319	67,549
34 Total Current and Accrued Liabilities	1,658,132	1,352,088	1,293,905	2,983,019	11,750,041
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	428,924	319,093	303,284	1,175,693	1,173,164
36 Other Deferred Credits	52,602	54,066	55,530	217,471	1,450,420
37 Accumulated Deferred Investment Tax Credits	76,133	78,237	80,341	82,445	84,549
38 Accumulated Deferred Income Taxes	7,406,424	6,405,811	5,557,327	4,006,404	3,768,404
39 Total Deferred Credits	7,964,083	6,857,207	5,996,482	5,482,014	6,476,537
<b>OPERATING RESERVES</b>					
40 Operating Reserves		2,058	2,058	2,058	
41 <b>Total Liabilities and Other Credits</b>	<b>\$39,146,085</b>	<b>\$34,801,554</b>	<b>\$33,733,000</b>	<b>\$33,786,632</b>	<b>\$32,913,083</b>

**UNITED WATER WESTCHESTER**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$12,557,094	\$11,939,796	\$11,390,205	\$11,515,451	\$11,536,291	1
Operating Expense:						
Operation Expense	6,282,527	8,042,525	6,499,783	6,639,313	5,803,092	2
Maintenance Expense	444,183	489,039	301,122	223,659	377,757	3
Depreciation and Amortization Expense	786,674	727,863	692,959	681,825	588,619	4
Taxes Other than Income Taxes	1,768,670	1,626,501	1,554,411	1,486,168	1,516,519	5
Income Taxes	1,114,352	235,144	1,571,011	471,330	1,034,497	6
Total Operating Expenses	10,396,406	11,121,073	10,619,287	9,502,295	9,320,483	7
Net Operating Revenues	2,160,688	818,723	770,918	2,013,156	2,215,808	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	<b>2,160,688</b>	<b>818,723</b>	<b>770,918</b>	<b>2,013,156</b>	<b>2,215,808</b>	<b>10</b>
<b>OTHER INCOME</b>						
Interest and Dividend Income	64,047	7,195	17,866		2,739	11
Allowance for Funds Used During Construction	48,724	18,388	5,568	3,674	15,714	12
Miscellaneous Nonoperating Income	30,662	29,435	31,457	(287,941)		13
Other Income				260	39,052	14
Total Other Income	143,433	55,018	54,890	(284,007)	57,504	15
Other Income Deductions	7,099	7,294	4,455	2,169	6,302	16
Taxes-Other Income and Deductions					20,500	17
<b>Income Available</b>	<b>2,297,022</b>	<b>866,448</b>	<b>821,353</b>	<b>1,726,980</b>	<b>2,246,510</b>	<b>18</b>
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt				171,682	229,804	19
Interest on Debt to Associated Co.	763,186	746,801	800,262	710,728	536,273	20
Other Interest Expense	168		77	34,317	1,380	21
Total Interest Charges	763,354	746,801	800,339	916,727	767,456	22
Income Before Extraordinary Items	1,533,668	119,647	21,013	810,252	1,479,054	23
Net Extraordinary Items						24
<b>Net Income</b>	<b>\$1,533,668</b>	<b>\$119,647</b>	<b>\$21,013</b>	<b>\$810,252</b>	<b>\$1,479,054</b>	<b>25</b>
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$4,475,706	\$4,356,060	\$4,335,046	\$3,601,505	\$3,308,151	26
Balance Transferred from Income	1,533,668	119,647	21,013	810,252	1,479,054	27
Appropriated						28
Dividends Declared-Preferred Stock				76,711	76,700	29
Dividends Declared-Common Stock					1,109,000	30
Adjustments to Retained Earnings						31
Net Change	1,533,668	119,647	21,013	733,541	293,354	32
Unappropriated (EOP)	6,009,374	4,475,706	4,356,060	4,335,046	3,601,505	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	<b>\$6,009,374</b>	<b>\$4,475,706</b>	<b>\$4,356,060</b>	<b>\$4,335,046</b>	<b>\$3,601,505</b>	<b>35</b>

**UNITED WATER WESTCHESTER  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$1,533,668	\$119,647	\$21,013	\$810,252	\$1,479,054
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	786,674	727,863	692,959	691,258	721,080
3 Deferred Taxes & ITCs	1,380,369	498,215	1,666,271	84,197	21,226
4 Receivables and Inventory	(496,170)	269,833	388,332	(219,626)	7,589
5 Payables and Accrued Expenses	526,539	273,467	(99,594)	952,496	539,388
6 Capitalized AFUDC - Equity Funds	(48,724)	(18,388)	(5,568)	(3,674)	15,714
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(1,424,599)	372,912	(388,031)	1,155,049	
9 Accounts Payable	(1,464)	(1,464)	(161,941)	(1,232,949)	122,580
10 Other Current Liabilities	(237,583)	(223,071)	(666,660)	577,450	(726,342)
11 Net Cash From Operating Activities	<u>2,018,710</u>	<u>2,019,014</u>	<u>1,446,782</u>	<u>2,814,452</u>	<u>2,180,289</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(3,531,123)	(2,083,305)	(808,904)	(2,230,445)	(1,644,589)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(3,531,123)</u>	<u>(2,083,305)</u>	<u>(808,904)</u>	<u>(2,230,445)</u>	<u>(1,644,589)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	1,509,831	45,809	(772,409)	652,024	(250,000)
25 Common Stock					
26 Preferred Stock				(1,000,000)	
27 Short-Term Debt					
28 Dividends Paid				(76,711)	(1,185,700)
29 Other Cash Flows - Financing Activities					900,000
30					
31					
32 Net Cash From Financing Activities	<u>1,509,831</u>	<u>45,809</u>	<u>(772,409)</u>	<u>(424,687)</u>	<u>(535,700)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(2,582)	(18,482)	(134,531)	159,321	
34 Cash & Cash Equivalents At Beginning Of Year	6,307	24,789	159,321		
35 Cash & Cash Equivalents At End Of Year	\$3,725	\$6,307	\$24,789	\$159,321	

**UNITED WATER WESTCHESTER  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$9,932,414	\$9,180,416	\$9,345,991	\$10,601,095	\$10,233,939	1
Sales to Other Water Companies						2
Other Sales of Water	2,624,681	2,759,380	2,044,214	914,356	1,302,353	3
Total Revenues from Sales of Water	12,557,095	11,939,796	11,390,205	11,515,451	11,536,291	4
Other Water Operating Revenues						5
						6
Total Water Operating Revenues	\$12,557,095	\$11,939,796	\$11,390,205	\$11,515,451	\$11,536,291	7
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	1,985,025	1,843,459	1,887,234	2,003,849	2,001,444	8
Sales to Other Water Companies						9
Other Sales of Water	116,907	99,882	91,549	97,425	113,421	10
						11
Total Sales of Water	2,101,932	1,943,341	1,978,783	2,101,274	2,114,865	12
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	12,170	12,131	12,115	12,132	12,160	13
Sales to Other Water Companies						14
Other Sales of Water	110	90	111	111	108	15
						16
Total Customers	12,280	12,221	12,226	12,243	12,268	17
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$816.14	\$756.77	\$771.44	\$873.81	\$841.61	18
Average Consumption per Customer (T.Gal)	163.11	151.96	155.78	165.17	164.59	19
Average Revenue per T Gallons Sold	\$5.00	\$4.98	\$4.95	\$5.29	\$5.11	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$4,439,044	\$5,924,059	\$4,444,128	\$4,242,719	\$4,201,923	24
Power and Pumping	285,196	237,190	272,766	170,294	64,632	25
Purification	37,125	77,898	83,967	53,690	114,247	26
Transmission and Distribution	611,005	820,959	565,744	458,265	651,362	27
Customer Accounting and Collecting	486,259	669,220	483,670	178,866	253,057	28
Administrative and General	868,080	802,238	950,630	1,759,137	895,628	29
<b>Total O &amp; M Expense</b>	<b>\$6,726,709</b>	<b>\$8,531,564</b>	<b>\$6,800,905</b>	<b>\$6,862,972</b>	<b>\$6,180,849</b>	<b>30</b>

**UNITED WATER WESTCHESTER  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues	\$12,557,095	\$11,939,796	\$11,390,205	\$11,515,451	\$11,536,291
2 Sales (Thousands of Gallons)	2,101,932	1,943,341	1,978,783	2,101,274	2,114,865
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$4,440,104	\$5,926,750	\$4,448,733	\$4,245,870	\$4,224,062
4 Wages and Benefits	572,834	763,230	754,585	466,472	602,652
5 Other Operation and Maintenance Expense	1,713,772	1,841,584	1,597,587	2,150,629	1,354,134
6 Depreciation and Amortization Expense	786,674	727,863	692,959	681,825	588,619
7 Income Taxes-Operating	1,114,352	235,144	1,571,011	471,330	1,034,497
8 Other Taxes-Operating	1,768,670	1,626,501	1,554,411	1,486,168	1,516,519
9 Capital Costs	2,160,689	818,723	770,918	2,013,156	2,215,808
10 Total	\$12,557,095	\$11,939,796	\$11,390,205	\$11,515,451	\$11,536,291
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	35.4	49.6	39.1	36.9	36.6
12 Wages and Benefits	4.6	6.4	6.6	4.1	5.2
13 Other Operation and Maintenance Expense	13.6	15.4	14.0	18.7	11.7
14 Depreciation and Amortization Expense	6.3	6.1	6.1	5.9	5.1
15 Income Taxes-Operating	8.9	2.0	13.8	4.1	9.0
16 Other Taxes-Operating	14.1	13.6	13.6	12.9	13.1
17 Capital Costs	17.2	6.9	6.8	17.5	19.2
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	2.11	3.05	2.25	2.02	2.00
20 Wages and Benefits	0.27	0.39	0.38	0.22	0.28
21 Other Operation and Maintenance Expense	0.82	0.95	0.81	1.02	0.64
22 Depreciation and Amortization Expense	0.37	0.37	0.35	0.32	0.28
23 Income Taxes-Operating	0.53	0.12	0.79	0.22	0.49
24 Other Taxes-Operating	0.84	0.84	0.79	0.71	0.72
25 Capital Costs	1.03	0.42	0.39	0.96	1.05
26 Total	5.97	6.14	5.76	5.48	5.45

**Purchased Water, Fuel or Power for Pumping and Chemicals**

Purchased Water	4,402,363	5,894,449	4,395,321	4,221,511	4,193,876
Fuel for Pumping	37,741	32,301	53,413	24,359	30,187
Chemicals					

Total PW, Fuel and Chemicals 4,440,104 5,926,750 4,448,733 4,245,870 4,224,062

Total - Ultimate Customers 4,440,104 5,926,750 4,448,733 4,245,870 4,224,062

**Wages and Benefits**

Salaries	663,976	879,343	754,585	410,426	352,111
Pensions and Benefits	(91,142)	(116,113)		56,046	250,541
Total Wages and Benefits	572,834	763,230	754,585	466,472	602,652

**Other Expenses**

Total O&M Expenses	6,726,710	8,531,564	6,800,905	6,862,972	6,180,849
-Total PW, Fuel and Chemicals	4,440,104	5,926,750	4,448,733	4,245,870	4,224,062
-Wages and Benefits	572,834	763,230	754,585	466,472	602,652
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	1,713,772	1,841,584	1,597,587	2,150,629	1,354,134

**Depreciation and Amortization**

Depreciation Exp	786,674	727,863	692,959	681,825	588,619
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	786,674	727,863	692,959	681,825	588,619

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	4,440,104	5,926,750	4,448,733	4,245,870	4,224,062
divided by Total Gallons	2,101,932	1,943,341	1,978,783	2,101,274	2,114,865
Cost per KWH	0.0021	0.0030	0.0022	0.0020	0.0020
times Sales for Resale MWHs					
Sales for Resale Cost					

**UNITED WATER WESTCHESTER**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible						1
Source of Supply	\$71,288	\$71,288	\$71,288	\$71,288	\$71,288	2
Pumping	1,441,020	1,416,752	1,416,752	1,413,754	1,390,097	3
Water Treatment						4
Transmission and Distribution	39,276,848	36,264,960	35,085,028	34,411,429	33,284,604	5
General	2,169,595	1,851,723	1,569,643	1,118,017	1,118,017	6
Purchased or Sold						7
<b>Total Plant in Service</b>	<b>42,958,751</b>	<b>39,604,723</b>	<b>38,142,712</b>	<b>37,014,488</b>	<b>35,864,006</b>	<b>8</b>
Plant Leased To Others						9
Construction Work In Progress	764,600	718,738	739,357	1,107,308	29,928	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights						13
<b>Total Plant</b>	<b>43,723,351</b>	<b>40,323,461</b>	<b>38,882,068</b>	<b>38,121,796</b>	<b>35,893,934</b>	<b>14</b>
Accum. Prov. - Depr. & Amort.	10,314,788	9,708,070	9,640,508	9,001,748	8,326,139	15
<b>Net Plant</b>	<b>\$33,408,563</b>	<b>\$30,615,391</b>	<b>\$29,241,561</b>	<b>\$29,120,048</b>	<b>\$27,567,795</b>	<b>16</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.56	1.54	1.83	0.94	0.21	17
Total Capitalization	\$29,523,870	\$26,590,201	\$26,440,555	\$25,319,541	\$14,686,505	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt					13.6%	19
Preferred Stock					6.8%	20
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	79.6%	21
Short-Term Debt				3.9%	1.7%	22
Pretax Coverage of Interest Expense	4.5	1.5	3.0	2.4	4.3	23
Com. Stock Dividends as a % of Earnings				9.5%	80.2%	24
Return on Common Equity	10.4%	0.5%	0.1%	4.4%	12.8%	25
Internal Cash Generated as a % of Cash Outflows for Construction	57.2%	96.9%	178.9%	126.2%	132.6%	26
CWIP as a % of Plant	1.7%	1.8%	1.9%	2.9%	0.1%	27
Number of Employees						28

Current Assets	2,592,857	2,084,237	2,364,767	2,810,490	2,476,413
Current Liabilities	1,658,132	1,352,088	1,293,905	2,983,019	11,750,041
Total Capitalization	29,523,870	26,590,201	26,440,555	25,319,541	14,686,505
Long-Term Debt					2,000,000
Preferred Stock					1,000,000
Common Stock and Retained Earnings (Excl. Preferred Stock)	29,523,870	26,590,201	26,440,555	25,319,541	11,686,505
Short-Term Debt				1,000,000	250,000
Pretax Income	3,418,473	1,108,886	2,396,819	2,200,479	3,287,309
Interest Expense	763,354	746,801	800,339	916,727	767,456
Dividends Paid				76,711	1,185,700
Net Income (Excl. Preferred Stock Dividends)	1,533,667	119,647	21,013	810,252	1,479,054
Internal Cash	2,018,710	2,019,014	1,446,782	2,814,452	2,180,289
Cash Outflows for Construction	3,531,123	2,083,305	808,904	2,230,445	1,644,589
CWIP	764,600	718,738	739,357	1,107,308	29,928
Total Plant	43,723,351	40,323,461	38,882,068	38,121,796	35,893,934
Number of Employees					
Salaries and Wages					

**NEW YORK WATER SERVICE CORP  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$47,905,176	\$45,902,394	\$44,597,092	\$42,821,647	\$42,056,816
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	750	2,337,381	3,339,745	6,100,303	3,965,470
7 Notes and Accounts Receivables - Net	2,408,455	1,876,957	2,750,524	2,655,750	2,555,353
8 Receivables from Associated Companies	3,562,966				
9 Materials and Supplies	269,121	277,402	289,104	284,288	280,304
10 Prepayments	39,615	1,323,829	1,481,924	1,205,058	1,430,451
11 Accrued Utility Revenue	2,364,299	1,134,910	1,302,395	1,490,753	1,260,683
12 Misc Current and Accrued Assets	1,517,526				
13 Total Current and Accrued Assets	10,162,732	6,950,479	9,163,692	11,736,152	9,492,261
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	1,052,688	1,145,861	1,239,035	1,332,208	1,425,381
15 Other Deferred Debits	36,016,227	35,552,034	29,553,327	24,987,329	17,199,317
16 Accumulated Deferred Income Taxes					
17 Total Deferred Debits	37,068,915	36,697,895	30,792,362	26,319,537	18,624,698
18 <b>Total Assets and Other Debits</b>	<b>\$95,136,823</b>	<b>\$89,550,768</b>	<b>\$84,553,146</b>	<b>\$80,877,336</b>	<b>\$70,173,775</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$3,674,470	\$3,674,470	\$3,674,470	\$3,674,470	\$3,674,470
20 Preferred Stock Issued					
21 Other Paid-in Capital	2,079,739	2,050,285	2,016,078	1,994,753	1,984,857
22 Retained Earnings	30,054,123	29,421,464	27,750,909	25,761,600	13,626,383
23 Reacquired Capital Stock					
24 Total Proprietary Capital	35,808,332	35,146,219	33,441,457	31,430,823	19,285,710
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	23,223,560	23,149,040	23,074,520	23,000,000	23,460,000
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable	389,466	506,076	489,740	420,708	444,362
28 Payables to Associated Companies				639,299	
29 Customer Deposits				35,845	30,273
30 Taxes Accrued		41,868	(57,865)	(67,331)	28,000
31 Interest Accrued	270,792	272,427	326,645	685,736	364,881
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	2,997,616	61,073	1,784,472	1,790,812	72,641
34 Total Current and Accrued Liabilities	3,657,874	881,444	2,542,992	3,505,069	940,157
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	13,272				
36 Other Deferred Credits	20,109,392	19,184,157	17,038,672	15,161,501	14,245,991
37 Accumulated Deferred Investment Tax Credits					
38 Accumulated Deferred Income Taxes	12,324,393	11,189,908	8,455,505	7,779,943	11,993,180
39 Total Deferred Credits	32,447,057	30,374,065	25,494,177	22,941,444	26,239,171
<b>OPERATING RESERVES</b>					
40 Operating Reserves					248,737
41 <b>Total Liabilities and Other Credits</b>	<b>\$95,136,823</b>	<b>\$89,550,768</b>	<b>\$84,553,146</b>	<b>\$80,877,336</b>	<b>\$70,173,775</b>

**NEW YORK WATER SERVICE CORP**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$27,478,959	\$23,428,175	\$23,553,737	\$23,419,974	\$22,701,869	1
Operating Expense:						
Operation Expense	9,293,490	9,033,288	8,774,981	7,471,638	9,206,400	2
Maintenance Expense	1,576,844	1,581,126	1,647,236	1,710,898	1,363,071	3
Depreciation and Amortization Expense	2,063,630	1,964,521	1,888,135	1,817,511	1,643,481	4
Taxes Other than Income Taxes	8,175,200	6,540,840	6,470,050	6,460,595	6,483,109	5
Income Taxes	1,633,240	1,246,353	1,350,675	1,502,216	999,096	6
Total Operating Expenses	22,742,404	20,366,128	20,131,077	18,962,858	19,695,157	7
Net Operating Revenues	4,736,555	3,062,047	3,422,660	4,457,116	3,006,712	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	4,736,555	3,062,047	3,422,660	4,457,116	3,006,712	10
<b>OTHER INCOME</b>						
Interest and Dividend Income		562	40,199	188,854	264,164	11
Allowance for Funds Used During Construction	27,560	40,986	20,527	60,144	117,194	12
Miscellaneous Nonoperating Income	11,553	60,241	13,658		180,190	13
Other Income	(26,670)	(10,820)	(25,274)	(34,131)	(31,675)	14
Total Other Income	12,443	90,969	49,110	214,867	529,873	15
Other Income Deductions	1,023,146	89,268	89,268	89,268		16
Taxes-Other Income and Deductions					190,900	17
<b>Income Available</b>	3,725,852	3,063,748	3,382,502	4,582,715	3,345,685	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt	1,393,193	1,393,193	1,393,193	1,393,193	1,393,313	19
Interest on Debt to Associated Co.						20
Other Interest Expense				634,604	726	21
Total Interest Charges	1,393,193	1,393,193	1,393,193	2,027,797	1,394,039	22
Income Before Extraordinary Items	2,332,659	1,670,555	1,989,309	2,554,918	1,951,646	23
Net Extraordinary Items						24
<b>Net Income</b>	\$2,332,659	\$1,670,555	\$1,989,309	\$2,554,918	\$1,951,646	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$29,421,464	\$27,750,909	\$25,761,600	\$13,626,383	\$13,210,453	26
Balance Transferred from Income	2,332,659	1,670,555	1,989,309	2,554,918	1,951,646	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock	1,700,000				2,360,000	30
Adjustments to Retained Earnings				9,580,299	824,284	31
Net Change	632,659	1,670,555	1,989,309	12,135,217	415,930	32
Unappropriated (EOP)	30,054,123	29,421,464	27,750,909	25,761,600	13,626,383	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	\$30,054,123	\$29,421,464	\$27,750,909	\$25,761,600	\$13,626,383	35

**Notes:**

**NEW YORK WATER SERVICE CORP**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$2,332,659	\$1,670,555	\$1,989,309	\$2,554,918	\$1,951,646
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	3,164,543	2,131,082	2,045,523	1,978,859	1,795,649
3 Deferred Taxes & ITCs	1,134,485	2,734,403	675,562	(4,213,237)	5,511,589
4 Receivables and Inventory	(600,984)	800,689	(160,423)	(176,461)	(38,256)
5 Payables and Accrued Expenses	1,258,904	(1,661,556)	(962,077)	2,564,912	(481,272)
6 Capitalized AFUDC - Equity Funds	(27,560)	(40,986)	(20,527)	(60,144)	(117,194)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(2,489,737)	2,564,239	252,749	755,269	8,344,322
9			1,629,087		
10					
11 Net Cash From Operating Activities	<u>4,772,310</u>	<u>8,198,426</u>	<u>5,449,203</u>	<u>3,404,116</u>	<u>16,966,484</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(4,025,580)	(3,228,837)	(3,643,053)	(2,522,198)	(6,361,669)
13 Acquisition Of Other Non-Current Assets	(1,487,339)	(6,087,967)	(4,655,266)	(7,877,280)	(15,588,748)
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					2,273,764
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(5,512,919)</u>	<u>(9,316,804)</u>	<u>(8,298,319)</u>	<u>(10,399,478)</u>	<u>(19,676,653)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	74,520	74,520	74,520	(460,000)	
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid	(1,700,000)				(2,360,000)
29 Other Cash Flows - Financing Activities	29,458	34,207	21,325	9,590,195	317,805
30					
31					
32 Net Cash From Financing Activities	<u>(1,596,022)</u>	<u>108,727</u>	<u>95,845</u>	<u>9,130,195</u>	<u>(2,042,195)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(2,336,631)	(1,009,651)	(2,753,271)	2,134,833	(4,752,364)
34 Cash & Cash Equivalents At Beginning Of Year	2,337,381	3,347,032	6,100,303	3,965,470	8,717,834
35 Cash & Cash Equivalents At End Of Year	\$750	\$2,337,381	\$3,347,032	\$6,100,303	\$3,965,470

**NEW YORK WATER SERVICE CORP**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$22,440,422	\$19,813,142	\$19,786,204	\$19,617,958	\$19,002,311	1
Sales to Other Water Companies	2,556,073	1,693,353	1,995,670	1,938,704	2,100,246	2
Other Sales of Water	1,866,738	1,619,963	1,614,931	1,605,824	1,580,132	3
Total Revenues from Sales of Water	26,863,233	23,126,458	23,396,805	23,162,486	22,682,689	4
Other Water Operating Revenues	615,726	301,717	156,932	257,488	19,180	5
Total Water Operating Revenues	\$27,478,959	\$23,428,175	\$23,553,737	\$23,419,974	\$22,701,869	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	5,003,189	4,193,501	5,585,387	5,231,585	5,330,973	8
Sales to Other Water Companies	884,377	721,820				9
Other Sales of Water						10
Total Sales of Water	5,887,566	4,915,321	5,585,387	5,231,585	5,330,973	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	42,992	42,825	43,876	43,816	44,515	13
Sales to Other Water Companies	1,150	1,067				14
Other Sales of Water	309	281	274	269	254	15
Total Customers	44,451	44,173	44,150	44,085	44,769	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$521.97	\$462.65	\$450.96	\$447.74	\$426.87	18
Average Consumption per Customer (T.Gal)	116.37	97.92	127.30	119.40	119.76	19
Average Revenue per T Gallons Sold	\$4.49	\$4.72	\$3.54	\$3.75	\$3.56	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	\$1,863.57	21
Average Consumption per Customer (T.Gal)	---	---	---	---	720.64	22
Average Revenue per T Gallons Sold	---	---	---	---	\$2.59	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$185,181	\$176,829	\$179,843	\$186,016	\$62,337	24
Power and Pumping	1,943,129	1,695,592	1,830,784	1,870,657	2,052,170	25
Purification	1,302,584	1,163,197	1,254,947	1,225,990	1,123,811	26
Transmission and Distribution	1,407,317	1,399,929	1,375,150	1,429,040	1,017,760	27
Customer Accounting and Collecting	703,713	818,643	908,691	930,607	1,447,543	28
Administrative and General	5,328,408	5,360,224	4,872,802	3,540,226	4,865,850	29
<b>Total O &amp; M Expense</b>	<b>\$10,870,332</b>	<b>\$10,614,414</b>	<b>\$10,422,217</b>	<b>\$9,182,536</b>	<b>\$10,569,471</b>	<b>30</b>

**NEW YORK WATER SERVICE CORP  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues	\$27,478,959	\$23,428,175	\$23,553,737	\$23,419,974	\$22,701,869
2 Sales (Thousands of Gallons)	5,887,566	4,915,321	5,585,387	5,231,585	5,330,973
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$2,281,201	\$1,957,665	\$2,118,263	\$2,140,769	\$2,078,349
4 Wages and Benefits	4,810,671	5,342,242	5,305,476	4,772,822	6,204,035
5 Other Operation and Maintenance Expense	3,778,460	3,314,507	2,998,478	2,268,945	2,287,087
6 Depreciation and Amortization Expense	2,063,630	1,964,521	1,888,135	1,817,511	1,643,481
7 Income Taxes-Operating	1,633,240	1,246,353	1,350,675	1,502,216	999,096
8 Other Taxes-Operating	8,175,200	6,540,840	6,470,050	6,460,595	6,483,109
9 Capital Costs	4,736,557	3,062,047	3,422,660	4,457,116	3,006,712
10 Total	\$27,478,959	\$23,428,175	\$23,553,737	\$23,419,974	\$22,701,869
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	8.3	8.4	9.0	9.1	9.2
12 Wages and Benefits	17.5	22.8	22.5	20.4	27.3
13 Other Operation and Maintenance Expense	13.8	14.1	12.7	9.7	10.1
14 Depreciation and Amortization Expense	7.5	8.4	8.0	7.8	7.2
15 Income Taxes-Operating	5.9	5.3	5.7	6.4	4.4
16 Other Taxes-Operating	29.8	27.9	27.5	27.6	28.6
17 Capital Costs	17.2	13.1	14.5	19.0	13.2
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.39	0.40	0.38	0.41	0.39
20 Wages and Benefits	0.82	1.09	0.95	0.91	1.16
21 Other Operation and Maintenance Expense	0.64	0.67	0.54	0.43	0.43
22 Depreciation and Amortization Expense	0.35	0.40	0.34	0.35	0.31
23 Income Taxes-Operating	0.28	0.25	0.24	0.29	0.19
24 Other Taxes-Operating	1.39	1.33	1.16	1.23	1.22
25 Capital Costs	0.80	0.62	0.61	0.85	0.56
26 Total	4.67	4.77	4.22	4.48	4.26

**Purchased Water, Fuel or Power for Pumping and Chemicals**

Purchased Water					
Fuel for Pumping	1,600,918	1,368,421	1,472,681	1,492,979	1,450,474
Chemicals	680,283	589,244	645,582	647,790	627,875
Total PW, Fuel and Chemicals	2,281,201	1,957,665	2,118,263	2,140,769	2,078,349
Total - Ultimate Customers	2,281,201	1,957,665	2,118,263	2,140,769	2,078,349

**Wages and Benefits**

Salaries	3,293,072	3,324,854	3,375,797	3,534,308	3,396,461
Pensions and Benefits	1,517,599	2,017,388	1,929,679	1,238,514	2,807,574
Total Wages and Benefits	4,810,671	5,342,242	5,305,476	4,772,822	6,204,035

**Other Expenses**

Total O&M Expenses	10,870,332	10,614,414	10,422,217	9,182,536	10,569,471
-Total PW, Fuel and Chemicals	2,281,201	1,957,665	2,118,263	2,140,769	2,078,349
-Wages and Benefits	4,810,671	5,342,242	5,305,476	4,772,822	6,204,035
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	3,778,460	3,314,507	2,998,478	2,268,945	2,287,087

**Depreciation and Amortization**

Depreciation Exp	2,063,630	1,964,521	1,888,135	1,817,511	1,643,481
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	2,063,630	1,964,521	1,888,135	1,817,511	1,643,481

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	2,281,201	1,957,665	2,118,263	2,140,769	2,078,349
divided by Total Gallons	5,887,566	4,915,321	5,585,387	5,231,585	5,330,973
Cost per KWH	0.0004	0.0004	0.0004	0.0004	0.0004
times Sales for Resale MWHs					
Sales for Resale Cost					

**NEW YORK WATER SERVICE CORP**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible	\$31,152	\$31,152	\$31,152	\$31,152	\$31,152	1
Source of Supply	2,980,692	2,650,292	2,422,964	2,312,551	2,056,836	2
Pumping	14,561,266	14,460,853	14,438,718	14,438,718	14,438,718	3
Water Treatment	10,479,332	10,337,329	10,047,332	9,959,199	9,931,361	4
Transmission and Distribution	46,711,680	45,003,321	42,827,628	40,339,798	38,404,436	5
General	5,232,160	4,474,487	4,083,903	3,615,326	3,618,947	6
Purchased or Sold						7
Total Plant in Service	79,996,181	76,957,434	73,851,697	70,696,744	68,481,450	8
Plant Leased To Others						9
Construction Work In Progress	1,489,576	516,737	589,366	369,064	216,247	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights						13
<b>Total Plant</b>	<b>81,485,757</b>	<b>77,474,171</b>	<b>74,441,063</b>	<b>71,065,808</b>	<b>68,697,697</b>	<b>14</b>
Accum. Prov. - Depr. & Amort.	33,580,581	31,571,777	29,843,971	28,244,161	26,640,881	15
<b>Net Plant</b>	<b>\$47,905,176</b>	<b>\$45,902,394</b>	<b>\$44,597,092</b>	<b>\$42,821,647</b>	<b>\$42,056,816</b>	<b>16</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	2.78	7.89	3.60	3.35	10.10	17
Total Capitalization	\$59,031,892	\$58,295,259	\$56,515,977	\$54,430,823	\$42,745,710	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	39.3%	39.7%	40.8%	42.3%	54.9%	19
Preferred Stock						20
Common Stock & Retained Earnings	60.7%	60.3%	59.2%	57.7%	45.1%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	4.6	3.2	3.5	3.0	3.1	23
Com. Stock Dividends as a % of Earnings	72.9%				120.9%	24
Return on Common Equity	6.6%	4.9%	6.1%	10.1%	10.2%	25
Internal Cash Generated as a % of Cash Outflows for Construction	118.5%	253.9%	149.6%	135.0%	266.7%	26
CWIP as a % of Plant	1.8%	0.7%	0.8%	0.5%	0.3%	27
Number of Employees	42	50	58	61	59	28

Current Assets	10,162,732.00	6,950,479.00	9,163,692	11,736,152	9,492,261
Current Liabilities	3,657,874	881,444	2,542,992	3,505,069	940,157
Total Capitalization	59,031,892	58,295,259	56,515,977	54,430,823	42,745,710
Long-Term Debt	23,223,560	23,149,040	23,074,520	23,000,000	23,460,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	35,808,332	35,146,219	33,441,457	31,430,823	19,285,710
Short-Term Debt					
Pretax Income	6,382,238	4,399,369	4,822,445	6,174,199	4,344,781
Interest Expense	1,393,193	1,393,193	1,393,193	2,027,797	1,394,039
Dividends Paid	1,700,000				2,360,000
Net Income (Excl. Preferred Stock Dividends)	2,332,659	1,670,555	1,989,309	2,554,918	1,951,646
Internal Cash	4,772,310	8,198,426	5,449,203	3,404,116	16,966,484
Cash Outflows for Construction	4,025,580	3,228,837	3,643,053	2,522,198	6,361,669
CWIP	1,489,576	516,737	589,366	369,064	216,247
Total Plant	81,485,858	77,474,171	74,441,063	71,065,808	68,697,697
Number of Employees	42	50	58	61	59
Salaries and Wages					

**SEA CLIFF WATER COMPANY  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$9,357,747	\$8,856,427	\$7,266,722	\$7,034,608	\$6,961,634
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents		(614,032)	541,332	1,621,870	200
7 Notes and Accounts Receivables - Net	256,600	199,416	408,172	469,368	(396,992)
8 Receivables from Associated Companies	276,594				57,034
9 Materials and Supplies	37,296	48,002	59,228	65,528	71,105
10 Prepayments	38,070	39,248	39,552	44,530	41,835
11 Accrued Utility Revenue	451,327	336,674	203,006	190,348	198,647
12 Misc Current and Accrued Assets					13,255
13 Total Current and Accrued Assets	1,059,887	9,308	1,251,290	2,391,644	(14,916)
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					
15 Other Deferred Debits	1,953,410	1,790,389	1,682,538	1,688,975	456,193
16 Accumulated Deferred Income Taxes					
17 Total Deferred Debits	1,953,410	1,790,389	1,682,538	1,688,975	456,193
18 <b>Total Assets and Other Debits</b>	<b>\$12,371,044</b>	<b>\$10,656,124</b>	<b>\$10,200,550</b>	<b>\$11,115,227</b>	<b>\$7,402,911</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	24,950	24,950	\$24,950	\$24,950	\$24,950
20 Preferred Stock Issued					
21 Other Paid-in Capital	2,017,959	2,017,959	2,017,959	5,817,959	319,496
22 Retained Earnings	2,953,075	2,318,465	1,926,957	1,603,066	2,976,288
23 Reacquired Capital Stock					
24 Total Proprietary Capital	4,995,984	4,361,374	3,969,866	7,445,975	3,320,734
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	3,800,000	3,800,000	3,800,000		
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					49,227
27 Accounts Payable	173,000	15,664	5,371	57,015	2,000,000
28 Payables to Associated Companies				1,422,666	10,500
29 Customer Deposits					22,612
30 Taxes Accrued	264,381	(82,398)	299,868	289,527	944
31 Interest Accrued	15,311	7,655			
32 Matured Long-Term Debt					47,075
33 Misc Current and Accrued Liabilities	446,982	354,518	378,893	329,799	
34 Total Current and Accrued Liabilities	899,674	295,439	684,132	2,099,007	2,130,358
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	63,438	63,438	63,438	34,741	34,741
36 Other Deferred Credits	658,172	328,230	137,473	118,705	707,648
37 Accumulated Deferred Investment Tax Credits	46,300	46,300	46,300	46,300	46,300
38 Accumulated Deferred Income Taxes	1,907,476	1,761,343	1,499,341	1,370,499	1,163,130
39 Total Deferred Credits	2,675,386	2,199,311	1,746,552	1,570,245	1,951,819
<b>OPERATING RESERVES</b>					
40 Operating Reserves					
41 <b>Total Liabilities and Other Credits</b>	<b>\$12,371,044</b>	<b>\$10,656,124</b>	<b>\$10,200,550</b>	<b>\$11,115,227</b>	<b>\$7,402,911</b>

**SEA CLIFF WATER COMPANY**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$3,115,777	\$2,487,332	\$2,630,873	\$2,782,802	\$2,327,252	1
Operating Expense:						
Operation Expense	701,207	775,251	926,823	869,618	926,337	2
Maintenance Expense	88,849	144,707	127,785	98,666	144,494	3
Depreciation and Amortization Expense	244,540	200,861	175,316	184,872	176,548	4
Taxes Other than Income Taxes	882,574	689,148	615,018	612,672	755,317	5
Income Taxes	445,149	308,624	211,894	348,560	(52,624)	6
Total Operating Expenses	2,362,319	2,118,591	2,056,836	2,114,388	1,950,072	7
Net Operating Revenues	753,458	368,741	574,037	668,414	377,180	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	<b>753,458</b>	<b>368,741</b>	<b>574,037</b>	<b>668,414</b>	<b>377,180</b>	<b>10</b>
<b>OTHER INCOME</b>						
Interest and Dividend Income					18,452	11
Allowance for Funds Used During Construction	907	70,419	20,943	12,678	10,008	12
Miscellaneous Nonoperating Income		(50)	(5,060)		244,574	13
Other Income		3,650			(260)	14
Total Other Income	907	74,019	15,883	12,678	272,774	15
Other Income Deductions	1,988	1,078	1,176	784	188	16
Taxes-Other Income and Deductions					57,046	17
<b>Income Available</b>	<b>752,377</b>	<b>441,682</b>	<b>588,744</b>	<b>680,308</b>	<b>592,720</b>	<b>18</b>
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	101,324	21,104	246,085	113,129	141,095	20
Other Interest Expense	16,443	29,070	18,768			21
Total Interest Charges	117,767	50,174	264,853	113,129	141,095	22
Income Before Extraordinary Items	634,610	391,508	323,891	567,179	451,625	23
Net Extraordinary Items						24
<b>Net Income</b>	<b>\$634,610</b>	<b>\$391,508</b>	<b>\$323,891</b>	<b>\$567,179</b>	<b>\$451,625</b>	<b>25</b>
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$2,318,465	\$1,926,957	\$1,603,066	\$2,976,288	\$2,852,663	26
Balance Transferred from Income	634,610	391,508	323,891	567,179	451,625	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock					328,000	30
Adjustments to Retained Earnings				(1,940,401)		31
Net Change	634,610	391,508	323,891	(1,373,222)	123,625	32
Unappropriated (EOP)	2,953,075	2,318,465	1,926,957	1,603,066	2,976,288	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	<b>\$2,953,075</b>	<b>\$2,318,465</b>	<b>\$1,926,957</b>	<b>\$1,603,066</b>	<b>\$2,976,288</b>	<b>35</b>

**SEA CLIFF WATER COMPANY**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$634,610	\$391,508	\$323,891	\$567,179	\$451,625
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	244,540	200,861	175,316	184,872	176,548
3 Deferred Taxes & ITCs	476,075	452,759	147,610	(381,574)	(1,107,075)
4 Receivables and Inventory	(160,786)	88,355	60,612	(836,655)	900,036
5 Payables and Accrued Expenses	604,235	(388,693)	2,409,051	1,968,649	(7,585)
6 Capitalized AFUDC - Equity Funds	(907)	(70,419)	6,437	(12,678)	(36,840)
7 Equity In Loss (Earnings) Of Affiliates				(1,232,782)	1,230,400
8 Other Adjustments	(163,021)	(107,851)	(20,943)	(2,573)	(10,008)
9	(345)	(2,041)	(796)	(2,695)	3,750
10	1,178	304	(3,795,229)		(103)
11 Net Cash From Operating Activities	<u>1,635,579</u>	<u>564,783</u>	<u>(694,051)</u>	<u>251,743</u>	<u>1,600,748</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(744,953)	(1,720,147)	(386,487)	(245,168)	(395,656)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.				57,033	(77,872)
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies	(276,594)				
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(1,021,547)</u>	<u>(1,720,147)</u>	<u>(386,487)</u>	<u>(188,135)</u>	<u>(473,528)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt					
25 Common Stock					
26 Preferred Stock			3,800,000		(800,000)
27 Short-Term Debt				(2,000,000)	(328,000)
28 Dividends Paid					
29 Other Cash Flows - Financing Activities			(3,800,000)	3,558,062	
30					
31					
32 Net Cash From Financing Activities				<u>1,558,062</u>	<u>(1,128,000)</u>
33 Net Increase/(Decrease) In Cash Equivalents	614,032	(1,155,364)	(1,080,538)	1,621,670	(780)
34 Cash & Cash Equivalents At Beginning Of Year	(614,032)	541,332	1,621,870	200	980
35 Cash & Cash Equivalents At End Of Year		(\$614,032)	\$541,332	\$1,621,870	\$200

**SEA CLIFF WATER COMPANY**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$1,935,426	\$1,651,069	\$1,729,251	\$2,250,303	\$1,989,497	1
Sales to Other Water Companies	421,080	389,155	378,691			2
Other Sales of Water	322,032	318,838	301,383	301,294	314,496	3
Total Revenues from Sales of Water	2,678,538	2,359,062	2,409,325	2,551,597	2,303,993	4
Other Water Operating Revenues	437,240	128,270	221,548	231,205	23,259	5
Total Water Operating Revenues	\$3,115,778	\$2,487,332	\$2,630,873	\$2,782,802	\$2,327,252	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	323,739	399,651	472,539	480,959	442,713	8
Sales to Other Water Companies	75,912					9
Other Sales of Water						10
Total Sales of Water	399,651	399,651	472,539	480,959	442,713	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	3,953	3,947	4,325	4,227	4,305	13
Sales to Other Water Companies	379	376				14
Other Sales of Water	50	50	17	17	49	15
Total Customers	4,382	4,373	4,342	4,244	4,354	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$489.61	\$418.31	\$399.83	\$532.36	\$462.14	18
Average Consumption per Customer (T.Gal)	81.90	101.25	109.26	113.78	102.84	19
Average Revenue per T Gallons Sold	\$5.98	\$4.13	\$3.66	\$4.68	\$4.49	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$10,432	\$12,326	\$8,143	\$10,021	\$16,093	24
Power and Pumping	179,676	196,849	187,879	177,569	204,537	25
Purification	57,247	82,516	100,920	103,027	113,935	26
Transmission and Distribution	94,241	149,240	135,068	125,527	138,044	27
Customer Accounting and Collecting	44,501	63,036	49,682	84,171	147,278	28
Administrative and General	403,959	415,991	572,916	467,969	450,944	29
<b>Total O &amp; M Expense</b>	<b>\$790,056</b>	<b>\$919,958</b>	<b>\$1,054,608</b>	<b>\$968,284</b>	<b>\$1,070,831</b>	<b>30</b>

**SEA CLIFF WATER COMPANY  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues	\$3,115,778	\$2,487,332	\$2,630,873	\$2,782,802	\$2,327,252
2 Sales (Thousands of Gallons)	399,651	399,651	472,539	480,959	442,713
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$193,474	\$220,204	\$236,734	\$237,637	\$204,713
4 Wages and Benefits	299,155	394,775	537,923	499,053	473,817
5 Other Operation and Maintenance Expense	297,427	304,979	279,951	231,594	392,301
6 Depreciation and Amortization Expense	244,540	200,861	175,316	184,872	176,548
7 Income Taxes-Operating	445,149	308,624	211,894	348,560	(52,624)
8 Other Taxes-Operating	882,574	689,148	615,018	612,672	755,317
9 Capital Costs	753,459	368,741	574,037	668,414	377,180
10 Total	\$3,115,778	\$2,487,332	\$2,630,873	\$2,782,802	\$2,327,252
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	6.2	8.9	9.0	8.5	8.8
12 Wages and Benefits	9.6	15.9	20.4	17.9	20.4
13 Other Operation and Maintenance Expense	9.5	12.3	10.6	8.3	16.9
14 Depreciation and Amortization Expense	7.8	8.1	6.7	6.6	7.6
15 Income Taxes-Operating	14.3	12.4	8.1	12.5	5.9
16 Other Taxes-Operating	28.3	27.7	23.4	22.0	32.5
17 Capital Costs	24.2	14.8	21.8	24.0	8.1
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.48	0.55	0.50	0.49	0.46
20 Wages and Benefits	0.75	0.99	1.14	1.04	1.07
21 Other Operation and Maintenance Expense	0.74	0.76	0.59	0.48	0.89
22 Depreciation and Amortization Expense	0.61	0.50	0.37	0.38	0.40
23 Income Taxes-Operating	1.11	0.77	0.45	0.72	0.31
24 Other Taxes-Operating	2.21	1.72	1.30	1.27	1.71
25 Capital Costs	1.89	0.92	1.21	1.39	0.42
26 Total	7.80	6.22	5.57	5.79	5.26

**Purchased Water, Fuel or Power for Pumping and Chemicals**

Purchased Water					
Fuel for Pumping	161,623	169,626	160,674	157,663	148,404
Chemicals	31,851	50,578	76,060	79,974	56,309
Total PW, Fuel and Chemicals	193,474	220,204	236,734	237,637	204,713
Total - Ultimate Customers					

**Wages and Benefits**

Salaries	251,455	370,820	436,711	397,084	313,875
Pensions and Benefits	47,700	23,955	101,212	101,969	159,942
Total Wages and Benefits	299,155	394,775	537,923	499,053	473,817

**Other Expenses**

Total O&M Expenses	790,056	919,958	1,054,608	968,284	1,070,831
-Total PW, Fuel and Chemicals	193,474	220,204	236,734	237,637	204,713
-Wages and Benefits	299,155	394,775	537,923	499,053	473,817

Other Expenses	297,427	304,979	279,951	231,594	392,301
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**Depreciation and Amortization**

Depreciation Exp	244,540	200,861	175,316	184,872	176,548
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	244,540	200,861	175,316	184,872	176,548

**SEA CLIFF WATER COMPANY**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible						1
Source of Supply	\$239,682	\$204,391	\$150,892	\$150,892	\$150,892	2
Pumping	1,007,621	1,000,239	979,376	979,376	979,377	3
Water Treatment	345,325	340,157	340,157	340,157	340,157	4
Transmission and Distribution	9,321,692	8,902,610	7,043,939	6,926,824	6,820,166	5
General	872,571	835,163	697,521	639,152	629,591	6
Purchased or Sold						7
Total Plant in Service	11,786,891	11,282,560	9,211,885	9,036,401	8,920,183	8
Plant Leased To Others						9
Construction Work In Progress	524,058	353,355	633,899	401,954	260,326	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights						13
<b>Total Plant</b>	12,310,949	11,635,915	9,845,784	9,438,355	9,180,509	14
Accum. Prov. - Depr. & Amort.	2,953,200	2,779,450	2,579,062	2,403,747	2,218,875	15
<b>Net Plant</b>	\$9,357,749	\$8,856,465	\$7,266,722	\$7,034,608	\$6,961,634	16
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.18	0.03	1.13	1.14	(0.01)	17
Total Capitalization	\$8,795,984	\$8,161,374	\$7,769,866	\$7,445,975	\$3,320,734	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	43.2%	46.6%	48.9%			19
Preferred Stock						20
Common Stock & Retained Earnings	56.8%	53.4%	51.1%	100.0%	100.0%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	10.2	15.0	3.0	9.1	5.2	23
Com. Stock Dividends as a % of Earnings					72.6%	24
Return on Common Equity	13.6%	9.4%	5.7%	10.5%	13.9%	25
Internal Cash Generated as a % of Cash Outflows for Construction	219.6%	32.8%	802.4%	102.7%	404.6%	26
CWIP as a % of Plant	4.3%	3.0%	6.4%	4.3%	2.8%	27
Number of Employees	4	5	5	6	6	28

Current Assets	1,059,887	9,308	5,046,519	2,391,644	(14,916)
Current Liabilities	899,674	295,439	4,479,361	2,099,007	2,130,358
Total Capitalization	8,795,984	8,161,374	7,769,866	7,445,975	3,320,734
Long-Term Debt	3,800,000	3,800,000	3,800,000		
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,995,984	4,361,374	3,969,866	7,445,975	3,320,734
Short-Term Debt					
Pretax Income	1,199,514	751,384	801,814	1,029,652	729,667
Interest Expense	117,767	50,174	264,853	113,129	141,095
Dividends Paid					328,000
Net Income (Excl. Preferred Stock Dividends)	634,610	391,508	323,891	567,179	451,625
Internal Cash	1,635,579	564,783	3,101,178	251,743	1,600,749
Cash Outflows for Construction	744,953	1,720,147	386,487	245,168	395,656
CWIP	524,058	353,355	633,899	401,953	260,326
Total Plant	12,310,949	11,635,915	9,845,784	9,438,354	9,180,508
Number of Employees	4	5	5	6	6
Salaries and Wages					

**UNITED WATER NEW ROCHELLE  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$165,409,083	\$159,576,135	\$144,908,338	\$129,890,384	\$104,114,355
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	(1,182,331)	213,041	362,562	184,354	52,161
7 Notes and Accounts Receivables - Net	2,526,026	8,972,933	4,857,995	2,111,833	1,673,199
8 Receivables from Associated Companies					
9 Materials and Supplies	365,013	524,330	526,793	500,950	468,466
10 Prepayments	58,219	726,214	(2,647,071)	1,809,498	799,562
11 Accrued Utility Revenue	3,631,997	3,245,498	2,955,208	2,721,716	2,902,200
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	5,398,924	13,682,016	6,055,488	7,328,351	5,895,588
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					
15 Other Deferred Debits	24,351,916	19,496,422	23,727,736	19,926,265	22,846,796
16 Accumulated Deferred Income Taxes	556,273	(646,354)	(1,649,409)	1,428,432	21,372
17 Total Deferred Debits	24,908,189	18,850,068	22,078,327	21,354,697	22,868,168
18 <b>Total Assets and Other Debits</b>	<b>\$195,716,196</b>	<b>\$192,108,219</b>	<b>\$173,042,154</b>	<b>\$158,573,431</b>	<b>\$132,878,111</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
20 Preferred Stock Issued					
21 Other Paid-in Capital	99,686,250	99,686,250	89,186,250	70,186,250	46,486,250
22 Retained Earnings	59,857,761	61,502,691	56,506,606	51,653,658	48,801,080
23 Reacquired Capital Stock					
24 Total Proprietary Capital	159,594,011	161,238,941	145,742,856	121,889,908	95,337,330
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable	1,504,461	2,680,102	3,136,396	5,262,996	7,445,222
28 Payables to Associated Companies	180,589	286,982	175,888	272,264	320,646
29 Customer Deposits	20,829	28,879	18,160	27,150	21,043
30 Taxes Accrued	(634,436)	760,695	1,099,552	1,892,643	2,515,186
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	4,079,649	1,505,577	1,748,669	7,672,044	6,420,898
34 Total Current and Accrued Liabilities	5,151,092	5,262,234	6,178,665	15,127,097	16,722,995
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	594,745	313,243	486,633	575,688	559,081
36 Other Deferred Credits	3,196,396	1,144,124	3,587,785	2,896,043	2,510,902
37 Accumulated Deferred Investment Tax Credits	492,088	508,780	525,472	542,164	558,856
38 Accumulated Deferred Income Taxes	24,358,693	21,443,626	16,520,743	17,542,531	17,188,947
39 Total Deferred Credits	28,641,922	23,409,773	21,120,633	21,556,426	20,817,786
<b>OPERATING RESERVES</b>					
40 Operating Reserves	2,329,771	2,197,271			
41 <b>Total Liabilities and Other Credits</b>	<b>\$195,716,796</b>	<b>\$192,108,219</b>	<b>\$173,042,154</b>	<b>\$158,573,431</b>	<b>\$132,878,111</b>

**UNITED WATER NEW ROCHELLE**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$43,555,966	\$40,309,191	\$36,208,830	\$29,520,521	\$28,399,901	1
Operating Expense:						
Operation Expense	20,010,912	18,669,184	15,515,577	14,395,889	12,528,414	2
Maintenance Expense	1,466,351	1,151,587	1,061,365	929,528	887,609	3
Depreciation and Amortization Expense	4,243,389	1,852,401	1,679,896	1,752,080	1,697,647	4
Taxes Other than Income Taxes	6,905,832	6,847,583	6,474,979	5,997,343	5,734,770	5
Income Taxes	6,698,212	3,442,863	2,929,576	1,571,780	3,825,367	6
Total Operating Expenses	39,324,696	31,963,619	27,661,393	24,646,620	24,673,807	7
Net Operating Revenues	4,231,270	8,345,572	8,547,437	4,873,901	3,726,094	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	4,231,270	8,345,572	8,547,437	4,873,901	3,726,094	10
<b>OTHER INCOME</b>						
Interest and Dividend Income	1,492,247	616,919	432,375	147,434	166,572	11
Allowance for Funds Used During Construction	72,558	604,790	391,634	1,554,155	1,558,765	12
Miscellaneous Nonoperating Income	171,262	(127)			(4,025)	13
Other Income						14
Total Other Income	1,736,067	1,221,582	824,009	1,701,589	1,721,312	15
Other Income Deductions	71,985	22,479	61,316	(3,152)	23,503	16
Taxes-Other Income and Deductions						17
<b>Income Available</b>	5,895,352	9,544,675	9,310,130	6,578,642	5,423,903	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	4,261,839	4,500,434	4,355,206	3,703,764	2,688,363	20
Other Interest Expense	478,443	48,154	101,977	22,300	4,397	21
Total Interest Charges	4,740,282	4,548,588	4,457,183	3,726,064	2,692,760	22
Income Before Extraordinary Items	1,155,070	4,996,087	4,852,947	2,852,578	2,731,143	23
Net Extraordinary Items						24
<b>Net Income</b>	\$1,155,070	\$4,996,087	\$4,852,947	\$2,852,578	\$2,731,143	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$61,502,691	\$56,506,605	\$51,653,658	\$48,801,080	\$41,292,817	26
Balance Transferred from Income	1,155,070	4,996,087	4,852,947	2,852,578	2,731,143	27
Appropriated	2,800,000					28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings					4,777,120	31
Net Change	(1,644,930)	4,996,087	4,852,947	2,852,578	7,508,263	32
Unappropriated (EOP)	59,857,761	61,502,691	56,506,605	51,653,658	48,801,080	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	\$59,857,761	\$61,502,691	\$56,506,605	\$51,653,658	\$48,801,080	35

**UNITED WATER NEW ROCHELLE  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$1,155,070	\$4,996,087	\$4,308,048	\$2,601,580	\$2,731,143
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	6,722,361	1,852,401	1,679,896	1,752,080	5,855,586
3 Deferred Taxes & ITCs	1,695,748	3,903,136	2,584,259	(1,070,166)	(978,067)
4 Receivables and Inventory	6,605,624	(4,402,766)	(3,005,498)	(471,117)	3,791
5 Payables and Accrued Expenses	1,283,989	(577,574)	(8,155,340)	(985,005)	6,681,439
6 Capitalized AFUDC - Equity Funds	(72,558)	(604,790)	(391,634)	(1,554,155)	(1,558,765)
7 Equity In Loss (Earnings) Of Affiliates	2,052,272				
8 Other Adjustments	667,995	4,231,314	(3,801,471)	180,484	(366,162)
9	(389,250)	(296,390)	691,742	(366,004)	2,883,217
10	(8,594,346)	(3,712,142)	3,663,478	2,110,896	(4,681,954)
11 Net Cash From Operating Activities	<u>11,126,905</u>	<u>5,389,276</u>	<u>(2,426,520)</u>	<u>2,198,593</u>	<u>10,570,228</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(9,722,286)	(15,865,407)	(16,306,217)	(25,766,400)	(23,266,457)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments	9				
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(9,722,277)</u>	<u>(15,865,407)</u>	<u>(16,306,217)</u>	<u>(25,766,400)</u>	<u>(23,266,457)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt		(162,890)	18,910,945		
25 Common Stock				23,700,000	12,700,000
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid	(2,800,000)				
29 Other Cash Flows - Financing Activities		10,500,000			
30		(10,500)			
31					
32 Net Cash From Financing Activities	<u>(2,800,000)</u>	<u>10,326,610</u>	<u>18,910,945</u>	<u>23,700,000</u>	<u>12,700,000</u>
33 Net Increase/(Decrease) In Cash Equivalents	(1,395,372)	(149,521)	178,208	132,193	3,771
34 Cash & Cash Equivalents At Beginning Of Year	213,041	362,562	184,354	52,161	48,390
35 Cash & Cash Equivalents At End Of Year	(\$1,182,331)	\$213,041	\$362,562	\$184,354	\$52,161

**Notes:**

1 Cash and Cash Equivalents are restated to reflect inclusion of Working Funds in Cash and Cash Equivalents. Net changes in Working Funds are shown on Line 29 - Other Cash Flows - Financing Activities.

**UNITED WATER NEW ROCHELLE**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$18,736,567	\$21,187,267	\$24,290,074	\$24,779,301	\$23,482,477	1
Sales to Other Water Companies	4,800,013	231,808	372,198	340,556	420,820	2
Other Sales of Water	5,571,227	2,544,236	384,071	419,116	393,944	3
Total Revenues from Sales of Water	29,107,807	23,963,310	25,046,343	25,538,974	24,297,241	4
Other Water Operating Revenues	14,448,159	16,345,880	11,162,487	3,981,547	4,102,659	5
Total Water Operating Revenues	\$43,555,966	\$40,309,191	\$36,208,830	\$29,520,521	\$28,399,900	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	4,172,095	4,921,999	5,283,550	5,523,283	5,425,644	7
Sales to Other Water Companies	1,097,926	65,281	100,643	99,622	220,142	8
Other Sales of Water	218,016	83,739	94,649	105,655	102,332	9
Total Sales of Water	5,488,037	5,071,019	5,478,842	5,728,560	5,748,118	10
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	30,710	30,821	31,353	31,276	31,094	11
Sales to Other Water Companies	2	2	2	2	2	12
Other Sales of Water	745	769	195	195	192	13
Total Customers	31,457	31,592	31,550	31,473	31,288	14
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$610.11	\$687.44	\$774.73	\$792.28	\$755.21	15
Average Consumption per Customer (T.Gal)	135.85	159.70	168.52	176.60	174.49	16
Average Revenue per T Gallons Sold	\$4.49	\$4.30	\$4.60	\$4.49	\$4.33	17
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	18
Average Consumption per Customer (T.Gal)	---	---	---	---	---	19
Average Revenue per T Gallons Sold	---	---	---	---	---	20
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$11,507,211	\$10,472,661	\$7,580,147	\$6,556,070	\$5,643,787	21
Power and Pumping	1,784,565	1,895,096	1,883,961	1,627,725	1,726,260	22
Purification	449,939	525,620	435,801	471,191	343,970	23
Transmission and Distribution	2,410,302	2,093,999	1,982,620	1,950,020	1,775,282	24
Customer Accounting and Collecting	1,478,849	1,651,585	1,282,341	1,363,515	1,454,120	25
Administrative and General	3,846,397		3,412,072	3,356,896	2,472,604	26
Total O & M Expense	\$21,477,263	\$16,638,962	\$16,576,942	\$15,325,417	\$13,416,023	27

**UNITED WATER NEW ROCHELLE  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues	\$43,555,966	\$40,309,191	\$36,208,830	\$29,520,521	\$28,399,901
2 Sales (Thousands of Gallons)	5,488,037	5,071,019	5,478,842	5,728,560	5,748,118
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$12,539,728	\$11,768,514	\$8,933,597	\$7,776,899	\$6,608,674
4 Wages and Benefits	4,470,940	2,464,290	2,568,695	3,720,911	3,303,274
5 Other Operation and Maintenance Expense	4,466,595	2,406,157	5,074,650	3,827,607	3,504,076
6 Depreciation and Amortization Expense	6,722,361	1,852,401	1,679,896	1,752,080	1,697,647
7 Income Taxes-Operating	6,698,212	3,442,863	2,929,576	1,571,780	3,825,367
8 Other Taxes-Operating	6,905,832	6,847,583	6,474,979	5,997,343	5,734,770
9 Capital Costs	1,752,298	11,527,382	8,547,437	4,873,901	3,726,094
10 Total	\$43,555,966	\$40,309,191	\$36,208,830	\$29,520,521	\$28,399,901
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	28.8	29.2	24.7	26.3	23.3
12 Wages and Benefits	10.3	6.1	7.1	12.6	11.6
13 Other Operation and Maintenance Expense	10.3	6.0	14.0	13.0	12.3
14 Depreciation and Amortization Expense	15.4	4.6	4.6	5.9	6.0
15 Income Taxes-Operating	15.4	8.5	8.1	5.3	13.5
16 Other Taxes-Operating	15.9	17.0	17.9	20.3	20.2
17 Capital Costs	4.0	28.6	23.6	16.5	13.1
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	2.28	2.32	1.63	1.36	1.15
20 Wages and Benefits	0.81	0.49	0.47	0.65	0.57
21 Other Operation and Maintenance Expense	0.81	0.47	0.93	0.67	0.61
22 Depreciation and Amortization Expense	1.22	0.37	0.31	0.31	0.30
23 Income Taxes-Operating	1.22	0.68	0.53	0.27	0.67
24 Other Taxes-Operating	1.26	1.35	1.18	1.05	1.00
25 Capital Costs	0.32	2.27	1.56	0.85	0.65
26 Total	7.94	7.95	6.61	5.15	4.94

**Purchased Water, Fuel or Power for Pumping  
and Chemicals**

Purchased Water	11,406,534	10,397,098	7,491,824	6,506,682	5,553,746
Fuel for Pumping	906,265	1,093,621	1,214,762	1,002,895	904,776
Chemicals	226,929	277,795	227,012	267,322	150,151
Total PW, Fuel and Chemicals	12,539,728	11,768,514	8,933,597	7,776,899	6,608,674
Total - Ultimate Customers	12,539,728	11,768,514	8,933,597	7,776,899	6,608,674

**Wages and Benefits**

Salaries	2,411,465	2,464,290	1,223,386	2,021,912	2,165,543
Pensions and Benefits	2,059,475		1,345,309	1,698,999	1,137,731
Total Wages and Benefits	4,470,940	2,464,290	2,568,695	3,720,911	3,303,274

**Other Expenses**

Total O&M Expenses	21,477,263	16,638,962	16,576,942	15,325,417	13,416,023
-Total PW, Fuel and Chemicals	12,539,728	11,768,514	8,933,597	7,776,899	6,608,674
-Wages and Benefits	4,470,940	2,464,290	2,568,695	3,720,911	3,303,274
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	4,466,595	2,406,157	5,074,650	3,827,607	3,504,076

**Depreciation and Amortization**

Depreciation Exp	4,243,389	1,852,401	1,679,896	1,752,080	1,697,647
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	4,243,389	1,852,401	1,679,896	1,752,080	1,697,647

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	12,539,728	11,768,514	8,933,597	7,776,899	6,608,674
divided by Total Gallons	5,488,037	5,071,019	5,478,842	5,728,560	5,748,118
Cost per KWH	0.0023	0.0023	0.0016	0.0014	0.0011
times Sales for Resale MWHs					
Sales for Resale Cost					

**UNITED WATER NEW ROCHELLE**  
**COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible	\$48,247	\$47,428	\$47,428	\$47,428	\$47,428	1
Source of Supply	22,020,913	21,436,248	249,512	249,512	249,512	2
Pumping	45,667,805	43,810,893	2,465,537	2,451,753	2,662,296	3
Water Treatment	2,967,127	2,964,471	839,825	839,825	858,206	4
Transmission and Distribution	103,058,049	97,475,747	89,291,104	83,267,937	78,828,079	5
General	9,907,651	9,250,174	5,054,764	4,326,825	5,815,712	6
Purchased or Sold						7
Total Plant in Service	183,669,792	174,984,960	97,948,170	91,183,280	88,461,233	8
Plant Leased To Others						9
Construction Work In Progress	3,832,088	3,188,106	64,816,720	55,874,663	33,860,365	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights			(90,846)	(90,846)	(90,846)	13
<b>Total Plant</b>	187,501,880	178,173,066	162,674,044	146,967,097	122,230,752	14
Accum. Prov. - Depr. & Amort.	22,092,797	18,596,932	17,765,706	17,076,712	18,116,397	15
<b>Net Plant</b>	\$165,409,083	\$159,576,135	\$144,908,338	\$129,890,384	\$104,114,355	16
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	1.06	2.60	0.98	0.48	0.35	17
Total Capitalization	\$159,594,011	\$161,238,941	\$145,742,856	\$121,889,908	\$95,337,330	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt						19
Preferred Stock						20
Common Stock & Retained Earnings	100.0%	100.0%	100.0%	100.0%	100.0%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	2.7	2.9	2.8	2.2	3.4	23
Com. Stock Dividends as a % of Earnings	242.4%					24
Return on Common Equity	0.7%	3.3%	3.6%	2.6%	3.2%	25
Internal Cash Generated as a % of Cash Outflows for Construction	144.7%	-34.0%	14.9%	-8.5%	-45.4%	26
CWIP as a % of Plant	2.0%	1.8%	39.8%	38.0%	27.7%	27
Number of Employees	62	61	59	57	47	28

Current Assets	5,468,924	13,682,015.70	6,055,488	7,328,351	5,895,588
Current Liabilities	5,151,092	5,262,234	6,178,665	15,127,097	16,722,995
Total Capitalization	159,594,011	161,238,941	145,742,856	121,889,908	95,337,330
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	159,594,011	161,238,941	145,742,856	121,889,908	95,337,330
Short-Term Debt					
Pretax Income	12,665,549	13,010,016	12,301,022	8,147,269	9,272,773
Interest Expense	4,740,282	4,548,588	4,457,183	3,726,064	2,692,760
Dividends Paid	2,800,000				
Net Income (Excl. Preferred Stock Dividends)	1,155,070	4,996,087	4,852,947	2,852,578	2,731,143
Internal Cash	14,068,826	5,389,276	(2,426,520)	2,198,593	10,570,228
Cash Outflows for Construction	9,722,286	(15,865,407)	(16,306,217)	(25,766,400)	(23,266,457)
CWIP	3,832,088	3,188,106	64,816,720	55,874,663	33,860,365
Total Plant	187,411,034	178,173,066	162,674,044	146,967,097	122,230,752
Number of Employees	62	61	59	57	47
Salaries and Wages					

**UNITED WATER NEW YORK  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$288,149,977	\$264,028,198	\$244,386,492	\$219,885,524	\$192,085,851
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	523,360	(9,663,749)	(4,909,086)	1,014,181	555,193
7 Notes and Accounts Receivables - Net	5,560,821	4,165,395	3,363,658	3,588,600	2,985,186
8 Receivables from Associated Companies					
9 Materials and Supplies	802,945	1,093,375	1,059,664	1,001,323	788,883
10 Prepayments	5,186,734	4,450,534	1,072,424	10,839,599	8,278,020
11 Accrued Utility Revenue	4,791,987	4,149,983	4,679,510	3,417,699	3,553,958
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	16,865,847	4,195,538	5,266,170	19,861,402	16,161,240
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense	2,276,502	2,218,332	2,371,728	2,525,124	2,678,520
15 Other Deferred Debits	22,780,558	26,144,612	18,061,593	7,173,966	11,638,186
16 Accumulated Deferred Income Taxes	(184,485)	1,458,182	2,725,682	1,177,212	1,193,484
17 Total Deferred Debits	24,872,575	29,821,126	23,159,003	10,876,302	15,510,190
18 <b>Total Assets and Other Debits</b>	<b>\$329,888,399</b>	<b>\$298,044,862</b>	<b>\$272,811,665</b>	<b>\$250,623,228</b>	<b>\$223,757,281</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$13,856,490	\$13,856,490	\$13,856,490	\$13,856,490	\$13,856,490
20 Preferred Stock Issued					
21 Other Paid-in Capital	64,278,053	64,278,053	49,278,053	44,278,053	34,278,053
22 Retained Earnings	65,448,180	60,949,156	55,227,066	53,033,864	49,147,002
23 Reacquired Capital Stock					
24 Total Proprietary Capital	143,582,723	139,083,699	118,361,609	111,168,407	97,281,545
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt	81,000,000	51,000,000	51,000,000	51,000,000	51,000,000
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable	34,500,000	40,000,000	40,000,000	33,000,000	23,000,000
27 Accounts Payable	4,076,429	3,478,204	6,024,878	5,458,042	4,075,600
28 Payables to Associated Companies	368,272	669,921	390,283	555,680	327,544
29 Customer Deposits	174,153	177,694	164,344	144,687	124,612
30 Taxes Accrued	245,664	(2,814,703)	3,760,681	2,895,896	565,436
31 Interest Accrued	1,800,201	1,325,938	1,486,498	1,415,929	1,363,011
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	1,637,200	2,023,418	1,560,158	1,431,102	815,173
34 Total Current and Accrued Liabilities	42,801,919	44,860,472	53,386,842	44,901,336	30,271,376
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	3,141,892	2,944,963	2,849,167	4,047,268	3,800,184
36 Other Deferred Credits	7,902,982	12,220,421	10,374,149	6,306,610	7,785,441
37 Accumulated Deferred Investment Tax Credits	651,076	677,035	702,994	785,703	805,203
38 Accumulated Deferred Income Taxes	48,342,144	45,033,217	35,440,326	31,822,974	32,284,896
39 Total Deferred Credits	60,038,094	60,875,636	49,366,636	42,962,555	44,675,724
<b>OPERATING RESERVES</b>					
40 Operating Reserves	2,465,663	2,225,055	696,578	590,930	528,636
41 <b>Total Liabilities and Other Credits</b>	<b>\$329,888,399</b>	<b>\$298,044,862</b>	<b>\$272,811,665</b>	<b>\$250,623,228</b>	<b>\$223,757,281</b>

**UNITED WATER NEW YORK**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$63,532,240	\$59,178,984	\$56,918,029	\$53,989,753	\$47,968,223	1
Operating Expense:						
Operation Expense	19,516,989	18,288,656	18,270,563	16,855,573	15,155,245	2
Maintenance Expense	5,708,453	5,153,620	4,165,230	4,080,932	3,670,250	3
Depreciation and Amortization Expense	7,466,266	6,748,481	6,430,649	5,631,325	5,574,781	4
Taxes Other than Income Taxes	13,321,632	11,628,859	11,516,597	10,855,895	10,493,399	5
Income Taxes	6,028,494	6,160,409	4,969,035	4,982,559	2,362,502	6
Total Operating Expenses	52,041,834	47,980,025	45,352,074	42,406,284	37,256,177	7
Net Operating Revenues	11,490,406	11,198,959	11,565,955	11,583,469	10,712,046	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	11,490,406	11,198,959	11,565,955	11,583,469	10,712,046	10
<b>OTHER INCOME</b>						
Interest and Dividend Income	203,023	4,800	7,754	4,251	121,608	11
Allowance for Funds Used During Construction	2,585,558	2,132,523	1,488,147	658,013	431,839	12
Miscellaneous Nonoperating Income	46,647	842,916	52,503	43,171	724,853	13
Other Income	(18,289)					14
Total Other Income	2,816,939	2,980,239	1,548,404	705,435	1,278,300	15
Other Income Deductions	132,110	96,659	724,231	55,661	36,694	16
Taxes-Other Income and Deductions						17
<b>Income Available</b>	14,175,235	14,082,539	12,390,128	12,233,243	11,953,652	18
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt	4,794,188	3,591,996	3,591,996	3,591,996	3,591,996	19
Interest on Debt to Associated Co.						20
Other Interest Expense	882,023	768,453	1,455,598	1,589,887	1,712,539	21
Total Interest Charges	5,676,211	4,360,449	5,047,594	5,181,883	5,304,535	22
Income Before Extraordinary Items	8,499,024	9,722,090	7,342,534	7,051,360	6,649,117	23
Net Extraordinary Items						24
<b>Net Income</b>	\$8,499,024	\$9,722,090	\$7,342,534	\$7,051,360	\$6,649,117	25
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	\$60,949,156	\$55,227,066	\$53,033,864	\$49,147,002	\$45,978,014	26
Balance Transferred from Income	8,499,024	9,722,090	6,193,202	7,051,360	6,649,117	27
Appropriated						28
Dividends Declared-Preferred Stock				2,800,000	2,600,000	29
Dividends Declared-Common Stock	4,000,000	4,000,000	4,000,000			30
Adjustments to Retained Earnings				(364,498)	(880,129)	31
Net Change	4,499,024	5,722,090	2,193,202	3,886,862	3,168,988	32
Unappropriated (EOP)	65,448,180	60,949,156	55,227,066	53,033,864	49,147,002	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	\$65,448,180	\$60,949,156	\$55,227,066	\$53,033,864	\$49,147,002	35

**UNITED WATER NEW YORK  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	\$8,499,024	\$9,722,090	\$7,301,334	\$5,654,564	\$6,649,117
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	7,429,219	6,768,631	6,473,272	5,686,703	6,593,474
3 Deferred Taxes & ITCs	4,925,635	10,834,432	878,041	931,646	4,343,074
4 Receivables and Inventory	(1,747,000)	(305,921)	(1,095,210)	(679,595)	(3,129,466)
5 Payables and Accrued Expenses	381,080	(1,950,986)	620,721	2,299,500	925,271
6 Capitalized AFUDC - Equity Funds	(2,585,558)	(2,132,523)	(1,488,147)	(658,013)	(431,839)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	3,364,054	(8,083,019)	(10,887,627)	4,464,220	1,945,793
9	(4,317,439)	1,846,272	4,067,539	(1,478,831)	(7,034,914)
10	2,564,775	(8,425,017)	10,737,608	(168,825)	1,482,039
11 Net Cash From Operating Activities	<u>18,513,790</u>	<u>8,273,959</u>	<u>16,607,531</u>	<u>16,051,369</u>	<u>11,342,549</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(28,794,852)	(24,124,418)	(29,332,697)	(32,674,967)	(16,307,723)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates					
15 Contributions & Advances from Affiliates					
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies					
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21					
22					
23 Net Cash From Investing Activities	<u>(28,794,852)</u>	<u>(24,124,418)</u>	<u>(29,332,697)</u>	<u>(32,674,967)</u>	<u>(16,307,723)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	24,500,000	15,095,796	3,801,899	9,882,586	4,940,204
25 Common Stock	196,929				
26 Preferred Stock					
27 Short-Term Debt			7,000,000	10,000,000	2,000,000
28 Dividends Paid	(4,000,000)	(4,000,000)	(4,000,000)	(2,800,000)	(2,600,000)
29 Other Cash Flows - Financing Activities	(228,758)				
30					
31					
32 Net Cash From Financing Activities	<u>20,468,171</u>	<u>11,095,796</u>	<u>6,801,899</u>	<u>17,082,586</u>	<u>4,340,204</u>
33 Net Increase/(Decrease) In Cash Equivalents	10,187,109	(4,754,663)	(5,923,267)	458,988	(624,970)
34 Cash & Cash Equivalents At Beginning Of Year	(9,663,749)	(4,909,086)	1,014,181	555,193	1,180,163
35 Cash & Cash Equivalents At End Of Year	\$523,360	(\$9,663,749)	(\$4,909,086)	\$1,014,181	\$555,193

**UNITED WATER NEW YORK**  
**COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$48,491,467	\$42,407,976	\$45,659,578	\$46,162,639	\$38,402,902	1
Sales to Other Water Companies						2
Other Sales of Water	8,386,618	7,768,615	6,333,957	6,077,200	5,030,636	3
Total Revenues from Sales of Water	56,878,085	50,176,591	51,993,535	52,239,839	43,433,538	4
Other Water Operating Revenues*	6,650,697	8,994,236	4,915,770	1,740,727	4,525,851	5
Total Water Operating Revenues	\$63,528,782	\$59,170,827	\$56,909,305	\$53,980,566	\$47,959,389	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	8,621,828	7,987,095	8,786,943	9,106,923	9,023,418	7
Sales to Other Water Companies						8
Other Sales of Water	88,159	62,517	80,172	79,982	81,912	9
Total Sales of Water	8,709,987	8,049,612	8,867,115	9,186,905	9,105,330	10
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	71,835	71,501	70,984	70,230	69,265	11
Sales to Other Water Companies						12
Other Sales of Water	1,592	1,531	1,415	1,284	1,182	13
Total Customers	73,427	73,032	72,399	71,514	70,447	14
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$675.04	\$593.11	\$643.24	\$657.31	\$554.43	15
Average Consumption per Customer (T.Gal)	120.02	111.71	123.79	129.67	130.27	16
Average Revenue per T Gallons Sold	\$5.62	\$5.31	\$5.20	\$5.07	\$4.26	17
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	18
Average Consumption per Customer (T.Gal)	---	---	---	---	---	19
Average Revenue per T Gallons Sold	---	---	---	---	---	20
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	\$976,988	\$875,105	\$698,655	\$967,327	\$615,545	21
Power and Pumping	5,364,299	5,097,833	4,665,987	4,567,623	4,664,995	22
Purification	4,001,153	3,665,946	3,507,332	2,923,471	2,340,522	23
Transmission and Distribution	5,945,067	5,510,540	4,664,024	4,393,635	4,088,773	24
Customer Accounting and Collecting	3,155,337	2,527,437	2,101,339	2,544,850	2,572,028	25
Administrative and General	5,782,957	5,765,415	6,798,456	5,539,597	4,541,637	26
Total O & M Expense	\$25,225,801	\$23,442,276	\$22,435,793	\$20,936,504	\$18,823,501	27

**UNITED WATER NEW YORK  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues	\$63,528,782	\$59,170,827	\$56,909,305	\$53,980,566	\$47,959,389
2 Sales (Thousands of Gallons)	8,709,987	8,049,612	8,867,115	9,186,905	9,105,330
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$4,302,612	\$4,566,796	\$4,527,967	\$3,994,587	\$4,102,479
4 Wages and Benefits	9,204,208	7,942,033	7,190,505	7,074,472	5,859,854
5 Other Operation and Maintenance Expense	11,718,622	10,933,447	10,717,321	9,867,445	8,861,167
6 Depreciation and Amortization Expense	7,466,266	6,748,481	6,430,649	5,631,325	5,574,781
7 Income Taxes-Operating	6,028,494	6,160,409	4,969,035	4,982,559	2,362,502
8 Other Taxes-Operating	13,321,632	11,628,859	11,516,597	10,855,895	10,493,399
9 Capital Costs	11,486,948	11,190,802	11,557,231	11,574,282	10,705,207
10 Total	\$63,528,782	\$59,170,827	\$56,909,305	\$53,980,566	\$47,959,389
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	6.8	7.7	8.0	7.4	8.6
12 Wages and Benefits	14.5	13.4	12.6	13.1	12.2
13 Other Operation and Maintenance Expense	18.4	18.5	18.8	18.3	18.5
14 Depreciation and Amortization Expense	11.8	11.4	11.3	10.4	11.6
15 Income Taxes-Operating	9.5	10.4	8.7	9.2	4.9
16 Other Taxes-Operating	21.0	19.7	20.2	20.1	21.9
17 Capital Costs	18.1	18.9	20.3	21.4	22.3
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.49	0.57	0.51	0.43	0.45
20 Wages and Benefits	1.06	0.99	0.81	0.77	0.64
21 Other Operation and Maintenance Expense	1.35	1.36	1.21	1.07	0.97
22 Depreciation and Amortization Expense	0.86	0.84	0.73	0.61	0.61
23 Income Taxes-Operating	0.69	0.77	0.56	0.54	0.26
24 Other Taxes-Operating	1.53	1.44	1.30	1.18	1.15
25 Capital Costs	1.32	1.39	1.30	1.26	1.18
26 Total	7.29	7.35	6.42	5.88	5.27

**Purchased Water, Fuel or Power for Pumping and Chemicals**

Purchased Water	161,630	278,873	275,969	135,387	5,082
Fuel for Pumping	3,270,725	3,584,939	3,649,435	3,310,483	3,421,309
Chemicals	870,257	702,984	602,563	548,717	676,088
Total PW, Fuel and Chemicals	4,302,612	4,566,796	4,527,967	3,994,587	4,102,479
Total - Ultimate Customers	4,302,612	4,566,796	4,527,967	3,994,587	4,102,479

**Wages and Benefits**

Salaries	6,380,911	5,249,390	5,164,746	5,350,264	4,662,616
Pensions and Benefits	2,823,297	2,692,642	2,025,759	1,724,208	1,197,238
Total Wages and Benefits	9,204,208	7,942,033	7,190,505	7,074,472	5,859,854

**Other Expenses**

Total O&M Expenses	25,225,442	23,442,276	22,435,793	20,936,505	18,823,501
-Total PW, Fuel and Chemicals	4,302,612	4,566,796	4,527,967	3,994,587	4,102,479
-Wages and Benefits	9,204,208	7,942,033	7,190,505	7,074,472	5,859,854
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	11,718,622	10,933,447	10,717,321	9,867,445	8,861,167

**Depreciation and Amortization**

Depreciation Exp	7,466,266	6,748,481	6,430,649	5,631,325	5,574,781
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	7,466,266	6,748,481	6,430,649	5,631,325	5,574,781

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	4,302,612	4,566,796	4,527,967	3,994,587	4,102,479
divided by Total Gallons	8,709,987	8,049,612	8,867,115	9,186,905	9,105,330
Cost per Gallon	0.0005	0.0006	0.0005	0.0004	0.0005

**UNITED WATER NEW YORK  
COMPARATIVE STATEMENT OF UTILITY PLANT AND SELECTED RATIOS  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>WATER UTILITY PLANT</b>						
<b>Plant in Service</b>						
Intangible	\$90,872	\$89,248	\$89,248	\$89,248	\$89,248	1
Source of Supply	28,500,418	27,681,199	26,281,295	26,003,004	25,886,067	2
Pumping	31,449,037	29,771,771	25,857,277	21,558,617	20,843,121	3
Water Treatment	43,669,226	43,635,743	37,197,404	34,940,135	27,722,121	4
Transmission and Distribution	204,250,615	191,574,730	178,932,673	166,387,769	152,470,329	5
General	19,827,066	19,413,582	18,445,915	16,475,884	20,372,239	6
Purchased or Sold						7
Plant In Service	327,787,234	312,166,273	286,803,812	265,454,657	247,383,125	8
Plant Leased To Others						9
Construction Work In Progress	35,434,678	22,179,875	27,662,879	18,982,277	9,195,921	10
Plant Held For Future Use	8,792,615	8,792,615	8,792,615	8,792,615	8,792,615	11
Plant Acquisition Adjustments				1,001,391	1,001,391	12
Accum. Gains & Losses - Utility Land & Land Rights	(1,179,412)	(1,179,412)	(1,179,412)	(1,179,412)	(1,179,409)	13
<b>Total Plant</b>	<b>370,835,115</b>	<b>341,959,351</b>	<b>322,079,894</b>	<b>293,051,528</b>	<b>265,193,644</b>	<b>14</b>
Accum. Prov. - Depr. & Amort.	82,685,138	77,931,153	77,693,402	73,166,004	73,107,793	15
<b>Net Plant</b>	<b>\$288,149,977</b>	<b>\$264,028,198</b>	<b>\$244,386,492</b>	<b>\$219,885,524</b>	<b>\$192,085,851</b>	<b>16</b>
<b>SELECTED RATIOS AND STATISTICS</b>						
Current Assets / Current Liabilities	0.39	0.09	0.10	0.44	0.53	17
Total Capitalization	\$259,082,723	\$230,083,699	\$210,469,741	\$193,771,611	\$171,281,545	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	31.3%	22.2%	24.2%	26.3%	29.8%	19
Preferred Stock						20
Common Stock & Retained Earnings	55.4%	60.4%	56.8%	56.6%	56.8%	21
Short-Term Debt	13.3%	17.4%	19.0%	17.0%	13.4%	22
Pretax Coverage of Interest Expense	3.6	4.7	3.6	3.3	2.7	23
Com. Stock Dividends as a % of Earnings	47.1%	41.1%	54.5%	98.1%	64.2%	24
Return on Common Equity	6.0%	7.5%	6.4%	2.8%	4.4%	25
Internal Cash Generated as a % of Cash Outflows for Construction	64.3%	34.3%	56.6%	49.1%	69.6%	26
CWIP as a % of Plant	9.6%	6.5%	8.6%	6.5%	3.5%	27
Number of Employees	110	103	106	104	97	28

Current Assets	16,865,847	4,195,538	5,266,170	19,861,402	16,161,240
Current Liabilities	42,801,919	44,860,472	53,386,842	44,901,336	30,271,376
Total Capitalization	259,082,723	230,083,699	210,469,741	193,771,611	171,281,545
Long-Term Debt	81,000,000	51,000,000	51,000,000	51,000,000	51,000,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	143,582,723	139,083,699	119,469,741	109,771,611	97,281,545
Short-Term Debt	34,500,000	40,000,000	40,000,000	33,000,000	23,000,000
Pretax Income	20,335,839	20,339,607	18,083,394	17,271,463	14,352,848
Interest Expense	5,676,211	4,360,449	5,047,594	5,181,883	5,304,535
Dividends Paid	4,000,000	4,000,000	4,000,000	2,800,000	2,600,000
Net Income (Excl. Preferred Stock Dividends)	8,499,024	9,722,090	7,342,534	2,854,564	4,049,117
Internal Cash	18,513,790	8,273,959	16,607,531	16,051,369	11,342,549
Cash Outflows for Construction	28,794,852	24,124,418	29,332,697	32,674,967	16,307,723
CWIP	35,434,678	22,179,875	27,662,879	18,982,277	9,195,921
Total Plant	370,835,115	341,959,351	322,079,894	293,051,529	265,193,645
Number of Employees	110	103	106	104	97
Salaries and Wages					

**UNITED WATER OWEGO  
COMPARATIVE BALANCE SHEET  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>UTILITY PLANT</b>					
1 Net Utility Plant	\$5,416,289	\$4,348,766	\$4,057,821	\$3,023,860	\$2,877,339
<b>OTHER PROPERTY AND INVESTMENTS</b>					
2 Nonutility Property (Net)					
3 Other Investments				693,771	557,894
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments				693,771	557,894
<b>CURRENT AND ACCRUED ASSETS</b>					
6 Cash and Cash Equivalents	12,871	49,290	47,326	22,696	3,472
7 Notes and Accounts Receivables - Net	180,066	261,470	229,585	86,661	97,690
8 Receivables from Associated Companies					
9 Materials and Supplies	79,260	81,645	64,664	53,491	37,389
10 Prepayments	93,222	81,963	(553,088)	(421,909)	(422,143)
11 Accrued Utility Revenue	150,345	131,993	120,162	91,850	89,092
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	515,764	606,361	(91,351)	(167,211)	(194,500)
<b>DEFERRED DEBITS</b>					
14 Unamort. Debt Expense					
15 Other Deferred Debits	928,445	637,501	1,078,710	(139,170)	(129,415)
16 Accumulated Deferred Income Taxes	21,805	37,404	29,591	80,336	76,152
17 Total Deferred Debits	950,250	674,905	1,108,301	(58,834)	(53,263)
18 <b>Total Assets and Other Debits</b>	<b>\$6,882,303</b>	<b>\$5,630,032</b>	<b>\$5,074,772</b>	<b>\$3,491,586</b>	<b>\$3,187,470</b>
<b>PROPRIETARY CAPITAL</b>					
19 Common Stock Issued	\$33,600	\$33,600	\$33,600	\$33,600	\$33,600
20 Preferred Stock Issued					
21 Other Paid-in Capital	5,065,181	4,665,181	3,865,181	2,426,181	1,811,181
22 Retained Earnings	(652,629)	(644,983)	(226,885)	372,749	614,314
23 Reacquired Capital Stock					
24 Total Proprietary Capital	4,446,152	4,053,798	3,671,896	2,832,530	2,459,095
<b>LONG-TERM DEBT</b>					
25 Long-Term Debt					
<b>CURRENT AND ACCRUED LIABILITIES</b>					
26 Notes Payable					
27 Accounts Payable	141,337	40,771	775,898	68,585	95,308
28 Payables to Associated Companies	10,060	14,444	3,233	2,703	25,006
29 Customer Deposits					
30 Taxes Accrued	(253,881)	13,902	(396,712)	(62,840)	(44,964)
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	43,244	37,129	46,152	24,289	21,092
34 Total Current and Accrued Liabilities	(59,240)	106,246	428,571	32,737	96,442
<b>DEFERRED CREDITS</b>					
35 Customer Advances for Construction	231,380	231,380	242,968	242,967	242,967
36 Other Deferred Credits	246,286	(263,872)	(100,834)	3,697	16,896
37 Accumulated Deferred Investment Tax Credits	22,021	23,077	24,133	16,731	17,439
38 Accumulated Deferred Income Taxes	1,291,188	798,294	808,038	362,923	354,631
39 Total Deferred Credits	1,790,875	788,879	974,305	626,318	631,933
<b>OPERATING RESERVES</b>					
40 Operating Reserves	704,516	681,109			
41 <b>Total Liabilities and Other Credits</b>	<b>\$6,882,303</b>	<b>\$5,630,032</b>	<b>\$5,074,772</b>	<b>\$3,491,586</b>	<b>\$3,187,470</b>

**UNITED WATER OWEGO**  
**COMPARATIVE STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>UTILITY OPERATING INCOME</b>						
Operating Revenues	\$1,537,570	\$1,353,546	\$1,188,779	\$931,450	\$945,640	1
Operating Expense:						
Operation Expense	752,896	877,847	751,158	660,387	478,312	2
Maintenance Expense	184,785	142,049	112,539	115,350	89,577	3
Depreciation and Amortization Expense	111,196	127,569	139,548	99,124	90,068	4
Taxes Other than Income Taxes	249,301	238,391	292,753	202,035	240,365	5
Income Taxes	(3,350)	262,288	(306,968)	(4,664)	(29,547)	6
Total Operating Expenses	1,294,828	1,648,144	989,030	1,072,233	868,775	7
Net Operating Revenues	242,742	(294,598)	199,749	(140,783)	76,865	8
Other Utility Operating Income						9
<b>Total Utility Operating Income</b>	<b>242,742</b>	<b>(294,598)</b>	<b>199,749</b>	<b>(140,783)</b>	<b>76,865</b>	<b>10</b>
<b>OTHER INCOME</b>						
Interest and Dividend Income	148					11
Allowance for Funds Used During Construction	40,081	116	446	2,783	3	12
Miscellaneous Nonoperating Income	9,217					13
Other Income						14
Total Other Income	49,446	116	446	2,783	3	15
Other Income Deductions	19	218	694	1,006	(3,668)	16
Taxes-Other Income and Deductions						17
<b>Income Available</b>	<b>292,169</b>	<b>(294,700)</b>	<b>199,501</b>	<b>(139,006)</b>	<b>80,536</b>	<b>18</b>
<b>INTEREST CHARGES</b>						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	121,029	123,339	101,902	71,970	63,204	20
Other Interest Expense	178,786	60	(41,768)	1,466	1,143	21
Total Interest Charges	299,815	123,399	60,134	73,436	64,347	22
Income Before Extraordinary Items	(7,646)	(418,099)	139,367	(212,442)	16,189	23
Net Extraordinary Items						24
<b>Net Income</b>	<b>(\$7,646)</b>	<b>(\$418,099)</b>	<b>\$139,367</b>	<b>(\$212,442)</b>	<b>\$16,189</b>	<b>25</b>
<b>RETAINED EARNINGS</b>						
Unappropriated (Beginning)	(\$644,983)	(\$226,884)	\$372,749	\$614,314	\$529,298	26
Balance Transferred from Income	(7,646)	(418,099)	139,367	(212,442)	16,189	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings			(739,000)	(29,123)	68,827	31
Net Change	(7,646)	(418,099)	(599,633)	(241,565)	85,016	32
Unappropriated (EOP)	(652,629)	(644,983)	(226,884)	372,749	614,314	33
Appropriated (EOP)						34
<b>Total Retained Earnings</b>	<b>(\$652,629)</b>	<b>(\$644,983)</b>	<b>(\$226,884)</b>	<b>\$372,749</b>	<b>\$614,314</b>	<b>35</b>

**UNITED WATER OWEGO  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006
<b>Cash Flows From Operating Activities</b>					
1 Net Income	(\$7,646)	(\$418,099)	\$139,367	(\$212,442)	\$16,189
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	111,196	127,569	139,548	99,124	172,999
3 Deferred Taxes & ITCs	507,437	(18,613)	503,262	3,400	93,884
4 Receivables and Inventory	65,437	(60,697)	(182,409)	(7,831)	(14,365)
5 Payables and Accrued Expenses	102,297	(732,939)	729,706	(45,829)	68,908
6 Capitalized AFUDC - Equity Funds			(446)	(2,783)	3
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(290,945)	441,211	(1,217,882)	9,755	(17,553)
9	510,158	(163,038)	(104,531)	(13,199)	(63,498)
10	(255,635)	456,672	(202,692)	(18,110)	(176,318)
11 Net Cash From Operating Activities	<u>742,299</u>	<u>(367,934)</u>	<u>(196,077)</u>	<u>(187,914)</u>	<u>80,249</u>
<b>Cash Flows From Investing Activities</b>					
12 Cash Outflows For Construction	(1,178,719)	(418,514)	(1,173,063)	(242,862)	(250,079)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates					(110,000)
15 Contributions & Advances from Affiliates				(165,000)	160,000
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies			(45,229)		
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities		(1)			
21					
22 Reduction in Working Funds					
23 Net Cash From Investing Activities	<u>(1,178,719)</u>	<u>(418,515)</u>	<u>(1,218,292)</u>	<u>(407,862)</u>	<u>(200,079)</u>
<b>Cash Flows From Financing Activities</b>					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	400,000	788,412	1,438,999	615,000	
25 Common Stock					(1)
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid					
29 Other Cash Flows - Financing Activities					
30					
31					
32 Net Cash From Financing Activities	<u>400,000</u>	<u>788,412</u>	<u>1,438,999</u>	<u>615,000</u>	<u>(1)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(36,420)	1,963	24,630	19,224	(119,831)
34 Cash & Cash Equivalents At Beginning Of Year	49,289	47,326	22,696	3,472	123,303
35 Cash & Cash Equivalents At End Of Year	\$12,869	\$49,289	\$47,326	\$22,696	\$3,472

1 Cash and Cash Equivalents are restated to reflect inclusion of Working Funds in Cash and Cash Equivalents. Net changes in Working Funds are shown on Line 29 - Other Cash Flows - Financing Activities.

**UNITED WATER OWEGO  
COMPARATIVE STATEMENT OF REVENUE AND OPERATION AND MAINTENANCE  
FOR THE YEAR ENDED DECEMBER 31,**

	2010	2009	2008	2007	2006	
<b>SALES AND CUSTOMER DATA</b>						
<b>REVENUES</b>						
Sales to General Customers	\$441,944	\$1,112,456	\$1,060,102	\$844,594	\$863,959	1
Sales to Other Water Companies	665,087	75,377	62,807	49,271	51,106	2
Other Sales of Water	269,672	41,101	39,168	30,023	27,235	3
Total Revenues from Sales of Water	1,376,703	1,228,934	1,162,077	923,888	942,300	4
Other Water Operating Revenues	160,867	55,883			3,339	5
Total Water Operating Revenues	\$1,537,570	\$1,284,817	\$1,162,077	\$923,888	\$945,639	6
<b>WATER SALES (Thousands of Gallons)</b>						
Sales to General Customers	66,291	359,723	424,973	451,010	492,219	8
Sales to Other Water Companies	283,551	7,741	32,850	36,235	36,965	9
Other Sales of Water	40,403	29,645	8,727	6,760	5,610	10
Total Sales of Water	390,245	397,109	466,550	494,005	534,794	11
<b>AVG CUSTOMERS PER MONTH</b>						
Sales to General Customers	1,399	1,623	1,632	1,408	1,414	13
Sales to Other Water Companies	200	2	2	2	2	14
Other Sales of Water	73	40	30	36	36	15
Total Customers	1,672	1,665	1,664	1,446	1,452	16
<b>OPERATING REVENUE RELATIONSHIP</b>						
<b>METERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	\$315.90	\$685.43	\$649.57	\$599.85	\$611.00	18
Average Consumption per Customer (T.Gal)	47.38	221.64	260.40	320.32	348.10	19
Average Revenue per T Gallons Sold	\$6.67	\$3.09	\$2.49	\$1.87	\$1.76	20
<b>UNMETERED GENERAL CUSTOMERS</b>						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
<b>OPERATION AND MAINTENANCE EXPENSES</b>						
Source of Supply	12,226	11,598	\$14,642	\$22,275	\$12,540	24
Power and Pumping	201,383	205,463	217,653	205,486	171,349	25
Purification	54,980	42,901	42,413	42,107	39,865	26
Transmission and Distribution	219,461	175,380	124,123	124,886	106,709	27
Customer Accounting and Collecting	134,163	115,957	113,476	89,366	86,125	28
Administrative and General	315,467	468,600	351,390	291,617	151,301	29
<b>Total O &amp; M Expense</b>	<b>\$937,680</b>	<b>\$1,019,899</b>	<b>\$863,697</b>	<b>\$775,738</b>	<b>\$567,889</b>	<b>30</b>

**UNITED WATER OWEGO  
DISTRIBUTION OF REVENUES  
FOR THE YEAR ENDED DECEMBER 31,**

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
1 Revenues	\$1,537,570	\$1,284,817	\$1,162,077	\$923,888	\$945,639
2 Sales (Thousands of Gallons)	390,245	397,109	466,550	494,005	534,794
<b>DOLLAR AMOUNTS</b>					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$116,942	\$131,792	\$149,943	\$148,159	\$120,276
4 Wages and Benefits	348,359	390,702	342,641	327,441	227,829
5 Other Operation and Maintenance Expense	472,379	497,405	371,113	300,138	219,783
6 Depreciation and Amortization Expense	111,196	127,569	139,548	99,124	90,068
7 Income Taxes-Operating	(3,350)	262,288	(306,968)	(4,664)	(29,547)
8 Other Taxes-Operating	249,301	238,391	292,753	202,035	240,365
9 Capital Costs	242,743	(363,330)	173,047	(148,345)	76,864
10 Total	\$1,537,570	\$1,284,817	\$1,162,077	\$923,888	\$945,639
<b>PERCENT OF REVENUES</b>					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	7.6	10.3	12.9	16.0	12.7
12 Wages and Benefits	22.7	30.4	29.5	35.4	24.1
13 Other Operation and Maintenance Expense	30.7	38.7	31.9	32.5	23.2
14 Depreciation and Amortization Expense	7.2	9.9	12.0	10.7	9.5
15 Income Taxes-Operating	(0.2)	20.4	(26.4)	(0.5)	(3.1)
16 Other Taxes-Operating	16.2	18.6	25.2	21.9	25.4
17 Capital Costs	15.8	(28.3)	14.9	(16.1)	8.1
18 Total	100.0	100.0	100.0	100.0	100.0
<b>DOLLARS PER THOUSAND GALLONS SOLD</b>					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.30	0.33	0.32	0.30	0.22
20 Wages and Benefits	0.89	0.98	0.73	0.66	0.43
21 Other Operation and Maintenance Expense	1.21	1.25	0.80	0.61	0.41
22 Depreciation and Amortization Expense	0.28	0.32	0.30	0.20	0.17
23 Income Taxes-Operating	-0.01	0.66	-0.66	-0.01	-0.06
24 Other Taxes-Operating	0.64	0.60	0.63	0.41	0.45
25 Capital Costs	0.62	-0.91	0.37	-0.30	0.14
26 Total	3.94	3.24	2.49	1.87	1.77

**Purchased Water, Fuel or Power for Pumping and Chemicals**

Purchased Water					
Fuel for Pumping	110,561	125,354	140,801	140,748	111,889
Chemicals	6,381	6,438	9,142	7,411	8,387
Total PW, Fuel and Chemicals	116,942	131,792	149,943	148,159	120,276
Total - Ultimate Customers	116,942	131,792	149,943	148,159	120,276

**Wages and Benefits**

Salaries	266,161	248,613	215,884	201,086	180,435
Pensions and Benefits	82,198	142,089	126,757	126,355	47,394
Total Wages and Benefits	348,359	390,702	342,641	327,441	227,829

**Other Expenses**

Total O&M Expenses	937,680	1,019,899	863,697	775,738	567,889
-Total PW, Fuel and Chemicals	116,942	131,792	149,943	148,159	120,276
-Wages and Benefits	348,359	390,702	342,641	327,441	227,829
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	472,379	497,405	371,113	300,138	219,783

**Depreciation and Amortization**

Depreciation Exp	111,196	127,569	139,548	99,124	90,068
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	111,196	127,569	139,548	99,124	90,068

**Total PW, Fuel and Chemicals related to Sales for Resale (Not Used)**

Total PW, Fuel and Chemicals	116,942	131,792	149,943	148,159	120,276
divided by Total Gallons	390,245	397,109	466,550	494,005	534,794
Cost per KWH	0.0003	0.0003	0.0003	0.0003	0.0002
times Sales for Resale MWHs					
Sales for Resale Cost					



Current Assets	515,764	606,361	(91,351)	(167,211)	(194,500)
Current Liabilities	(59,240)	106,246	428,571	32,737	75,152
Total Capitalization	4,446,152	4,053,798	3,610,107	2,832,530	2,466,558
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	4,446,152	4,053,798	3,610,107	2,832,530	2,466,558
Short-Term Debt					
Pretax Income	288,838	(32,194)	(106,773)	(142,664)	47,321
Interest Expense	299,815	123,398	60,133	73,436	64,347
Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	(7,646)	(418,098)	77,579	(212,442)	37,479
Internal Cash	742,299	(367,933)	(196,077)	(187,915)	80,249
Cash Outflows for Construction	1,178,719	418,514	1,173,063	242,862	250,079
CWIP	428,371	845,560	595,323	150,535	141,660
Total Plant	7,236,770	6,103,762	5,718,854	4,319,478	4,199,760
Number of Employees	5	5	5	5	5
Salaries and Wages					