

Table 1 W

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$729,044	\$681,445	\$632,794	\$585,888	\$534,146
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)	302	302	302	302	302
3 Other Investments					694
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments	302	302	302	302	996
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	2,403	(351)	(7,396)	(372)	9,460
7 Notes and Accounts Receivables - Net	17,686	14,338	18,331	13,669	13,475
8 Receivables from Associated Companies	9,285	3,842	1		
9 Materials and Supplies	2,750	2,163	2,643	2,658	2,492
10 Prepayments	7,314	7,241	8,027	320	14,285
11 Accrued Utility Revenue	16,178	15,352	12,734	13,114	13,359
12 Misc Current and Accrued Assets	182	1,691	181	179	169
13 Total Current and Accrued Assets	55,798	44,276	34,521	29,568	53,240
DEFERRED DEBITS					
14 Unamort. Debt Expense	5,567	5,756	5,529	5,534	5,882
15 Other Deferred Debits	112,962	94,108	90,221	78,825	57,254
16 Accumulated Deferred Income Taxes	6,103	6,630	7,445	7,563	9,472
17 Total Deferred Debits	124,631	106,495	103,195	91,923	72,608
18 Total Assets and Other Debits	\$909,777	\$832,519	\$770,813	\$707,681	\$660,989
PROPRIETARY CAPITAL					
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	1,125
21 Other Paid-in Capital	247,494	212,535	208,674	177,281	154,503
22 Retained Earnings	199,830	182,288	175,173	161,390	151,667
23 Reacquired Capital Stock					
24 Total Proprietary Capital	477,824	425,322	414,346	369,170	336,669
LONG-TERM DEBT					
25 Long-Term Debt	172,744	166,773	126,814	116,795	112,920
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable	36,607	36,258	41,899	42,029	35,150
27 Accounts Payable	19,492	8,579	8,856	12,650	13,182
28 Payables to Associated Companies	6,388	7,389	12,524	20,247	21,162
29 Customer Deposits	221	197	209	184	208
30 Taxes Accrued	5,564	4,970	(1,998)	7,002	5,191
31 Interest Accrued	3,631	2,716	2,206	2,371	2,659
32 Matured Long-Term Debt					1,000
33 Misc Current and Accrued Liabilities	8,895	11,357	5,913	7,344	12,915
34 Total Current and Accrued Liabilities	80,797	71,466	69,607	91,827	91,467
DEFERRED CREDITS					
35 Customer Advances for Construction	3,968	4,638	4,235	4,344	6,338
36 Other Deferred Credits	41,018	41,138	40,193	40,264	32,450
37 Accumulated Deferred Investment Tax Credits	1,449	1,556	1,617	1,678	1,787
38 Accumulated Deferred Income Taxes	121,974	116,126	108,895	82,904	78,765
39 Total Deferred Credits	168,409	163,458	154,940	129,191	119,341
OPERATING RESERVES					
40 Operating Reserves	10,003	5,500	5,105	699	593
41 Total Liabilities and Other Credits	\$909,776	\$832,519	\$770,813	\$707,681	\$660,989

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$214,062	\$200,860	\$186,783	\$179,565	\$163,077	1
Operating Expense:						
Operation Expense	80,775	75,855	73,858	69,177	65,123	2
Maintenance Expense	12,612	12,502	11,559	10,306	10,288	3
Depreciation and Amortization Expense	19,571	18,408	15,157	14,460	13,297	4
Taxes Other than Income Taxes	44,235	43,096	39,482	39,881	38,675	5
Income Taxes	17,411	19,387	15,159	13,682	7,861	6
Total Operating Expenses	174,603	169,248	155,216	147,505	135,245	7
Net Operating Revenues	39,458	31,612	31,567	32,060	27,833	8
Other Utility Operating Income						9
Total Utility Operating Income	39,458	31,612	31,567	32,060	27,833	10
OTHER INCOME						
Interest and Dividend Income	438	1,762	832	609	602	11
Allowance for Funds Used During Construction	4,152	3,432	2,867	2,107	2,461	12
Miscellaneous Nonoperating Income	233	269	932	93	(245)	13
Other Income	(38)	(45)	7	490	(22)	14
Total Other Income	4,784	5,418	4,639	3,298	2,796	15
Other Income Deductions	1,294	1,250	217	881	143	16
Taxes-Other Income and Deductions	76	(100)	9	38	936	17
Income Available	42,872	35,880	35,980	34,439	29,550	18
INTEREST CHARGES						
Interest on Long-Term Debt	9,849	9,340	7,556	7,523	7,704	19
Interest on Debt to Associated Co.	6,000	5,368	5,512	5,684	4,897	20
Other Interest Expense	2,219	1,907	1,352	2,587	3,851	21
Total Interest Charges	18,068	16,615	14,420	15,794	16,451	22
Income Before Extraordinary Items	24,804	19,265	21,560	18,646	13,099	23
Extraordinary Items						24
Net Income	\$24,804	\$19,265	\$21,560	\$18,646	\$13,099	25
RETAINED EARNINGS						
Unappropriated (BOP)	\$182,288	\$175,173	\$161,390	\$151,667	\$134,249	26
Balance Transferred from Income	24,804	19,265	21,560	17,496	13,099	27
Appropriated		2,800				28
Dividends Declared-Preferred Stock	51	51	51	51	2,927	29
Dividends Declared-Common Stock	7,211	9,300	7,726	6,984		30
Adjustments to Retained Earnings				(739)	7,246	31
Net Change	17,543	7,115	13,783	9,723	17,418	32
Unappropriated (EOP)	199,830	182,288	175,173	161,390	151,667	33
Appropriated (EOP)						34
Total Retained Earnings	\$199,830	\$182,288	\$175,173	\$161,390	\$151,667	35

Table 3W

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$24,804	\$19,265	\$21,560	\$18,059	\$11,451
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	20,676	22,087	15,457	14,780	13,918
3 Deferred Taxes & ITCs	4,677	13,989	23,606	7,711	(2,543)
4 Receivables and Inventory	(4,277)	3,929	(3,495)	(3,945)	(2,366)
5 Payables and Accrued Expenses	11,133	4,159	(5,043)	(5,487)	6,478
6 Capitalized AFUDC - Equity Funds	(5,006)	(3,182)	(3,000)	(2,020)	(2,394)
7 Equity In Loss (Earnings) Of Affiliates	714	2,052			(1,738)
8 Other Adjustments	(16,409)	1,157	(3,210)	(16,828)	7,235
9	(33,088)	(4,680)	(2,647)	4,328	(5,043)
10	29,542	(6,699)	(10,720)	17,765	(1,583)
11 Net Cash From Operating Activities	<u>32,766</u>	<u>52,076</u>	<u>32,509</u>	<u>34,363</u>	<u>23,415</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(61,747)	(63,329)	(58,254)	(64,333)	(76,810)
13 Acquisition Of Other Non-Current Assets		(1,487)	(6,088)	(4,655)	(7,877)
14 Investments In & Advances to Affiliates.					57
15 Contributions & Advances from Affiliates	(724)	(343)	(193)	1,390	13,700
Net Proceeds - Sale Or Disposition Of:					
16 Property, Plant & Equipment					
17 Investments in Affiliated Companies		(277)		(45)	
18 Other Debt & Equity Investments					
19 Other Non-Current Assets					
20 Other Cash Flows - Investing Activities					
21				137	152
22					
23 Net Cash From Investing Activities	<u>(62,471)</u>	<u>(65,436)</u>	<u>(64,534)</u>	<u>(67,507)</u>	<u>(70,779)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	37,517	35,964	25,455	23,454	10,679
25 Common Stock		197			23,700
26 Preferred Stock				3,800	(1,000)
27 Short-Term Debt	348	(141)	(130)	6,880	7,888
28 Dividends Paid	(7,262)	(12,151)	(7,777)	(7,035)	(2,928)
29 Other Cash Flows - Financing Activities	1,855	(3,464)	7,458	(3,779)	13,148
30			(11)		
31					
32 Net Cash From Financing Activities	<u>32,459</u>	<u>20,406</u>	<u>24,995</u>	<u>23,320</u>	<u>51,487</u>
33 Net Increase/(Decrease) In Cash Equivalents	2,753	7,045	(7,031)	(9,824)	4,124
34 Cash & Cash Equivalents At Beginning Of Year	(350)	(7,395)	(364)	9,460	5,336
35 Cash & Cash Equivalents At End Of Year	\$2,404	(\$350)	(\$7,395)	(\$364)	\$9,460

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES (\$000s)						
Sales to General Customers	\$152,569	\$139,379	\$131,681	\$137,533	\$135,265	1
Sales to Other Water Companies	17,055	14,353	8,612	8,838	7,311	2
Other Sales of Water	21,728	23,026	18,720	14,619	12,959	3
Total Revenues from Sales of Water	191,352	176,758	159,012	160,990	155,535	4
Other Water Operating Revenues	22,710	24,099	27,694	18,540	7,297	5
Total Water Operating Revenues	\$214,062	\$200,857	\$186,706	\$179,530	\$162,833	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	25,913,358	29,303,979	28,034,052	32,009,744	30,876,847	8
Sales to Other Water Companies	3,593,294	2,790,231	1,219,370	654,576	1,757,201	9
Other Sales of Water	941,134	463,485	275,783	275,097	289,822	10
Total Sales of Water	30,447,786	32,557,695	29,529,205	32,939,417	32,923,870	11
AVG CUSTOMERS PER MONTH						
Sales to General Customers	232,057	233,453	233,218	234,814	233,410	13
Sales to Other Water Companies	9,158	7,485	7,191	5,705	5,371	14
Other Sales of Water	3,279	3,218	3,100	2,382	2,584	15
Total Customers	244,494	244,156	243,509	242,901	241,365	16
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$657.46	\$597.03	\$564.63	\$585.71	\$579.52	18
Average Consumption per Customer (T.Gal)	111.67	125.52	120.21	136.32	132.29	19
Average Revenue per T Gallons Sold	\$5.89	\$4.76	\$4.70	\$4.30	\$4.38	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer						21
Average Consumption per Customer (T.Gal)						22
Average Revenue per T Gallons Sold						23
OPERATION AND MAINTENANCE EXPENSES (\$000s)						
Source of Supply	\$19,643	\$17,439	\$17,784	\$13,169	\$12,240	24
Power and Pumping	14,853	14,389	13,455	13,564	12,921	25
Purification	8,213	8,083	7,585	7,199	6,414	26
Transmission and Distribution	13,667	13,617	12,982	11,740	11,900	27
Customer Accounting and Collecting	6,662	7,737	7,504	6,332	6,604	28
Administrative and General	19,254	27,093	22,926	27,464	25,333	29
Total O & M Expense	\$82,292	\$88,358	\$82,236	\$79,468	\$75,412	30

Table 5 W

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

	2011	2010	2009	2008	2007
1 Revenues (\$000s)	\$214,062	\$200,857	\$186,706	\$179,530	\$162,833
2 Sales (Thousands of Gallons)	30,447,786	32,557,695	29,529,205	32,939,417	32,923,870
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$30,245	\$27,484	\$27,781	\$23,614	\$21,650
4 Wages and Benefits	30,014	28,643	26,026	25,469	24,984
5 Other Operation and Maintenance Expense	33,645	32,230	28,429	30,384	28,777
6 Depreciation and Amortization Expense	19,571	20,887	15,157	14,466	13,288
7 Income Taxes-Operating	17,411	19,387	15,159	13,682	7,861
8 Other Taxes-Operating	44,235	43,096	39,482	39,881	38,675
9 Capital Costs	38,941	29,129	34,672	32,034	27,597
10 Total	\$214,062	\$200,857	\$186,706	\$179,530	\$162,833
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	14.1	13.7	14.9	13.2	13.3
12 Wages and Benefits	14.0	14.3	13.9	14.2	15.3
13 Other Operation and Maintenance Expense	15.7	16.0	15.2	16.9	17.7
14 Depreciation and Amortization Expense	9.1	10.4	8.1	8.1	8.2
15 Income Taxes-Operating	8.1	9.7	8.1	7.6	4.8
16 Other Taxes-Operating	20.7	21.5	21.1	22.2	23.8
17 Capital Costs	18.2	14.5	18.6	17.8	16.9
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.99	0.84	0.94	0.72	0.66
20 Wages and Benefits	0.99	0.88	0.88	0.77	0.76
21 Other Operation and Maintenance Expense	1.11	0.99	0.96	0.92	0.87
22 Depreciation and Amortization Expense	0.64	0.64	0.51	0.44	0.40
23 Income Taxes-Operating	0.57	0.60	0.51	0.42	0.24
24 Other Taxes-Operating	1.45	1.32	1.34	1.21	1.17
25 Capital Costs	1.28	0.89	1.17	0.97	0.84
26 Total	7.03	6.17	6.32	5.45	4.95

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

Purchased Water	18,302,958	15,970,527	16,570,420	12,163,113	10,863,580
Fuel for Pumping	8,754,001	8,543,399	8,575,117	9,101,139	8,531,762
Chemicals	3,188,374	2,969,640	2,635,448	2,350,001	2,254,585

Total PW, Fuel and Chemicals 30,245,333 27,483,566 27,780,985 23,614,253 21,649,927

Total - Ultimate Customers 30,245,333 27,483,566 27,780,985 23,614,253 21,649,927

Wages and Benefits

Salaries	20,010,709	19,759,178	18,878,324	17,466,577	17,704,812
Pensions and Benefits	10,002,954	8,884,210	7,147,294	8,002,782	7,279,541
Total Wages and Benefits	30,013,662	28,643,388	26,025,618	25,469,359	24,984,353

Other Expenses

Total O&M Expenses	93,386,968	88,357,450	82,236,007	79,467,889	75,411,520
-Total PW, Fuel and Chemicals	30,245,333	27,483,566	27,780,985	23,614,253	21,649,927
-Wages and Benefits	30,013,663	28,643,388	26,025,618	25,469,359	24,984,353
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	33,127,972	32,230,496	28,429,404	30,384,278	28,777,239

Depreciation and Amortization

Depreciation Exp	19,570,915	18,407,977	15,157,364	14,465,887	13,287,925
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					

Total Depre and Amort 19,570,915 18,407,977 15,157,364 14,465,887 13,287,925

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

Total PW, Fuel and Chemicals	30,245,333	27,483,566	27,780,985	23,614,253	21,649,927
divided by Total Gallons	30,447,786	32,557,695	29,529,205	32,939,417	32,923,870
Cost per KWH	0.0010	0.0008	0.0009	0.0007	0.0007
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)

	2011	2010	2009	2008	2007	
WATER UTILITY PLANT						
Plant in Service						
Intangible	\$322	\$320	\$170	\$506	\$506	1
Source of Supply	65,796	62,265	59,317	36,202	35,702	2
Pumping	108,011	105,940	101,884	55,951	51,158	3
Water Treatment	87,745	78,902	78,709	69,953	67,548	4
Transmission and Distribution	559,579	529,093	497,958	464,031	430,648	5
General	56,304	47,590	45,367	38,632	34,927	6
Purchased or Sold						7
Total Plant in Service	877,757	824,109	783,405	665,275	620,489	8
Plant Leased To Others						9
Construction Work In Progress	59,040	52,625	30,858	97,624	79,312	10
Plant Held For Future Use	8,905	8,904	8,904	8,904	8,904	11
Plant Acquisition Adjustments	(11)	(11)	(11)	874	1,887	12
Accum. Gains & Losses - Utility Land & Land Rights	(1,179)	(1,179)	(1,179)	(1,270)	(1,282)	13
Total Plant	944,512	884,447	821,976	771,407	709,310	14
Accum. Prov. - Depr. & Amort.	215,467	203,001	189,182	185,232	175,164	15
Net Plant	\$729,044	\$681,445	\$632,794	\$586,175	\$534,146	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.69	0.62	0.50	0.35	0.58	17
Total Capitalization (\$000s)	\$687,174	\$628,353	\$583,059	\$529,072	\$483,365	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	25.4%	26.8%	22.1%	22.5%	23.8%	19
Preferred Stock	0.2%	0.2%	0.2%	0.2%	0.2%	20
Common Stock & Retained Earnings	69.4%	67.5%	70.9%	69.8%	69.1%	21
Short-Term Debt	5.1%	5.5%	6.9%	7.6%	7.0%	22
Pretax Coverage of Interest Expense	3.4	3.4	3.5	2.7	2.3	23
Com. Stock Dividends as a % of Earnings	29.2%	63.2%	36.3%	41.1%	33.0%	24
Return on Common Equity	5.5%	4.6%	5.5%	4.9%	3.0%	25
Internal Cash Generated as a % of Cash Outflows for Construction	66.9%	86.9%	122.6%	120.3%	92.6%	26
CWIP as a % of Plant	6.3%	6.0%	3.8%	12.7%	11.2%	27
Number of Employees	314	313	314	323	323	28

Current Assets	55,865,030	44,345,852	34,521,463	33,363,189	53,240,027
Current Liabilities	80,797,321	71,466,073	69,607,398	95,621,934	91,466,879
Total Capitalization	687,173,804	628,352,799	583,058,792	529,072,424	483,365,026
Long-Term Debt	174,350,223	168,530,692	128,712,763	118,823,628	115,069,586
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)	476,698,581	424,197,107	413,221,029	369,091,378	334,147,284
Short-Term Debt	35,000,000	34,500,000	40,000,000	40,000,000	34,000,000
Pretax Income	61,577,430	56,517,015	46,683,922	42,454,524	37,563,169
Interest Expense	17,968,775	16,615,023	13,408,288	15,793,649	16,451,186
Dividends Paid	7,262,000	12,151,000	7,777,000	7,035,000	2,927,711
Net Income (Excl. Preferred Stock Dividends)	24,852,684	19,214,532	21,402,956	17,096,785	8,860,893
Internal Cash	41,319,753	55,003,815	32,528,769	38,157,517	23,415,098
Cash Outflows for Construction	(61,747,451)	(63,329,430)	(26,522,715)	(31,720,676)	(25,277,462)
CWIP	59,050,431	52,624,546	30,857,816	97,624,483	79,311,852
Total Plant	944,511,754	884,355,796	821,975,767	771,407,021	709,310,015
Number of Employees	314	313	314	323	323
Salaries and Wages					

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$4,399,658	\$4,473,546	\$4,542,076	\$4,708,219	\$4,792,001
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	339,080	179,627	174,815	115,792	200,933
7 Notes and Accounts Receivables - Net	132,224	110,382	99,491	109,074	105,328
8 Receivables from Associated Companies					
23 Materials and Supplies					
10 Prepayments	10,915	189,377	11,816	8,995	8,190
11 Accrued Utility Revenue					
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	482,219	479,386	286,122	233,861	314,451
DEFERRED DEBITS					
14 Unamort. Debt Expense	16,940	19,147			
15 Other Deferred Debits	269,766	232,539	275,474	292,605	330,874
16 Accumulated Deferred Income Taxes	48,000	103,000			
17 Total Deferred Debits	334,706	354,686	275,474	292,605	330,874
18 Total Assets and Other Debits	\$5,216,583	\$5,307,618	\$5,103,672	\$5,234,685	\$5,437,326
PROPRIETARY CAPITAL					
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	(482,279)	(628,355)	(1,043,738)	(1,062,762)	(1,075,362)
23 Reacquired Capital Stock					
24 Total Proprietary Capital	(432,279)	(578,355)	(993,738)	(1,012,762)	(1,025,362)
LONG-TERM DEBT					
25 Long-Term Debt					
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable	1,606,510	1,758,132	1,898,723	2,029,108	2,149,586
27 Accounts Payable	48,841	48,387	47,185	48,823	78,186
28 Payables to Associated Companies	3,898,155	3,998,349	4,077,434	4,093,637	4,166,730
29 Customer Deposits					
30 Taxes Accrued	17,500	811	411	411	528
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	77,856	80,294	73,657	75,468	67,658
34 Total Current and Accrued Liabilities	5,648,862	5,885,973	6,097,410	6,247,447	6,462,688
DEFERRED CREDITS					
35 Customer Advances for Construction					
36 Other Deferred Credits					
37 Accumulated Deferred Investment Tax Credits					
38 Accumulated Deferred Income Taxes					
39 Total Deferred Credits					
OPERATING RESERVES					
40 Operating Reserves					
41 Total Liabilities and Other Credits	\$5,216,583	\$5,307,618	\$5,103,672	\$5,234,685	\$5,437,326

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$1,499,274	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260	1
Operating Expense:						
Operation Expense	346,389	370,242	354,715	433,670	433,226	2
Maintenance Expense	118,662	49,512	65,751	56,796	62,353	3
Depreciation and Amortization Expense	124,106	117,060	219,481	122,471	135,237	4
Taxes Other than Income Taxes	429,748	408,168	397,482	386,556	371,031	5
Income Taxes						6
Total Operating Expenses	1,018,905	944,982	1,037,429	999,493	1,001,847	7
Net Operating Revenues	480,369	587,207	290,504	348,196	353,413	8
Other Utility Operating Income						9
Total Utility Operating Income	480,369	587,207	290,504	348,196	353,413	10
OTHER INCOME						
Interest and Dividend Income	3,844	2,389	2,558	5,249	9,679	11
Allowance for Funds Used During Construction						12
Miscellaneous Nonoperating Income	150	90	60			13
Other Income						14
Total Other Income	3,994	2,479	2,618	5,249	9,679	15
Other Income Deductions	13,495	13,825				16
Taxes-Other Income and Deductions	75,266	(100,359)	3,055			17
Income Available	395,602	676,220	290,067	353,445	363,092	18
INTEREST CHARGES						
Interest on Long-Term Debt	129,429	140,460	150,666	160,572	168,887	19
Interest on Debt to Associated Co.	120,097	120,377	120,377	180,273	297,047	20
Other Interest Expense						21
Total Interest Charges	249,526	260,837	271,043	340,845	465,934	22
Income Before Extraordinary Items	146,076	415,383	19,024	12,600	(102,842)	23
Extraordinary Items						24
Net Income	\$146,076	\$415,383	\$19,024	\$12,600	(\$102,842)	25
RETAINED EARNINGS						
Unappropriated (Beginning)	(\$628,355)	(\$1,043,738)	(\$1,062,762)	(\$1,075,362)	(\$972,520)	26
Balance Transferred from Income	146,076	415,383	19,024	12,600	(102,842)	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings						31
Net Change	146,076	415,383	19,024	12,600	(102,842)	32
Unappropriated (EOP)	(482,279)	(628,355)	(1,043,738)	(1,062,762)	(1,075,362)	33
Appropriated (EOP)						34
Total Retained Earnings	(\$482,279)	(\$628,355)	(\$1,043,738)	(\$1,062,762)	(\$1,075,362)	35

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$146,076	\$415,383	\$19,024	\$12,600	(\$102,842)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	132,456	139,235	229,748	176,740	197,371
3 Deferred Taxes & ITCs	55,000	(103,000)			
4 Receivables and Inventory	(27,609)	(11,333)	9,583	(3,746)	(7,088)
5 Payables and Accrued Expenses	17,229	1,602	(4,459)	(29,115)	19,320
6 Capitalized AFUDC - Equity Funds					
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(280)	(9,782)	(1,811)	7,810	1,451
9	5,767	6,637	(8,573)	(17,170)	(6,414)
10	127,845	(177,561)	(16,203)	(73,093)	187
11 Net Cash From Operating Activities	<u>456,484</u>	<u>261,181</u>	<u>227,309</u>	<u>74,026</u>	<u>101,985</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(45,409)	(46,917)	(37,901)	(38,689)	(82,222)
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>(45,409)</u>	<u>(46,917)</u>	<u>(37,901)</u>	<u>(38,689)</u>	<u>(82,222)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	(100,000)	(68,861)			(563)
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt	(151,622)	(140,591)	(130,385)	(120,478)	(112,165)
28 Dividends Paid					
29 Other Cash Flows - Financing Activities					
30					
31					
32 Net Cash From Financing Activities	<u>(251,622)</u>	<u>(209,452)</u>	<u>(130,385)</u>	<u>(120,478)</u>	<u>(112,728)</u>
33 Net Increase/(Decrease) In Cash Equivalents	159,453	4,812	59,023	(85,141)	(92,965)
34 Cash & Cash Equivalents At Beginning Of Year	179,627	174,815	115,792	200,933	293,898
35 Cash & Cash Equivalents At End Of Year	\$339,080	\$179,627	\$174,815	\$115,792	\$200,933

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$1,499,274	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260	1
Sales to Other Water Companies						2
Other Sales of Water						3
Total Revenues from Sales of Water	1,499,274	1,532,189	1,327,933	1,347,689	1,355,260	4
Other Water Operating Revenues						5
Total Water Operating Revenues	\$1,499,274	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	92,899	100,062	91,103	97,518	93,622	8
Sales to Other Water Companies						9
Other Sales of Water						10
Total Sales of Water	92,899	100,062	91,103	97,518	93,622	11
AVG CUSTOMERS PER MONTH						
Sales to General Customers	2,487	2,487	2,487	2,643	2,487	13
Sales to Other Water Companies						14
Other Sales of Water						15
Total Customers	2,487	2,487	2,487	2,643	2,487	16
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$602.84	\$616.08	\$533.95	\$509.91	\$544.94	18
Average Consumption per Customer (T.Gal)	37.35	40.23	36.63	36.90	37.64	19
Average Revenue per T Gallons Sold	\$16.14	\$15.31	\$14.58	\$13.82	\$14.48	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	\$102,226	\$44,804	\$53,609	\$52,367	\$44,655	24
Power and Pumping	94,343	92,568	80,034	137,424	132,808	25
Purification	25,806	40,205	49,349	31,286	23,814	26
Transmission and Distribution	1,672	4,375	1,781	792	7,082	27
Customer Accounting and Collecting	5,767	442	652	864	1,451	28
Administrative and General	235,237	237,360	235,041	252,296	285,769	29
Total O & M Expense	\$465,051	\$419,754	\$420,466	\$475,029	\$495,579	30

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,499,274	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260
2 Sales (Thousands of Gallons)	92,899	100,062	91,103	97,518	93,622
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$79,485	91,041	79,548	114,499	108,224
4 Wages and Benefits					
5 Other Operation and Maintenance Expense	385,566	328,713	340,918	360,530	387,355
6 Depreciation and Amortization Expense	124,106	117,060	219,481	128,646	125,975
7 Income Taxes-Operating					
8 Other Taxes-Operating	429,748	408,168	397,482	386,556	371,031
9 Capital Costs	480,369	587,207	290,504	357,458	362,675
10 Total	\$1,499,274	\$1,532,189	\$1,327,933	\$1,347,689	\$1,355,260
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	5.3	5.9	6.0	8.5	8.0
12 Wages and Benefits					
13 Other Operation and Maintenance Expense	25.7	21.5	25.7	26.8	28.6
14 Depreciation and Amortization Expense	8.3	7.6	16.5	9.5	9.3
15 Income Taxes-Operating					
16 Other Taxes-Operating	28.7	26.6	29.9	28.7	27.4
17 Capital Costs	32.0	38.3	21.9	26.5	26.8
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.86	0.91	0.87	1.17	1.16
20 Wages and Benefits					
21 Other Operation and Maintenance Expense	4.15	3.29	3.74	3.70	4.14
22 Depreciation and Amortization Expense	1.34	1.17	2.41	1.32	1.35
23 Income Taxes-Operating					
24 Other Taxes-Operating	4.63	4.08	4.36	3.96	3.96
25 Capital Costs	5.17	5.87	3.19	3.67	3.87
26 Total	16.14	15.31	14.58	13.82	14.48

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

Purchased Water					
Fuel for Pumping	61,179	68,954	47,229	89,603	95,906
Chemicals	18,306	22,087	32,319	24,896	12,318
Total PW, Fuel and Chemicals	79,485	91,041	79,548	114,499	108,224
Total - Ultimate Customers					

Wages and Benefits

Salaries					
Pensions and Benefits					
Total Wages and Benefits					

Other Expenses

Total O&M Expenses	465,051	419,754	420,466	475,029	495,579
-Total PW, Fuel and Chemicals	79,485	91,041	79,548	114,499	108,224
-Wages and Benefits					
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	385,566	328,713	340,918	360,530	387,355

Depreciation and Amortization

Depreciation Exp	124,106	117,060	219,481	128,646	125,975
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	124,106	117,060	219,481	128,646	125,975

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,

	2011	2010	2009	2008	2007	
WATER UTILITY PLANT						
Plant in Service						
Intangible				\$80,000	\$80,000	1
Source of Supply	683,787	\$683,787	\$683,787	683,787	658,017	2
Pumping	172,317	172,317	172,317	172,317	172,317	3
Water Treatment	501,532	501,532	501,532	482,632	482,632	4
Transmission and Distribution	5,943,707	5,935,615	5,919,953	6,209,691	5,888,032	5
General	11,765	11,765	11,765	11,765	11,765	6
Purchased or Sold						7
Total Plant in Service	7,313,108	7,305,016	7,289,354	7,640,192	7,292,763	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
Total Plant	7,313,108	7,305,016	7,289,354	7,640,192	7,292,763	14
Accum. Prov. - Depr. & Amort.	2,913,450	2,831,470	2,747,278	2,644,845	2,500,762	15
Net Plant	\$4,399,658	\$4,473,546	\$4,542,076	\$4,995,347	\$4,792,001	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.09	0.08	0.05	0.04	0.05	17
Total Capitalization	\$1,174,231	\$1,179,777	\$904,985	\$1,048,764	\$1,147,380	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	136.8%	149.0%	209.8%	193.5%	187.3%	19
Preferred Stock						20
Common Stock & Retained Earnings	-36.8%	-49.0%	-109.8%	-96.6%	-89.4%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	1.6	2.6	1.1	1.1	0.8	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	975.6%	527.2%	652.9%	191.3%	124.0%	26
CWIP as a % of Plant						27
Number of Employees						28

Current Assets	482,219.00	479,386.00	286,122	233,861	314,451
Current Liabilities	5,648,862	5,885,973	6,097,410	6,247,447	6,462,688
Total Capitalization	1,174,231	1,179,777	904,985	1,048,764	1,147,380
Long-Term Debt	1,606,510	1,758,132	1,898,723	2,029,108	2,149,586
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	(432,279)	(578,355)	(993,738)	(1,012,762)	(1,025,362)
Short-Term Debt					
Pretax Income	409,097	690,045	290,067	362,707	372,354
Interest Expense	249,526	260,837	271,043	340,845	465,934
Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	146,076	415,383	19,024	21,862	(93,580)
* Internal Cash	442,989	247,357	247,438	74,026	101,985
Cash Outflows for Construction	45,409	46,917	37,901	38,689	82,222
CWIP					
Total Plant	7,313,108	7,305,016	7,289,354	7,640,192	7,292,763
Number of Employees					
Salaries and Wages					

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant					
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
CURRENT AND ACCRUED ASSETS					
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					
DEFERRED DEBITS					
14 Unamort. Debt Expense					
15 Other Deferred Debits					
16 Accumulated Deferred Income Taxes					
17 Total Deferred Debits					
18 Total Assets and Other Debits					
PROPRIETARY CAPITAL					
19 Common Stock Issued					
20 Preferred Stock Issued					
21 Other Paid-in Capital					
22 Retained Earnings					
23 Reacquired Capital Stock					
24 Total Proprietary Capital					
LONG-TERM DEBT					
25 Long-Term Debt					
CURRENT AND ACCRUED LIABILITIES					
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					
DEFERRED CREDITS					
35 Customer Advances for Construction					
36 Other Deferred Credits					
37 Accumulated Deferred Investment Tax Credits					
38 Accumulated Deferred Income Taxes					
39 Total Deferred Credits					
OPERATING RESERVES					
40 Operating Reserves					
41 Total Liabilities and Other Credits					

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

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.

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

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$138,902,284	\$127,324,772	\$114,924,749	\$106,721,698	\$97,577,597
OTHER PROPERTY AND INVESTMENTS					
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
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	49,956	111,372	101,428	105,621	156,227
7 Notes and Accounts Receivables - Net	2,533,979	2,704,953	2,452,314	1,398,610	3,426,062
8 Receivables from Associated Companies	4,609	2,709	1,127	99	
23 Materials and Supplies	1,061,883	609,210	618,213	658,066	586,464
10 Prepayments	986,011	1,338,368	1,110,672	643,281	603,093
11 Accrued Utility Revenue	2,230,266	2,260,531	2,242,542	2,338,989	4,023,883
12 Misc Current and Accrued Assets	181,581	173,313	181,107	179,377	169,019
13 Total Current and Accrued Assets	7,048,285	7,200,456	6,707,402	5,324,043	8,964,748
DEFERRED DEBITS					
14 Unamort. Debt Expense	2,473,760	2,408,104	2,165,068	1,923,188	2,024,469
15 Other Deferred Debits	3,727,027	4,940,079	4,843,803	2,575,361	1,820,231
16 Accumulated Deferred Income Taxes	5,951,720	6,132,996	6,213,250	6,423,327	6,634,280
17 Total Deferred Debits	12,152,507	13,481,179	13,222,121	10,921,876	10,478,980
18 Total Assets and Other Debits	\$158,166,444	\$148,069,775	\$134,917,641	\$123,030,986	\$117,084,693
PROPRIETARY CAPITAL					
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	20,608,153	17,578,392	15,546,306	10,517,585	10,500,000
22 Retained Earnings	20,537,740	19,245,998	18,194,229	16,911,972	15,982,258
23 Reacquired Capital Stock					
24 Total Proprietary Capital	52,270,893	47,949,390	44,865,535	38,554,557	37,607,258
LONG-TERM DEBT					
25 Long-Term Debt	64,645,633	58,749,000	48,865,000	38,920,000	38,920,000
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable					
27 Accounts Payable	1,187,592	1,202,507	1,409,559	1,462,363	894,647
28 Payables to Associated Companies	1,866,457	2,831,313	7,474,734	15,584,345	14,102,445
29 Customer Deposits					
30 Taxes Accrued	5,066,260	5,697,445	211,901	2,210,387	(432,074)
31 Interest Accrued	732,545	629,640	599,765	557,628	557,629
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	1,173,003	1,109,744	1,056,106	1,249,428	1,233,279
34 Total Current and Accrued Liabilities	10,025,858	11,470,649	10,752,065	21,064,151	16,355,926
DEFERRED CREDITS					
35 Customer Advances for Construction	47,000	164,140	363,111	398,667	261,553
36 Other Deferred Credits	7,572,944	8,971,708	7,525,497	9,171,618	7,746,457
37 Accumulated Deferred Investment Tax Credits	253,822	268,822	283,822	298,822	313,822
38 Accumulated Deferred Income Taxes	23,350,294	20,496,066	22,262,612	14,623,171	15,879,677
39 Total Deferred Credits	31,224,060	29,900,736	30,435,042	24,492,278	24,201,509
OPERATING RESERVES					
40 Operating Reserves					
41 Total Liabilities and Other Credits	\$158,166,444	\$148,069,775	\$134,917,641	\$123,030,986	\$117,084,693

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$48,719,345	\$47,550,469	\$46,757,882	\$46,327,201	\$39,562,110	1
Operating Expense:						
Operation Expense	19,742,169	18,926,970	17,816,895	18,004,431	17,797,545	2
Maintenance Expense	3,010,501	2,983,243	2,831,573	2,834,269	3,066,944	3
Depreciation and Amortization Expense	3,633,354	3,375,222	3,316,187	3,330,738	2,995,213	4
Taxes Other than Income Taxes	11,427,376	11,385,019	11,512,735	12,570,215	12,689,517	5
Income Taxes	3,311,722	3,470,564	3,503,675	2,956,643	(1,011,194)	6
Total Operating Expenses	41,125,122	40,141,018	38,981,065	39,696,295	35,538,025	7
Net Operating Revenues	7,594,224	7,409,451	7,776,817	6,630,906	4,024,085	8
Other Utility Operating Income						9
Total Utility Operating Income	7,594,224	7,409,451	7,776,817	6,630,906	4,024,085	10
OTHER INCOME						
Interest and Dividend Income	2,532		200,205	105,272	251,356	11
Allowance for Funds Used During Construction	478,385	656,504		179,460	169,583	12
Miscellaneous Nonoperating Income						13
Other Income	210		14,324	515,716	12,362	14
Total Other Income	481,127	656,504	214,529	800,448	433,301	15
Other Income Deductions					(2,654)	16
Taxes-Other Income and Deductions	1,114		5,817	38,006	935,776	17
Income Available	8,074,236	8,065,955	7,985,529	7,393,348	3,524,264	18
INTEREST CHARGES						
Interest on Long-Term Debt	3,289,086	3,011,943	2,420,573	2,377,478	2,377,789	19
Interest on Debt to Associated Co.						20
Other Interest Expense	232,034	351,621	505,932	1,052,031	1,568,426	21
Total Interest Charges	3,521,120	3,363,564	2,926,505	3,429,509	3,946,216	22
Income Before Extraordinary Items	4,553,116	4,702,391	5,059,024	3,963,839	(421,951)	23
Net Extraordinary Items						24
Net Income	\$4,553,116	\$4,702,391	\$5,059,024	\$3,963,839	(\$421,951)	25
RETAINED EARNINGS						
Unappropriated (Beginning)	\$19,245,998	\$18,194,229	\$16,911,972	\$15,982,258	\$16,454,836	26
Balance Transferred from Income	4,553,118	4,702,391	5,059,024	3,963,839	(421,951)	27
Appropriated						28
Dividends Declared-Preferred Stock	50,626	50,626	50,767	50,625	50,625	29
Dividends Declared-Common Stock	3,210,750	3,600,000	3,726,000	2,983,500		30
Adjustments to Retained Earnings					(2)	31
Net Change	1,291,742	1,051,765	1,282,257	929,714	(472,578)	32
Unappropriated (EOP)	20,537,740	19,245,994	18,194,229	16,911,972	15,982,258	33
Appropriated (EOP)						34
Total Retained Earnings	\$20,537,740	\$19,245,994	\$18,194,229	\$16,911,972	\$15,982,258	35

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$4,553,116	\$4,702,391	\$5,059,024	\$3,963,839	(\$421,951)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	3,749,000	3,489,000	3,419,000	3,397,000	3,328,000
3 Deferred Taxes & ITCs	2,240,000	3,972,000	5,202,000	1,256,000	2,103,000
4 Receivables and Inventory	132,000	274,000	106,000	53,000	32,706
5 Payables and Accrued Expenses					(296,000)
6 Capitalized AFUDC - Equity Funds	(325,000)	(447,000)	(133,000)	(120,000)	(103,000)
7 Equity In Loss (Earnings) Of Affiliates					(505,000)
8 Other Adjustments	(1,610,000)	1,503,000	(2,627,000)	(774,000)	671,000
9	1,630,000	(488,447)	(4,022,000)	(1,776,000)	(1,943,000)
10	6,468		1,199,783	8,101,555	(4,085,000)
11 Net Cash From Operating Activities	<u>10,375,584</u>	<u>13,004,944</u>	<u>8,203,807</u>	<u>14,101,394</u>	<u>(1,219,245)</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(14,058,000)	(15,285,000)	(10,775,000)	(12,644,000)	(13,046,000)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates	(724,000)	(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					
21				137,000	152,000
22					
23 Net Cash From Investing Activities	<u>(14,782,000)</u>	<u>(15,628,000)</u>	<u>(10,968,000)</u>	<u>(11,117,000)</u>	<u>971,000</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	5,790,000	9,549,000	9,613,000		(10,000)
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid	(3,262,000)	(3,651,000)	(3,777,000)	(3,035,000)	(51,000)
29 Other Cash Flows - Financing Activities	1,817,000	(3,265,000)	(3,076,000)		
30					
31					
32 Net Cash From Financing Activities	<u>4,345,000</u>	<u>2,633,000</u>	<u>2,760,000</u>	<u>(3,035,000)</u>	<u>(61,000)</u>
33 Net Increase/(Decrease) In Cash Equivalents	(61,416)	9,944	(4,193)	(50,606)	(309,245)
34 Cash & Cash Equivalents At Beginning Of Year	111,372	101,428	105,621	156,227	465,472
35 Cash & Cash Equivalents At End Of Year	\$49,956	\$111,372	\$101,428	\$105,621	\$156,227

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$36,409,217	\$35,868,390	\$35,000,507	\$34,314,402	\$29,653,695	1
Sales to Other Water Companies	6,256,633	5,910,894	6,222,147	6,028,988	4,982,865	2
Other Sales of Water	4,038,207	3,985,102	3,667,635	3,900,940	3,611,193	3
Total Revenues from Sales of Water	46,704,057	45,764,386	44,890,288	44,244,330	38,247,753	4
Other Water Operating Revenues	2,015,288	1,786,082	1,867,594	2,082,871	1,086,338	5
Total Water Operating Revenues	\$48,719,345	\$47,550,468	\$46,757,882	\$46,327,201	\$39,334,091	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	6,999,043	9,031,750	8,237,521	9,471,600	7,985,616	8
Sales to Other Water Companies	1,454,389	448,465	424,528	521,083	1,621,344	9
Other Sales of Water	476,851					10
Total Sales of Water	8,930,283	9,480,215	8,662,049	9,992,683	9,606,960	11
AVG CUSTOMERS PER MONTH						
Sales to General Customers	67,901	67,907	67,883	67,886	67,834	13
Sales to Other Water Companies	5,707	5,754	5,744	5,701	5,367	14
Other Sales of Water	346	339	339	340	672	15
Total Customers	73,954	74,000	73,966	73,927	73,873	16
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$536.21	\$528.20	\$515.60	\$505.47	\$437.15	18
Average Consumption per Customer (T.Gal)	103.08	133.00	121.35	139.52	117.72	19
Average Revenue per T Gallons Sold	\$5.20	\$3.97	\$4.25	\$3.62	\$3.71	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	\$282,886	\$263,204	\$257,597	\$191,572	\$211,026	24
Power and Pumping	4,576,917	4,538,598	4,047,021	4,367,329	4,168,792	25
Purification	2,092,009	2,139,330	1,977,491	1,741,845	1,570,693	26
Transmission and Distribution	2,997,149	2,925,352	2,830,458	2,892,307	3,411,162	27
Customer Accounting and Collecting	1,709,161	1,733,560	1,657,067	1,392,285	1,410,834	28
Administrative and General	11,094,547	10,310,168	9,878,834	10,253,362	10,091,982	29
Total O & M Expense	\$22,752,668	\$21,910,212	\$20,648,468	\$20,838,699	\$20,864,489	30

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

	2011	2010	2009	2008	2007
1 Revenues	\$48,719,345	\$47,550,468	\$46,757,882	\$46,327,201	\$39,334,091
2 Sales (Thousands of Gallons)	8,930,283	9,480,215	8,662,049	9,992,683	9,606,960
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$3,499,924	\$3,518,464	\$3,129,715	\$3,084,516	\$2,997,782
4 Wages and Benefits	9,485,534	8,937,221	8,728,346	8,769,535	8,123,182
5 Other Operation and Maintenance Expense	9,767,209	9,454,528	8,790,407	8,984,648	9,743,525
6 Depreciation and Amortization Expense	3,633,354	3,375,222	3,316,187	3,330,738	2,995,213
7 Income Taxes-Operating	3,311,722	3,470,564	3,503,675	2,956,643	(1,011,194)
8 Other Taxes-Operating	11,427,376	11,385,019	11,512,735	12,570,215	12,689,517
9 Capital Costs	7,594,225	7,409,450	7,776,818	6,630,906	3,796,066
10 Total	\$48,719,345	\$47,550,468	\$46,757,882	\$46,327,201	\$39,334,091

	PERCENT OF REVENUES				
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	7.2	7.4	6.7	6.7	7.6
12 Wages and Benefits	19.5	18.8	18.7	18.9	20.7
13 Other Operation and Maintenance Expense	20.0	19.9	18.8	19.4	24.8
14 Depreciation and Amortization Expense	7.5	7.1	7.1	7.2	7.6
15 Income Taxes-Operating	6.8	7.3	7.5	6.4	(2.6)
16 Other Taxes-Operating	23.5	23.9	24.6	27.1	32.3
17 Capital Costs	15.6	15.6	16.6	14.3	9.7
18 Total	100.0	100.0	100.0	100.0	100.0

	DOLLARS PER THOUSAND GALLONS SOLD				
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.39	0.37	0.36	0.31	0.31
20 Wages and Benefits	1.06	0.94	1.01	0.88	0.85
21 Other Operation and Maintenance Expense	1.09	1.00	1.01	0.90	1.01
22 Depreciation and Amortization Expense	0.41	0.36	0.38	0.33	0.31
23 Income Taxes-Operating	0.37	0.37	0.40	0.30	-0.11
24 Other Taxes-Operating	1.28	1.20	1.33	1.26	1.32
25 Capital Costs	0.85	0.78	0.90	0.66	0.40
26 Total	5.46	5.02	5.40	4.64	4.09

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water					
Fuel for Pumping	2,351,597	2,386,612	2,153,626	2,319,771	2,306,729
Chemicals	1,148,327	1,131,852	976,089	764,746	691,053
Total PW, Fuel and Chemicals	3,499,924	3,518,464	3,129,715	3,084,516	2,997,782
Total - Ultimate Customers					

Wages and Benefits

Salaries	6,872,874	6,492,138	6,341,013	6,295,469	5,789,732
Pensions and Benefits	2,612,661	2,445,083	2,387,333	2,474,066	2,333,450
Total Wages and Benefits	9,485,534	8,937,221	8,728,346	8,769,535	8,123,182

Other Expenses

Total O&M Expenses	22,752,668	21,910,213	20,648,468	20,838,699	20,864,489
-Total PW, Fuel and Chemicals	3,499,924	3,518,464	3,129,715	3,084,516	2,997,782
-Wages and Benefits	9,485,534	8,937,221	8,728,346	8,769,535	8,123,182
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	9,767,209	9,454,528	8,790,407	8,984,648	9,743,525

Depreciation and Amortization

Depreciation Exp	3,633,354	3,375,222	3,316,187	3,330,738	2,995,213
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	3,633,354	3,375,222	3,316,187	3,330,738	2,995,213

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

Total PW, Fuel and Chemicals	3,499,924	3,518,464	3,129,715	3,084,516	2,997,782
divided by Total Gallons	8,930,283	9,480,215	8,662,049	9,992,683	9,606,960
Cost per KWH	0.0004	0.0004	0.0004	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,

	2011	2010	2009	2008	2007	
WATER UTILITY PLANT						
Plant in Service						
Intangible	\$148,580	\$148,580	\$591	\$257,232	\$257,232	1
Source of Supply	7,257,748	6,451,408	6,451,407	6,203,915	6,203,915	2
Pumping	11,400,790	10,848,961	10,661,389	10,028,257	9,664,848	3
Water Treatment	28,477,490	20,785,579	20,776,016	20,893,500	20,846,253	4
Transmission and Distribution	125,624,842	116,800,335	109,214,531	101,142,849	90,555,677	5
General	9,483,424	8,750,732	8,746,375	8,015,938	8,102,720	6
Purchased or Sold						7
Total Plant in Service	182,392,874	163,785,595	155,850,309	146,541,691	135,630,647	8
Plant Leased To Others						9
Construction Work In Progress	5,584,178	10,151,175	3,055,445	2,586,939	2,426,053	10
Plant Held For Future Use	110,933	110,933	110,933	110,933	110,933	11
Plant Acquisition Adjustments				885,558	885,558	12
Accum. Gains & Losses - Utility Land & Land Rights						13
Total Plant	188,087,985	174,047,703	159,016,687	150,125,121	139,053,191	14
Accum. Prov. - Depr. & Amort.	49,185,702	46,722,931	44,091,938	43,403,423	41,475,594	15
Net Plant	\$138,902,283	\$127,324,772	\$114,924,749	\$106,721,698	\$97,577,597	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.70	0.63	0.62	0.25	0.55	17
Total Capitalization	\$116,916,526	\$106,698,390	\$93,730,535	\$77,474,557	\$76,527,258	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	55.3%	55.1%	52.1%	50.2%	50.9%	19
Preferred Stock	1.0%	1.1%	1.2%	1.5%	1.5%	20
Common Stock & Retained Earnings	43.7%	43.9%	46.7%	48.3%	47.7%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	3.2	3.4	3.6	1.1	0.6	23
Com. Stock Dividends as a % of Earnings	72.4%	78.5%	77.0%	123.0%	-10.8%	24
Return on Common Equity	9.2%	10.3%	12.1%	6.7%	-1.3%	25
Internal Cash Generated as a % of Cash Outflows for Construction	73.8%	85.1%	76.1%	111.5%	-9.3%	26
CWIP as a % of Plant	3.0%	5.8%	1.9%	1.7%	1.7%	27
Number of Employees	88	90	90	90	90	28

Current Assets	7,048,284.74	7,200,455.00	6,707,401.87	5,324,043	8,964,748
Current Liabilities	10,025,858	11,470,649	10,752,065	21,064,151	16,355,926
Total Capitalization	116,916,526	106,698,390	93,730,535	77,474,557	76,527,258
Long-Term Debt	64,645,633	58,749,000	48,865,000	38,920,000	38,920,000
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)	51,145,893	46,824,390	43,740,535	37,429,557	36,482,258
Short-Term Debt					
Pretax Income	11,389,605	11,536,519	6,816,787	3,793,097	2,510,416
Interest Expense	3,521,120	3,363,564	1,914,642	3,429,509	3,946,216
Dividends Paid	3,262,000	3,651,000	3,777,000	3,035,000	51,000
Net Income (Excl. Preferred Stock Dividends)	4,506,137	4,651,765	4,902,144	2,467,650	(472,576)
Internal Cash	10,375,584	13,004,944	8,203,807	14,101,394	(1,219,245)
Cash Outflows for Construction	14,058,000	15,285,000	10,775,000	12,644,000	13,046,000
CWIP	5,584,178	10,151,175	3,055,445	2,586,939	2,426,053
Total Plant	188,087,985	174,047,703	159,016,687	150,125,121	139,053,191
Number of Employees	88	90	90	90	90
Salaries and Wages					

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$36,194,355	\$33,408,563	\$30,615,391	\$29,241,561	\$29,120,048
OTHER PROPERTY AND INVESTMENTS					
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
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	40,232	3,725	6,307	24,789	159,321
7 Notes and Accounts Receivables - Net	911,446	590,404	303,005	550,947	1,031,097
8 Receivables from Associated Companies					
9 Materials and Supplies	7,459	(247)			
10 Prepayments	304,976	297,285	282,253	274,468	197,327
11 Accrued Utility Revenue	1,949,942	1,701,690	1,492,673	1,514,563	1,422,745
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	3,214,055	2,592,857	2,084,237	2,364,767	2,810,490
DEFERRED DEBITS					
14 Unamort. Debt Expense					
15 Other Deferred Debits	3,560,783	2,905,112	1,480,512	1,853,424	1,465,393
16 Accumulated Deferred Income Taxes	(91,098)	552	382,412	34,247	151,699
17 Total Deferred Debits	3,469,685	2,905,664	1,862,924	1,887,671	1,617,092
18 Total Assets and Other Debits	\$43,117,097	\$39,146,085	\$34,801,554	\$33,733,000	\$33,786,632
PROPRIETARY CAPITAL					
19 Common Stock Issued	1,685,000	1,685,000	1,685,000	\$1,685,000	\$1,685,000
20 Preferred Stock Issued					
21 Other Paid-in Capital	24,029,495	21,829,495	20,429,495	20,399,495	19,299,495
22 Retained Earnings	6,972,586	6,009,375	4,475,706	4,356,060	4,335,046
23 Reacquired Capital Stock					
24 Total Proprietary Capital	32,687,081	29,523,870	26,590,201	26,440,555	25,319,541
LONG-TERM DEBT					
25 Long-Term Debt					
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable					
27 Accounts Payable	2,080,921	1,043,552	678,499	706,296	941,471
28 Payables to Associated Companies					
29 Customer Deposits	10,055	2,100	2,100	1,100	100
30 Taxes Accrued	(35,509)	(350,168)	(129,675)	85,609	675,129
31 Interest Accrued					
32 Matured Long-Term Debt					1,000,000
33 Misc Current and Accrued Liabilities	579,750	962,648	801,164	500,900	366,319
34 Total Current and Accrued Liabilities	2,635,217	1,658,132	1,352,088	1,293,905	2,983,019
DEFERRED CREDITS					
35 Customer Advances for Construction	225,900	428,924	319,093	303,284	1,175,693
36 Other Deferred Credits	131,955	52,602	54,066	55,530	217,471
37 Accumulated Deferred Investment Tax Credits	74,029	76,133	78,237	80,341	82,445
38 Accumulated Deferred Income Taxes	7,362,914	7,406,424	6,405,811	5,557,327	4,006,404
39 Total Deferred Credits	7,794,798	7,964,083	6,857,207	5,996,482	5,482,014
OPERATING RESERVES					
40 Operating Reserves			2,058	2,058	2,058
41 Total Liabilities and Other Credits	\$43,117,096	\$39,146,085	\$34,801,554	\$33,733,000	\$33,786,632

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$13,048,502	\$12,557,094	\$11,939,796	\$11,390,205	\$11,515,451	1
Operating Expense:						
Operation Expense	7,692,727	6,282,527	8,042,525	6,499,783	6,639,313	2
Maintenance Expense	343,376	444,183	489,039	301,122	223,659	3
Depreciation and Amortization Expense	874,843	786,674	727,863	692,959	681,825	4
Taxes Other than Income Taxes	1,774,192	1,768,670	1,626,501	1,554,411	1,486,168	5
Income Taxes	700,965	1,114,352	235,144	1,571,011	471,330	6
Total Operating Expenses	11,386,103	10,396,406	11,121,073	10,619,287	9,502,295	7
Net Operating Revenues	1,662,399	2,160,688	818,723	770,918	2,013,156	8
Other Utility Operating Income						9
Total Utility Operating Income	1,662,399	2,160,688	818,723	770,918	2,013,156	10
OTHER INCOME						
Interest and Dividend Income	12,763	64,047	7,195	17,866		11
Allowance for Funds Used During Construction	60,026	48,724	18,388	5,568	3,674	12
Miscellaneous Nonoperating Income	113,861	30,662	29,435	31,457	(287,941)	13
Other Income					260	14
Total Other Income	186,650	143,433	55,018	54,890	(284,007)	15
Other Income Deductions	2,334	7,099	7,294	4,455	2,169	16
Taxes-Other Income and Deductions						17
Income Available	1,846,715	2,297,022	866,448	821,353	1,726,980	18
INTEREST CHARGES						
Interest on Long-Term Debt					171,682	19
Interest on Debt to Associated Co.	876,818	763,186	746,801	800,262	710,728	20
Other Interest Expense	6,686	168		77	34,317	21
Total Interest Charges	883,504	763,354	746,801	800,339	916,727	22
Income Before Extraordinary Items	963,211	1,533,668	119,647	21,013	810,252	23
Net Extraordinary Items						24
Net Income	\$963,211	\$1,533,668	\$119,647	\$21,013	\$810,252	25
RETAINED EARNINGS						
Unappropriated (Beginning)	\$6,009,374	\$4,475,706	\$4,356,060	\$4,335,046	\$3,601,505	26
Balance Transferred from Income	963,211	1,533,668	119,647	21,013	810,252	27
Appropriated						28
Dividends Declared-Preferred Stock					76,711	29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings						31
Net Change	963,211	1,533,668	119,647	21,013	733,541	32
Unappropriated (EOP)	6,972,585	6,009,374	4,475,706	4,356,060	4,335,046	33
Appropriated (EOP)						34
Total Retained Earnings	\$6,972,585	\$6,009,374	\$4,475,706	\$4,356,060	\$4,335,046	35

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$963,211	\$1,533,668	\$119,647	\$21,013	\$810,252
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	874,843	786,674	727,863	692,959	691,258
3 Deferred Taxes & ITCs	46,036	1,380,369	498,215	1,666,271	84,197
4 Receivables and Inventory	(576,999)	(496,170)	269,833	388,332	(219,626)
5 Payables and Accrued Expenses	662,426	526,539	273,467	(99,594)	952,496
6 Capitalized AFUDC - Equity Funds	(60,026)	(48,724)	(18,388)	(5,568)	(3,674)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(655,671)	(1,424,599)	372,912	(388,031)	1,155,049
9 Accounts Payable		(1,464)	(1,464)	(161,941)	(1,232,949)
10 Other Current Liabilities	386,321	(237,583)	(223,071)	(666,660)	577,450
11 Net Cash From Operating Activities	<u>1,640,141</u>	<u>2,018,710</u>	<u>2,019,014</u>	<u>1,446,782</u>	<u>2,814,452</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(3,600,609)	(3,531,123)	(2,083,305)	(808,904)	(2,230,445)
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>(3,600,609)</u>	<u>(3,531,123)</u>	<u>(2,083,305)</u>	<u>(808,904)</u>	<u>(2,230,445)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	1,996,976	1,509,831	45,809	(772,409)	652,024
25 Common Stock					
26 Preferred Stock					(1,000,000)
27 Short-Term Debt					
28 Dividends Paid					(76,711)
29 Other Cash Flows - Financing Activities					
30					
31					
32 Net Cash From Financing Activities	<u>1,996,976</u>	<u>1,509,831</u>	<u>45,809</u>	<u>(772,409)</u>	<u>(424,687)</u>
33 Net Increase/(Decrease) In Cash Equivalents	36,508	(2,582)	(18,482)	(134,531)	159,321
34 Cash & Cash Equivalents At Beginning Of Year	3,725	6,307	24,789	159,321	
35 Cash & Cash Equivalents At End Of Year	\$40,233	\$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,

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$11,463,920	\$9,932,414	\$9,180,416	\$9,345,991	\$10,601,095	1
Sales to Other Water Companies						2
Other Sales of Water	482,790	2,624,681	2,759,380	2,044,214	914,356	3
Total Revenues from Sales of Water	11,946,710	12,557,095	11,939,796	11,390,205	11,515,451	4
Other Water Operating Revenues	1,101,791					5
						6
Total Water Operating Revenues	\$13,048,501	\$12,557,095	\$11,939,796	\$11,390,205	\$11,515,451	7
WATER SALES (Thousands of Gallons)						
Sales to General Customers	1,919,903	1,985,025	1,843,459	1,887,234	2,003,849	8
Sales to Other Water Companies						9
Other Sales of Water	116,274	116,907	99,882	91,549	97,425	10
						11
Total Sales of Water	2,036,177	2,101,932	1,943,341	1,978,783	2,101,274	12
AVG CUSTOMERS PER MONTH						
Sales to General Customers	12,140	12,170	12,131	12,115	12,132	13
Sales to Other Water Companies						14
Other Sales of Water	86	110	90	111	111	15
						16
Total Customers	12,226	12,280	12,221	12,226	12,243	17
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$944.31	\$816.14	\$756.77	\$771.44	\$873.81	18
Average Consumption per Customer (T.Gal)	158.15	163.11	151.96	155.78	165.17	19
Average Revenue per T Gallons Sold	\$5.97	\$5.00	\$4.98	\$4.95	\$5.29	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	\$5,569,800	\$4,439,044	\$5,924,059	\$4,444,128	\$4,242,719	24
Power and Pumping	286,938	285,196	237,190	272,766	170,294	25
Purification	30,047	37,125	77,898	83,967	53,690	26
Transmission and Distribution	468,239	611,005	820,959	565,744	458,265	27
Customer Accounting and Collecting	506,948	486,259	669,220	483,670	178,866	28
Administrative and General	1,174,129	868,080	802,238	950,630	1,759,137	29
Total O & M Expense	\$8,036,101	\$6,726,709	\$8,531,564	\$6,800,905	\$6,862,972	30

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

	2011	2010	2009	2008	2007
1 Revenues	\$13,048,501	\$12,557,095	\$11,939,796	\$11,390,205	\$11,515,451
2 Sales (Thousands of Gallons)	2,036,177	2,101,932	1,943,341	1,978,783	2,101,274
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$5,590,371	\$4,440,104	\$5,926,750	\$4,448,733	\$4,245,870
4 Wages and Benefits	736,856	572,834	763,230	754,585	466,472
5 Other Operation and Maintenance Expense	1,708,876	1,713,772	1,841,584	1,597,587	2,150,629
6 Depreciation and Amortization Expense	874,843	786,674	727,863	692,959	681,825
7 Income Taxes-Operating	700,965	1,114,352	235,144	1,571,011	471,330
8 Other Taxes-Operating	1,774,192	1,768,670	1,626,501	1,554,411	1,486,168
9 Capital Costs	1,662,398	2,160,689	818,723	770,918	2,013,156
10 Total	\$13,048,501	\$12,557,095	\$11,939,796	\$11,390,205	\$11,515,451

PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	42.8	35.4	49.6	39.1	36.9
12 Wages and Benefits	5.6	4.6	6.4	6.6	4.1
13 Other Operation and Maintenance Expense	13.1	13.6	15.4	14.0	18.7
14 Depreciation and Amortization Expense	6.7	6.3	6.1	6.1	5.9
15 Income Taxes-Operating	5.4	8.9	2.0	13.8	4.1
16 Other Taxes-Operating	13.6	14.1	13.6	13.6	12.9
17 Capital Costs	12.7	17.2	6.9	6.8	17.5
18 Total	100.0	100.0	100.0	100.0	100.0

DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	2.75	2.11	3.05	2.25	2.02
20 Wages and Benefits	0.36	0.27	0.39	0.38	0.22
21 Other Operation and Maintenance Expense	0.84	0.82	0.95	0.81	1.02
22 Depreciation and Amortization Expense	0.43	0.37	0.37	0.35	0.32
23 Income Taxes-Operating	0.34	0.53	0.12	0.79	0.22
24 Other Taxes-Operating	0.87	0.84	0.84	0.79	0.71
25 Capital Costs	0.82	1.03	0.42	0.39	0.96
26 Total	6.41	5.97	6.14	5.76	5.48

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water	5,547,786	4,402,363	5,894,449	4,395,321	4,221,511
Fuel for Pumping	42,585	37,741	32,301	53,413	24,359
Chemicals					

Total PW, Fuel and Chemicals 5,590,371 4,440,104 5,926,750 4,448,733 4,245,870

Total - Ultimate Customers 5,590,371 4,440,104 5,926,750 4,448,733 4,245,870

Wages and Benefits

Salaries	674,410	663,976	879,343	754,585	410,426
Pensions and Benefits	62,446	(91,142)	(116,113)		56,046
Total Wages and Benefits	736,856	572,834	763,230	754,585	466,472

Other Expenses

Total O&M Expenses	8,036,103	6,726,710	8,531,564	6,800,905	6,862,972
-Total PW, Fuel and Chemicals	5,590,371	4,440,104	5,926,750	4,448,733	4,245,870
-Wages and Benefits	736,856	572,834	763,230	754,585	466,472
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	1,708,876	1,713,772	1,841,584	1,597,587	2,150,629

Depreciation and Amortization

Depreciation Exp	874,843	786,674	727,863	692,959	681,825
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	874,843	786,674	727,863	692,959	681,825

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

Total PW, Fuel and Chemicals	5,590,371	4,440,104	5,926,750	4,448,733	4,245,870
divided by Total Gallons	2,036,177	2,101,932	1,943,341	1,978,783	2,101,274
Cost per KWH	0.0027	0.0021	0.0030	0.0022	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,**

	2011	2010	2009	2008	2007	
WATER UTILITY PLANT						
Plant in Service						
Intangible						1
Source of Supply	\$71,288	\$71,288	\$71,288	\$71,288	\$71,288	2
Pumping	1,685,893	1,441,020	1,416,752	1,416,752	1,413,754	3
Water Treatment						4
Transmission and Distribution	41,314,490	39,276,848	36,264,960	35,085,028	34,411,429	5
General	2,546,341	2,169,595	1,851,723	1,569,643	1,118,017	6
Purchased or Sold						7
Total Plant in Service	45,618,012	42,958,751	39,604,723	38,142,712	37,014,488	8
Plant Leased To Others						9
Construction Work In Progress	1,156,744	764,600	718,738	739,357	1,107,308	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights						13
Total Plant	46,774,756	43,723,351	40,323,461	38,882,068	38,121,796	14
Accum. Prov. - Depr. & Amort.	10,580,401	10,314,788	9,708,070	9,640,508	9,001,748	15
Net Plant	\$36,194,355	\$33,408,563	\$30,615,391	\$29,241,561	\$29,120,048	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.22	1.56	1.54	1.83	0.94	17
Total Capitalization	\$32,687,081	\$29,523,870	\$26,590,201	\$26,440,555	\$25,319,541	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					3.9%	22
Pretax Coverage of Interest Expense	2.9	4.5	1.5	3.0	2.4	23
Com. Stock Dividends as a % of Earnings					9.5%	24
Return on Common Equity	3.1%	10.4%	0.5%	0.1%	4.4%	25
Internal Cash Generated as a % of Cash Outflows for Construction	45.6%	57.2%	96.9%	178.9%	126.2%	26
CWIP as a % of Plant	2.5%	1.7%	1.8%	1.9%	2.9%	27
Number of Employees						28

Current Assets	3,214,055	2,592,857	2,084,237	2,364,767	2,810,490
Current Liabilities	2,635,217	1,658,132	1,352,088	1,293,905	2,983,019
Total Capitalization	32,687,081	29,523,870	26,590,201	26,440,555	25,319,541
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	32,687,081	29,523,870	26,590,201	26,440,555	25,319,541
Short-Term Debt					1,000,000
Pretax Income	2,550,013	3,418,473	1,108,886	2,396,819	2,200,479
Interest Expense	883,504	763,354	746,801	800,339	916,727
Dividends Paid					76,711
Net Income (Excl. Preferred Stock Dividends)	963,209	1,533,667	119,647	21,013	810,252
Internal Cash	1,640,141	2,018,710	2,019,014	1,446,782	2,814,452
Cash Outflows for Construction	3,600,609	3,531,123	2,083,305	808,904	2,230,445
CWIP	1,156,744	764,600	718,738	739,357	1,107,308
Total Plant	46,774,756	43,723,351	40,323,461	38,882,068	38,121,796
Number of Employees					
Salaries and Wages					

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$48,519,161	\$47,905,176	\$45,902,394	\$44,597,092	\$42,821,647
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	750	750	2,337,381	3,339,745	6,100,303
7 Notes and Accounts Receivables - Net	1,814,130	2,408,455	1,876,957	2,750,524	2,655,750
8 Receivables from Associated Companies	9,280,674	3,562,966			
9 Materials and Supplies	251,258	269,121	277,402	289,104	284,288
10 Prepayments	51,601	39,615	1,323,829	1,481,924	1,205,058
11 Accrued Utility Revenue	2,329,252	2,364,299	1,134,910	1,302,395	1,490,753
12 Misc Current and Accrued Assets		1,517,526			
13 Total Current and Accrued Assets	13,727,665	10,162,732	6,950,479	9,163,692	11,736,152
DEFERRED DEBITS					
14 Unamort. Debt Expense	959,515	1,052,688	1,145,861	1,239,035	1,332,208
15 Other Deferred Debits	35,473,225	36,016,227	35,552,034	29,553,327	24,987,329
16 Accumulated Deferred Income Taxes					
17 Total Deferred Debits	36,432,740	37,068,915	36,697,895	30,792,362	26,319,537
18 Total Assets and Other Debits	\$98,679,566	\$95,136,823	\$89,550,768	\$84,553,146	\$80,877,336
PROPRIETARY CAPITAL					
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	2,133,733	2,079,739	2,050,285	2,016,078	1,994,753
22 Retained Earnings	32,354,808	30,054,123	29,421,464	27,750,909	25,761,600
23 Reacquired Capital Stock					
24 Total Proprietary Capital	38,163,011	35,808,332	35,146,219	33,441,457	31,430,823
LONG-TERM DEBT					
25 Long-Term Debt	23,298,080	23,223,560	23,149,040	23,074,520	23,000,000
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable					
27 Accounts Payable	561,568	389,466	506,076	489,740	420,708
28 Payables to Associated Companies					639,299
29 Customer Deposits					35,845
30 Taxes Accrued	272,360		41,868	(57,865)	(67,331)
31 Interest Accrued	325,858	270,792	272,427	326,645	685,736
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	2,251,754	2,997,616	61,073	1,784,472	1,790,812
34 Total Current and Accrued Liabilities	3,411,540	3,657,874	881,444	2,542,992	3,505,069
DEFERRED CREDITS					
35 Customer Advances for Construction	12,996	13,272			
36 Other Deferred Credits	21,106,434	20,109,392	19,184,157	17,038,672	15,161,501
37 Accumulated Deferred Investment Tax Credits					
38 Accumulated Deferred Income Taxes	12,687,505	12,324,393	11,189,908	8,455,505	7,779,943
39 Total Deferred Credits	33,806,935	32,447,057	30,374,065	25,494,177	22,941,444
OPERATING RESERVES					
40 Operating Reserves					
41 Total Liabilities and Other Credits	\$98,679,566	\$95,136,823	\$89,550,768	\$84,553,146	\$80,877,336

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$27,258,288	\$27,478,959	\$23,428,175	\$23,553,737	\$23,419,974	1
Operating Expense:						
Operation Expense	9,019,286	9,293,490	9,033,288	8,774,981	7,471,638	2
Maintenance Expense	1,476,697	1,576,844	1,581,126	1,647,236	1,710,898	3
Depreciation and Amortization Expense	2,204,227	2,063,630	1,964,521	1,888,135	1,817,511	4
Taxes Other than Income Taxes	8,165,489	8,175,200	6,540,840	6,470,050	6,460,595	5
Income Taxes	1,564,399	1,633,240	1,246,353	1,350,675	1,502,216	6
Total Operating Expenses	22,430,098	22,742,404	20,366,128	20,131,077	18,962,858	7
Net Operating Revenues	4,828,190	4,736,555	3,062,047	3,422,660	4,457,116	8
Other Utility Operating Income						9
Total Utility Operating Income	4,828,190	4,736,555	3,062,047	3,422,660	4,457,116	10
OTHER INCOME						
Interest and Dividend Income			562	40,199	188,854	11
Allowance for Funds Used During Construction	16,622	27,560	40,986	20,527	60,144	12
Miscellaneous Nonoperating Income		11,553	60,241	13,658		13
Other Income	(4,992)	(26,670)	(10,820)	(25,274)	(34,131)	14
Total Other Income	11,630	12,443	90,969	49,110	214,867	15
Other Income Deductions	1,096,588	1,023,146	89,268	89,268	89,268	16
Taxes-Other Income and Deductions						17
Income Available	3,743,232	3,725,852	3,063,748	3,382,502	4,582,715	18
INTEREST CHARGES						
Interest on Long-Term Debt	1,393,193	1,393,193	1,393,193	1,393,193	1,393,193	19
Interest on Debt to Associated Co.						20
Other Interest Expense	49,354				634,604	21
Total Interest Charges	1,442,547	1,393,193	1,393,193	1,393,193	2,027,797	22
Income Before Extraordinary Items	2,300,685	2,332,659	1,670,555	1,989,309	2,554,918	23
Net Extraordinary Items						24
Net Income	\$2,300,685	\$2,332,659	\$1,670,555	\$1,989,309	\$2,554,918	25
RETAINED EARNINGS						
Unappropriated (Beginning)	\$30,054,123	\$29,421,464	\$27,750,909	\$25,761,600	\$13,626,383	26
Balance Transferred from Income	2,300,685	2,332,659	1,670,555	1,989,309	2,554,918	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock		1,700,000				30
Adjustments to Retained Earnings					9,580,299	31
Net Change	2,300,685	632,659	1,670,555	1,989,309	12,135,217	32
Unappropriated (EOP)	32,354,808	30,054,123	29,421,464	27,750,909	25,761,600	33
Appropriated (EOP)						34
Total Retained Earnings	\$32,354,808	\$30,054,123	\$29,421,464	\$27,750,909	\$25,761,600	35

Notes:

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$2,300,685	\$2,332,659	\$1,670,555	\$1,989,309	\$2,554,918
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	3,284,587	3,164,543	2,131,082	2,045,523	1,978,859
3 Deferred Taxes & ITCs	363,112	1,134,485	2,734,403	675,562	(4,213,237)
4 Receivables and Inventory	748,679	(600,984)	800,689	(160,423)	(176,461)
5 Payables and Accrued Expenses	499,528	1,258,904	(1,661,556)	(962,077)	2,564,912
6 Capitalized AFUDC - Equity Funds	(16,622)	(27,560)	(40,986)	(20,527)	(60,144)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(4,615,055)	(2,489,737)	2,564,239	252,749	755,269
9				1,629,087	
10					
11 Net Cash From Operating Activities	<u>2,564,914</u>	<u>4,772,310</u>	<u>8,198,426</u>	<u>5,449,203</u>	<u>3,404,116</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(2,693,428)	(4,025,580)	(3,228,837)	(3,643,053)	(2,522,198)
13 Acquisition Of Other Non-Current Assets		(1,487,339)	(6,087,967)	(4,655,266)	(7,877,280)
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>(2,693,428)</u>	<u>(5,512,919)</u>	<u>(9,316,804)</u>	<u>(8,298,319)</u>	<u>(10,399,478)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	74,520	74,520	74,520	74,520	(460,000)
25 Common Stock					
26 Preferred Stock					
27 Short-Term Debt					
28 Dividends Paid		(1,700,000)			
29 Other Cash Flows - Financing Activities	53,994	29,458	34,207	21,325	9,590,195
30					
31					
32 Net Cash From Financing Activities	<u>128,514</u>	<u>(1,596,022)</u>	<u>108,727</u>	<u>95,845</u>	<u>9,130,195</u>
33 Net Increase/(Decrease) In Cash Equivalents		(2,336,631)	(1,009,651)	(2,753,271)	2,134,833
34 Cash & Cash Equivalents At Beginning Of Year	750	2,337,381	3,347,032	6,100,303	3,965,470
35 Cash & Cash Equivalents At End Of Year	\$750	\$750	\$2,337,381	\$3,347,032	\$6,100,303

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$22,549,752	\$22,440,422	\$19,813,142	\$19,786,204	\$19,617,958	1
Sales to Other Water Companies	2,219,976	2,556,073	1,693,353	1,995,670	1,938,704	2
Other Sales of Water	2,488,560	1,866,738	1,619,963	1,614,931	1,605,824	3
Total Revenues from Sales of Water	27,258,288	26,863,233	23,126,458	23,396,805	23,162,486	4
Other Water Operating Revenues		615,726	301,717	156,932	257,488	5
Total Water Operating Revenues	\$27,258,288	\$27,478,959	\$23,428,175	\$23,553,737	\$23,419,974	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	4,500,361	5,003,189	4,193,501	5,585,387	5,231,585	8
Sales to Other Water Companies	666,933	884,377	721,820			9
Other Sales of Water						10
Total Sales of Water	5,167,294	5,887,566	4,915,321	5,585,387	5,231,585	11
AVG CUSTOMERS PER MONTH						
Sales to General Customers	43,027	42,992	42,825	43,876	43,816	13
Sales to Other Water Companies	1,225	1,150	1,067			14
Other Sales of Water	315	309	281	274	269	15
Total Customers	44,567	44,451	44,173	44,150	44,085	16
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$524.08	\$521.97	\$462.65	\$450.96	\$447.74	18
Average Consumption per Customer (T.Gal)	104.59	116.37	97.92	127.30	119.40	19
Average Revenue per T Gallons Sold	\$5.01	\$4.49	\$4.72	\$3.54	\$3.75	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	\$216,965	\$185,181	\$176,829	\$179,843	\$186,016	24
Power and Pumping	1,808,996	1,943,129	1,695,592	1,830,784	1,870,657	25
Purification	1,203,485	1,302,584	1,163,197	1,254,947	1,225,990	26
Transmission and Distribution	1,287,689	1,407,317	1,399,929	1,375,150	1,429,040	27
Customer Accounting and Collecting	260,017	703,713	818,643	908,691	930,607	28
Administrative and General	5,718,831	5,328,408	5,360,224	4,872,802	3,540,226	29
Total O & M Expense	\$10,495,983	\$10,870,332	\$10,614,414	\$10,422,217	\$9,182,536	30

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

	2011	2010	2009	2008	2007
1 Revenues	\$27,258,288	\$27,478,959	\$23,428,175	\$23,553,737	\$23,419,974
2 Sales (Thousands of Gallons)	5,167,294	5,887,566	4,915,321	5,585,387	5,231,585
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$2,096,636	\$2,281,201	\$1,957,665	\$2,118,263	\$2,140,769
4 Wages and Benefits	4,635,953	4,810,671	5,342,242	5,305,476	4,772,822
5 Other Operation and Maintenance Expense	3,763,394	3,778,460	3,314,507	2,998,478	2,268,945
6 Depreciation and Amortization Expense	2,204,227	2,063,630	1,964,521	1,888,135	1,817,511
7 Income Taxes-Operating	1,564,399	1,633,240	1,246,353	1,350,675	1,502,216
8 Other Taxes-Operating	8,165,489	8,175,200	6,540,840	6,470,050	6,460,595
9 Capital Costs	4,828,190	4,736,557	3,062,047	3,422,660	4,457,116
10 Total	\$27,258,288	\$27,478,959	\$23,428,175	\$23,553,737	\$23,419,974
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	7.7	8.3	8.4	9.0	9.1
12 Wages and Benefits	17.0	17.5	22.8	22.5	20.4
13 Other Operation and Maintenance Expense	13.8	13.8	14.1	12.7	9.7
14 Depreciation and Amortization Expense	8.1	7.5	8.4	8.0	7.8
15 Income Taxes-Operating	5.7	5.9	5.3	5.7	6.4
16 Other Taxes-Operating	30.0	29.8	27.9	27.5	27.6
17 Capital Costs	17.7	17.2	13.1	14.5	19.0
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.41	0.39	0.40	0.38	0.41
20 Wages and Benefits	0.90	0.82	1.09	0.95	0.91
21 Other Operation and Maintenance Expense	0.73	0.64	0.67	0.54	0.43
22 Depreciation and Amortization Expense	0.43	0.35	0.40	0.34	0.35
23 Income Taxes-Operating	0.30	0.28	0.25	0.24	0.29
24 Other Taxes-Operating	1.58	1.39	1.33	1.16	1.23
25 Capital Costs	0.93	0.80	0.62	0.61	0.85
26 Total	5.28	4.67	4.77	4.22	4.48

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water					
Fuel for Pumping	1,466,898	1,600,918	1,368,421	1,472,681	1,492,979
Chemicals	629,738	680,283	589,244	645,582	647,790
Total PW, Fuel and Chemicals	2,096,636	2,281,201	1,957,665	2,118,263	2,140,769
Total - Ultimate Customers	2,096,636	2,281,201	1,957,665	2,118,263	2,140,769

Wages and Benefits

Salaries	2,932,095	3,293,072	3,324,854	3,375,797	3,534,308
Pensions and Benefits	1,703,858	1,517,599	2,017,388	1,929,679	1,238,514
Total Wages and Benefits	4,635,953	4,810,671	5,342,242	5,305,476	4,772,822

Other Expenses

Total O&M Expenses	10,495,983	10,870,332	10,614,414	10,422,217	9,182,536
-Total PW, Fuel and Chemicals	2,096,636	2,281,201	1,957,665	2,118,263	2,140,769
-Wages and Benefits	4,635,953	4,810,671	5,342,242	5,305,476	4,772,822
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	3,763,394	3,778,460	3,314,507	2,998,478	2,268,945

Depreciation and Amortization

Depreciation Exp	2,204,227	2,063,630	1,964,521	1,888,135	1,817,511
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	2,204,227	2,063,630	1,964,521	1,888,135	1,817,511

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

Total PW, Fuel and Chemicals	2,096,636	2,281,201	1,957,665	2,118,263	2,140,769
divided by Total Gallons	5,167,294	5,887,566	4,915,321	5,585,387	5,231,585
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,

	2011	2010	2009	2008	2007	
WATER UTILITY PLANT						
Plant in Service						
Intangible	\$31,152	\$31,152	\$31,152	\$31,152	\$31,152	1
Source of Supply	4,593,935	2,980,692	2,650,292	2,422,964	2,312,551	2
Pumping	14,648,077	14,561,266	14,460,853	14,438,718	14,438,718	3
Water Treatment	10,646,194	10,479,332	10,337,329	10,047,332	9,959,199	4
Transmission and Distribution	47,809,878	46,711,680	45,003,321	42,827,628	40,339,798	5
General	5,820,673	5,232,160	4,474,487	4,083,903	3,615,326	6
Purchased or Sold						7
Total Plant in Service	83,549,909	79,996,181	76,957,434	73,851,697	70,696,744	8
Plant Leased To Others						9
Construction Work In Progress	645,622	1,489,576	516,737	589,366	369,064	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights						13
Total Plant	84,195,531	81,485,757	77,474,171	74,441,063	71,065,808	14
Accum. Prov. - Depr. & Amort.	35,676,370	33,580,581	31,571,777	29,843,971	28,244,161	15
Net Plant	\$48,519,161	\$47,905,176	\$45,902,394	\$44,597,092	\$42,821,647	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	4.02	2.78	7.89	3.60	3.35	17
Total Capitalization	\$61,461,091	\$59,031,892	\$58,295,259	\$56,515,977	\$54,430,823	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	37.9%	39.3%	39.7%	40.8%	42.3%	19
Preferred Stock						20
Common Stock & Retained Earnings	62.1%	60.7%	60.3%	59.2%	57.7%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	4.4	4.6	3.2	3.5	3.0	23
Com. Stock Dividends as a % of Earnings		72.9%				24
Return on Common Equity	6.2%	6.6%	4.9%	6.1%	10.1%	25
Internal Cash Generated as a % of Cash Outflows for Construction	95.2%	118.5%	253.9%	149.6%	135.0%	26
CWIP as a % of Plant	0.8%	1.8%	0.7%	0.8%	0.5%	27
Number of Employees	41	42	50	58	61	28

Current Assets	13,727,665.00	10,162,732.00	6,950,479.00	9,163,692	11,736,152
Current Liabilities	3,411,540	3,657,874	881,444	2,542,992	3,505,069
Total Capitalization	61,461,091	59,031,892	58,295,259	56,515,977	54,430,823
Long-Term Debt	23,298,080	23,223,560	23,149,040	23,074,520	23,000,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	38,163,011	35,808,332	35,146,219	33,441,457	31,430,823
Short-Term Debt					
Pretax Income	6,404,219	6,382,238	4,399,369	4,822,445	6,174,199
Interest Expense	1,442,547	1,393,193	1,393,193	1,393,193	2,027,797
Dividends Paid		1,700,000			
Net Income (Excl. Preferred Stock Dividends)	2,300,685	2,332,659	1,670,555	1,989,309	2,554,918
Internal Cash	2,564,914	4,772,310	8,198,426	5,449,203	3,404,116
Cash Outflows for Construction	2,693,428	4,025,580	3,228,837	3,643,053	2,522,198
CWIP	645,622	1,489,576	516,737	589,366	369,064
Total Plant	84,195,531	81,485,858	77,474,171	74,441,063	71,065,808
Number of Employees	41	42	50	58	61
Salaries and Wages					

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$9,456,827	\$9,357,747	\$8,856,427	\$7,266,722	\$7,034,608
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents			(614,032)	541,332	1,621,870
7 Notes and Accounts Receivables - Net	283,143	256,600	199,416	408,172	469,368
8 Receivables from Associated Companies		276,594			
9 Materials and Supplies	48,486	37,296	48,002	59,228	65,528
10 Prepayments	47,653	38,070	39,248	39,552	44,530
11 Accrued Utility Revenue	401,069	451,327	336,674	203,006	190,348
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	780,351	1,059,887	9,308	1,251,290	2,391,644
DEFERRED DEBITS					
14 Unamort. Debt Expense					
15 Other Deferred Debits	1,996,608	1,953,410	1,790,389	1,682,538	1,688,975
16 Accumulated Deferred Income Taxes					
17 Total Deferred Debits	1,996,608	1,953,410	1,790,389	1,682,538	1,688,975
18 Total Assets and Other Debits	\$12,233,786	\$12,371,044	\$10,656,124	\$10,200,550	\$11,115,227
PROPRIETARY CAPITAL					
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	2,017,959	5,817,959
22 Retained Earnings	3,189,985	2,953,075	2,318,465	1,926,957	1,603,066
23 Reacquired Capital Stock					
24 Total Proprietary Capital	5,232,894	4,995,984	4,361,374	3,969,866	7,445,975
LONG-TERM DEBT					
25 Long-Term Debt	3,800,000	3,800,000	3,800,000	3,800,000	
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable					
27 Accounts Payable	2,975	173,000	15,664	5,371	57,015
28 Payables to Associated Companies	74,370				1,422,666
29 Customer Deposits					
30 Taxes Accrued	(133,607)	264,381	(82,398)	299,868	289,527
31 Interest Accrued		15,311	7,655		
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	419,671	446,982	354,518	378,893	329,799
34 Total Current and Accrued Liabilities	363,409	899,674	295,439	684,132	2,099,007
DEFERRED CREDITS					
35 Customer Advances for Construction	28,698	63,438	63,438	63,438	34,741
36 Other Deferred Credits	665,658	658,172	328,230	137,473	118,705
37 Accumulated Deferred Investment Tax Credits		46,300	46,300	46,300	46,300
38 Accumulated Deferred Income Taxes	2,143,127	1,907,476	1,761,343	1,499,341	1,370,499
39 Total Deferred Credits	2,837,483	2,675,386	2,199,311	1,746,552	1,570,245
OPERATING RESERVES					
40 Operating Reserves					
41 Total Liabilities and Other Credits	\$12,233,786	\$12,371,044	\$10,656,124	\$10,200,550	\$11,115,227

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$2,780,840	\$3,115,777	\$2,487,332	\$2,630,873	\$2,782,802	1
Operating Expense:						
Operation Expense	692,231	701,207	775,251	926,823	869,618	2
Maintenance Expense	121,218	88,849	144,707	127,785	98,666	3
Depreciation and Amortization Expense	271,593	244,540	200,861	175,316	184,872	4
Taxes Other than Income Taxes	1,160,712	882,574	689,148	615,018	612,672	5
Income Taxes	83,755	445,149	308,624	211,894	348,560	6
Total Operating Expenses	2,329,509	2,362,319	2,118,591	2,056,836	2,114,388	7
Net Operating Revenues	451,331	753,458	368,741	574,037	668,414	8
Other Utility Operating Income						9
Total Utility Operating Income	451,331	753,458	368,741	574,037	668,414	10
OTHER INCOME						
Interest and Dividend Income						11
Allowance for Funds Used During Construction	1,978	907	70,419	20,943	12,678	12
Miscellaneous Nonoperating Income			(50)	(5,060)		13
Other Income	1,970		3,650			14
Total Other Income	3,948	907	74,019	15,883	12,678	15
Other Income Deductions	1,368	1,988	1,078	1,176	784	16
Taxes-Other Income and Deductions						17
Income Available	453,911	752,377	441,682	588,744	680,308	18
INTEREST CHARGES						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	192,022	101,324	21,104	246,085	113,129	20
Other Interest Expense	24,979	16,443	29,070	18,768		21
Total Interest Charges	217,001	117,767	50,174	264,853	113,129	22
Income Before Extraordinary Items	236,910	634,610	391,508	323,891	567,179	23
Net Extraordinary Items						24
Net Income	\$236,910	\$634,610	\$391,508	\$323,891	\$567,179	25
RETAINED EARNINGS						
Unappropriated (Beginning)	\$2,953,075	\$2,318,465	\$1,926,957	\$1,603,066	\$2,976,288	26
Balance Transferred from Income	236,910	634,610	391,508	323,891	567,179	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings					(1,940,401)	31
Net Change	236,910	634,610	391,508	323,891	(1,373,222)	32
Unappropriated (EOP)	3,189,985	2,953,075	2,318,465	1,926,957	1,603,066	33
Appropriated (EOP)						34
Total Retained Earnings	\$3,189,985	\$2,953,075	\$2,318,465	\$1,926,957	\$1,603,066	35

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$236,910	\$634,610	\$391,508	\$323,891	\$567,179
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	272,961	244,540	200,861	175,316	184,872
3 Deferred Taxes & ITCs	243,137	476,075	452,759	147,610	(381,574)
4 Receivables and Inventory	16,878	(160,786)	88,355	60,612	(836,655)
5 Payables and Accrued Expenses	(571,005)	604,235	(388,693)	2,409,051	1,968,649
6 Capitalized AFUDC - Equity Funds	(1,978)	(907)	(70,419)	6,437	(12,678)
7 Equity In Loss (Earnings) Of Affiliates					(1,232,782)
8 Other Adjustments	(4,353)	(163,021)	(107,851)	(20,943)	(2,573)
9	(9,583)	(345)	(2,041)	(796)	(2,695)
10	(29,410)	1,178	304	(3,795,229)	
11 Net Cash From Operating Activities	<u>153,557</u>	<u>1,635,579</u>	<u>564,783</u>	<u>(694,051)</u>	<u>251,743</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(153,557)	(744,953)	(1,720,147)	(386,487)	(245,168)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					57,033
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>(153,557)</u>	<u>(1,021,547)</u>	<u>(1,720,147)</u>	<u>(386,487)</u>	<u>(188,135)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt					
25 Common Stock					
26 Preferred Stock				3,800,000	
27 Short-Term Debt					(2,000,000)
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>
33 Net Increase/(Decrease) In Cash Equivalents		614,032	(1,155,364)	(1,080,538)	1,621,670
34 Cash & Cash Equivalents At Beginning Of Year		(614,032)	541,332	1,621,870	200
35 Cash & Cash Equivalents At End Of Year			(\$614,032)	\$541,332	\$1,621,870

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$1,639,809	\$1,935,426	\$1,651,069	\$1,729,251	\$2,250,303	1
Sales to Other Water Companies	350,189	421,080	389,155	378,691		2
Other Sales of Water	321,621	322,032	318,838	301,383	301,294	3
Total Revenues from Sales of Water	2,311,619	2,678,538	2,359,062	2,409,325	2,551,597	4
Other Water Operating Revenues	469,221	437,240	128,270	221,548	231,205	5
Total Water Operating Revenues	\$2,780,840	\$3,115,778	\$2,487,332	\$2,630,873	\$2,782,802	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	355,522	323,739	399,651	472,539	480,959	8
Sales to Other Water Companies	82,495	75,912				9
Other Sales of Water						10
Total Sales of Water	438,017	399,651	399,651	472,539	480,959	11
AVG CUSTOMERS PER MONTH						
Sales to General Customers	3,949	3,953	3,947	4,325	4,227	13
Sales to Other Water Companies	375	379	376			14
Other Sales of Water	48	50	50	17	17	15
Total Customers	4,372	4,382	4,373	4,342	4,244	16
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$415.25	\$489.61	\$418.31	\$399.83	\$532.36	18
Average Consumption per Customer (T.Gal)	90.03	81.90	101.25	109.26	113.78	19
Average Revenue per T Gallons Sold	\$4.61	\$5.98	\$4.13	\$3.66	\$4.68	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	\$7,447	\$10,432	\$12,326	\$8,143	\$10,021	24
Power and Pumping	198,485	179,676	196,849	187,879	177,569	25
Purification	59,063	57,247	82,516	100,920	103,027	26
Transmission and Distribution	102,096	94,241	149,240	135,068	125,527	27
Customer Accounting and Collecting	56,259	44,501	63,036	49,682	84,171	28
Administrative and General	390,100	403,959	415,991	572,916	467,969	29
Total O & M Expense	\$813,450	\$790,056	\$919,958	\$1,054,608	\$968,284	30

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

	2011	2010	2009	2008	2007
1 Revenues	\$2,780,840	\$3,115,778	\$2,487,332	\$2,630,873	\$2,782,802
2 Sales (Thousands of Gallons)	438,017	399,651	399,651	472,539	480,959
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$200,471	\$193,474	\$220,204	\$236,734	\$237,637
4 Wages and Benefits	316,924	299,155	394,775	537,923	499,053
5 Other Operation and Maintenance Expense	813,450	297,427	304,979	279,951	231,594
6 Depreciation and Amortization Expense	271,593	244,540	200,861	175,316	184,872
7 Income Taxes-Operating	83,755	445,149	308,624	211,894	348,560
8 Other Taxes-Operating	1,160,712	882,574	689,148	615,018	612,672
9 Capital Costs	(66,065)	753,459	368,741	574,037	668,414
10 Total	\$2,780,840	\$3,115,778	\$2,487,332	\$2,630,873	\$2,782,802
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	7.2	6.2	8.9	9.0	8.5
12 Wages and Benefits	11.4	9.6	15.9	20.4	17.9
13 Other Operation and Maintenance Expense	29.3	9.5	12.3	10.6	8.3
14 Depreciation and Amortization Expense	9.8	7.8	8.1	6.7	6.6
15 Income Taxes-Operating	3.0	14.3	12.4	8.1	12.5
16 Other Taxes-Operating	41.7	28.3	27.7	23.4	22.0
17 Capital Costs	(2.4)	24.2	14.8	21.8	24.0
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.46	0.48	0.55	0.50	0.49
20 Wages and Benefits	0.72	0.75	0.99	1.14	1.04
21 Other Operation and Maintenance Expense	1.86	0.74	0.76	0.59	0.48
22 Depreciation and Amortization Expense	0.62	0.61	0.50	0.37	0.38
23 Income Taxes-Operating	0.19	1.11	0.77	0.45	0.72
24 Other Taxes-Operating	2.65	2.21	1.72	1.30	1.27
25 Capital Costs	(0.15)	1.89	0.92	1.21	1.39
26 Total	6.35	7.80	6.22	5.57	5.79

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

Purchased Water					
Fuel for Pumping	162,995	161,623	169,626	160,674	157,663
Chemicals	37,476	31,851	50,578	76,060	79,974
Total PW, Fuel and Chemicals	200,471	193,474	220,204	236,734	237,637
Total - Ultimate Customers					

Wages and Benefits

Salaries	273,907	251,455	370,820	436,711	397,084
Pensions and Benefits	43,017	47,700	23,955	101,212	101,969
Total Wages and Benefits	316,924	299,155	394,775	537,923	499,053

Other Expenses

Total O&M Expenses	813,450	790,056	919,958	1,054,608	968,284
-Total PW, Fuel and Chemicals	200,471	193,474	220,204	236,734	237,637
-Wages and Benefits	316,924	299,155	394,775	537,923	499,053
Other Expenses	296,055	297,427	304,979	279,951	231,594

Depreciation and Amortization

Depreciation Exp	271,593	244,540	200,861	175,316	184,872
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	271,593	244,540	200,861	175,316	184,872

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

	2011	2010	2009	2008	2007	
WATER UTILITY PLANT						
Plant in Service						
Intangible						1
Source of Supply	\$239,682	\$239,682	\$204,391	\$150,892	\$150,892	2
Pumping	1,015,806	1,007,621	1,000,239	979,376	979,376	3
Water Treatment	346,071	345,325	340,157	340,157	340,157	4
Transmission and Distribution	9,827,768	9,321,692	8,902,610	7,043,939	6,926,824	5
General	895,387	872,571	835,163	697,521	639,152	6
Purchased or Sold						7
Total Plant in Service	12,324,714	11,786,891	11,282,560	9,211,885	9,036,401	8
Plant Leased To Others						9
Construction Work In Progress	141,770	524,058	353,355	633,899	401,954	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights						13
Total Plant	12,466,484	12,310,949	11,635,915	9,845,784	9,438,355	14
Accum. Prov. - Depr. & Amort.	3,009,655	2,953,200	2,779,450	2,579,062	2,403,747	15
Net Plant	\$9,456,829	\$9,357,749	\$8,856,465	\$7,266,722	\$7,034,608	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	2.15	1.18	0.03	1.13	1.14	17
Total Capitalization	\$9,032,894	\$8,795,984	\$8,161,374	\$7,769,866	\$7,445,975	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	42.1%	43.2%	46.6%	48.9%		19
Preferred Stock						20
Common Stock & Retained Earnings	57.9%	56.8%	53.4%	51.1%	100.0%	21
Short-Term Debt						22
Pretax Coverage of Interest Expense	4.6	10.2	15.0	3.0	9.1	23
Com. Stock Dividends as a % of Earnings						24
Return on Common Equity	6.5%	13.6%	9.4%	5.7%	10.5%	25
Internal Cash Generated as a % of Cash Outflows for Construction	91.0%	219.6%	32.8%	802.4%	102.7%	26
CWIP as a % of Plant	1.1%	4.3%	3.0%	6.4%	4.3%	27
Number of Employees	4	4	5	5	6	28

Current Assets	780,351.00	1,059,887	9,308	5,046,519	2,391,644
Current Liabilities	363,409	899,674	295,439	4,479,361	2,099,007
Total Capitalization	9,032,894	8,795,984	8,161,374	7,769,866	7,445,975
Long-Term Debt	3,800,000	3,800,000	3,800,000	3,800,000	
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,232,894	4,995,984	4,361,374	3,969,866	7,445,975
Short-Term Debt					
Pretax Income	535,993	1,199,514	751,384	801,814	1,029,652
Interest Expense	117,767	117,767	50,174	264,853	113,129
Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	332,483	634,610	391,508	323,891	567,179
Internal Cash	139,769	1,635,579	564,783	3,101,178	251,743
Cash Outflows for Construction	153,557	744,953	1,720,147	386,487	245,168
CWIP	141,770	524,058	353,355	633,899	401,953
Total Plant	12,466,484	12,310,949	11,635,915	9,845,784	9,438,354
Number of Employees	4	4	5	5	6
Salaries and Wages					

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$170,475,164	\$165,409,083	\$159,576,135	\$144,908,338	\$129,890,384
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	22,849	(1,182,331)	213,041	362,562	184,354
7 Notes and Accounts Receivables - Net	3,724,391	2,526,026	8,972,933	4,857,995	2,111,833
8 Receivables from Associated Companies					
9 Materials and Supplies	571,429	365,013	524,330	526,793	500,950
10 Prepayments	203,783	58,219	726,214	(2,647,071)	1,809,498
11 Accrued Utility Revenue	3,628,417	3,631,997	3,245,498	2,955,208	2,721,716
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	8,150,869	5,398,924	13,682,016	6,055,488	7,328,351
DEFERRED DEBITS					
14 Unamort. Debt Expense					
15 Other Deferred Debits	34,390,803	24,351,916	19,496,422	23,727,736	19,926,265
16 Accumulated Deferred Income Taxes	373,792	556,273	(646,354)	(1,649,409)	1,428,432
17 Total Deferred Debits	34,764,595	24,908,189	18,850,068	22,078,327	21,354,697
18 Total Assets and Other Debits	\$213,390,628	\$195,716,196	\$192,108,219	\$173,042,154	\$158,573,431
PROPRIETARY CAPITAL					
19 Common Stock Issued	50,000	\$50,000	\$50,000	\$50,000	\$50,000
20 Preferred Stock Issued					
21 Other Paid-in Capital	108,411,250	99,686,250	99,686,250	89,186,250	70,186,250
22 Retained Earnings	65,267,903	59,857,761	61,502,691	56,506,606	51,653,658
23 Reacquired Capital Stock					
24 Total Proprietary Capital	173,729,153	159,594,011	161,238,941	145,742,856	121,889,908
LONG-TERM DEBT					
25 Long-Term Debt					
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable					
27 Accounts Payable	4,446,095	1,504,461	2,680,102	3,136,396	5,262,996
28 Payables to Associated Companies	184,909	180,589	286,982	175,888	272,264
29 Customer Deposits	34,898	20,829	28,879	18,160	27,150
30 Taxes Accrued	(1,054,862)	(634,436)	760,695	1,099,552	1,892,643
31 Interest Accrued	141,994				
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	2,516,176	4,079,649	1,505,577	1,748,669	7,672,044
34 Total Current and Accrued Liabilities	6,269,210	5,151,092	5,262,234	6,178,665	15,127,097
DEFERRED CREDITS					
35 Customer Advances for Construction	430,385	594,745	313,243	486,633	575,688
36 Other Deferred Credits	3,910,294	3,196,396	1,144,124	3,587,785	2,896,043
37 Accumulated Deferred Investment Tax Credits	475,396	492,088	508,780	525,472	542,164
38 Accumulated Deferred Income Taxes	25,057,097	24,358,693	21,443,626	16,520,743	17,542,531
39 Total Deferred Credits	29,873,172	28,641,922	23,409,773	21,120,633	21,556,426
OPERATING RESERVES					
40 Operating Reserves	3,519,093	2,329,771	2,197,271		
41 Total Liabilities and Other Credits	\$213,390,628	\$195,716,796	\$192,108,219	\$173,042,154	\$158,573,431

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$48,966,236	\$43,555,966	\$40,309,191	\$36,208,830	\$29,520,521	1
Operating Expense:						
Operation Expense	21,706,994	20,010,912	18,669,184	15,515,577	14,395,889	2
Maintenance Expense	1,254,712	1,466,351	1,151,587	1,061,365	929,528	3
Depreciation and Amortization Expense	4,463,127	4,243,389	1,852,401	1,679,896	1,752,080	4
Taxes Other than Income Taxes	6,999,533	6,905,832	6,847,583	6,474,979	5,997,343	5
Income Taxes	3,952,868	6,698,212	3,442,863	2,929,576	1,571,780	6
Total Operating Expenses	38,377,234	39,324,696	31,963,619	27,661,393	24,646,620	7
Net Operating Revenues	10,589,002	4,231,270	8,345,572	8,547,437	4,873,901	8
Other Utility Operating Income						9
Total Utility Operating Income	10,589,002	4,231,270	8,345,572	8,547,437	4,873,901	10
OTHER INCOME						
Interest and Dividend Income	227,480	1,492,247	616,919	432,375	147,434	11
Allowance for Funds Used During Construction	(206,760)	72,558	604,790	391,634	1,554,155	12
Miscellaneous Nonoperating Income	46,366	171,262	(127)			13
Other Income	227					14
Total Other Income	67,313	1,736,067	1,221,582	824,009	1,701,589	15
Other Income Deductions	149,072	71,985	22,479	61,316	(3,152)	16
Taxes-Other Income and Deductions						17
Income Available	10,507,243	5,895,352	9,544,675	9,310,130	6,578,642	18
INTEREST CHARGES						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	4,677,056	4,261,839	4,500,434	4,355,206	3,703,764	20
Other Interest Expense	420,045	478,443	48,154	101,977	22,300	21
Total Interest Charges	5,097,101	4,740,282	4,548,588	4,457,183	3,726,064	22
Income Before Extraordinary Items	5,410,142	1,155,070	4,996,087	4,852,947	2,852,578	23
Net Extraordinary Items						24
Net Income	\$5,410,142	\$1,155,070	\$4,996,087	\$4,852,947	\$2,852,578	25
RETAINED EARNINGS						
Unappropriated (Beginning)	\$59,857,761	\$61,502,691	\$56,506,605	\$51,653,658	\$48,801,080	26
Balance Transferred from Income	5,410,142	1,155,070	4,996,087	4,852,947	2,852,578	27
Appropriated		2,800,000				28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings						31
Net Change	5,410,142	(1,644,930)	4,996,087	4,852,947	2,852,578	32
Unappropriated (EOP)	65,267,903	59,857,761	61,502,691	56,506,605	51,653,658	33
Appropriated (EOP)						34
Total Retained Earnings	\$65,267,903	\$59,857,761	\$61,502,691	\$56,506,605	\$51,653,658	35

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$5,410,142	\$1,155,070	\$4,996,087	\$4,308,048	\$2,601,580
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	4,463,127	6,722,361	1,852,401	1,679,896	1,752,080
3 Deferred Taxes & ITCs		1,695,748	3,903,136	2,584,259	(1,070,166)
4 Receivables and Inventory	(1,400,599)	6,605,624	(4,402,766)	(3,005,498)	(471,117)
5 Payables and Accrued Expenses	2,727,865	1,283,989	(577,574)	(8,155,340)	(985,005)
6 Capitalized AFUDC - Equity Funds	(420,426)	(72,558)	(604,790)	(391,634)	(1,554,155)
7 Equity In Loss (Earnings) Of Affiliates		713,898			
8 Other Adjustments	(145,564)	667,995	4,231,314	(3,801,471)	180,484
9	(34,128,945)	(389,250)	(296,390)	691,742	(366,004)
10	24,747,490	(8,594,346)	(3,712,142)	3,663,478	2,110,896
11 Net Cash From Operating Activities	<u>1,966,988</u>	<u>11,126,905</u>	<u>5,389,276</u>	<u>(2,426,520)</u>	<u>2,198,593</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(9,486,808)	(9,722,286)	(15,865,407)	(16,306,217)	(25,766,400)
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>(9,486,808)</u>	<u>(9,722,277)</u>	<u>(15,865,407)</u>	<u>(16,306,217)</u>	<u>(25,766,400)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	8,725,000		(162,890)	18,910,945	
25 Common Stock					23,700,000
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>8,725,000</u>	<u>(2,800,000)</u>	<u>10,326,610</u>	<u>18,910,945</u>	<u>23,700,000</u>
33 Net Increase/(Decrease) In Cash Equivalents	1,205,180	(1,395,372)	(149,521)	178,208	132,193
34 Cash & Cash Equivalents At Beginning Of Year	(1,182,331)	213,041	362,562	184,354	52,161
35 Cash & Cash Equivalents At End Of Year	\$22,849	(\$1,182,331)	\$213,041	\$362,562	\$184,354

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,

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$25,553,446	\$18,736,567	\$21,187,267	\$24,290,074	\$24,779,301	1
Sales to Other Water Companies	7,513,698	4,800,013	231,808	372,198	340,556	2
Other Sales of Water	4,653,234	5,571,227	2,544,236	384,071	419,116	3
Total Revenues from Sales of Water	37,720,378	29,107,807	23,963,310	25,046,343	25,538,974	4
Other Water Operating Revenues	11,245,860	14,448,159	16,345,880	11,162,487	3,981,547	5
Total Water Operating Revenues	\$48,966,238	\$43,555,966	\$40,309,191	\$36,208,830	\$29,520,521	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	3,894,080	4,172,095	4,921,999	5,283,550	5,523,283	7
Sales to Other Water Companies	1,114,499	1,097,926	65,281	100,643	99,622	8
Other Sales of Water	201,580	218,016	83,739	94,649	105,655	9
Total Sales of Water	5,210,159	5,488,037	5,071,019	5,478,842	5,728,560	10
AVG CUSTOMERS PER MONTH						
Sales to General Customers	29,058	30,710	30,821	31,353	31,276	11
Sales to Other Water Companies	1,651	2	2	2	2	12
Other Sales of Water	805	745	769	195	195	13
Total Customers	31,514	31,457	31,592	31,550	31,473	14
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$879.39	\$610.11	\$687.44	\$774.73	\$792.28	15
Average Consumption per Customer (T.Gal)	134.01	135.85	159.70	168.52	176.60	16
Average Revenue per T Gallons Sold	\$6.56	\$4.49	\$4.30	\$4.60	\$4.49	17
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	18
Average Consumption per Customer (T.Gal)	---	---	---	---	---	19
Average Revenue per T Gallons Sold	---	---	---	---	---	20
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	\$12,664,548	\$11,507,211	\$10,472,661	\$7,580,147	\$6,556,070	21
Power and Pumping	1,940,592	1,784,565	1,895,096	1,883,961	1,627,725	22
Purification	582,032	449,939	525,620	435,801	471,191	23
Transmission and Distribution	2,101,150	2,410,302	2,093,999	1,982,620	1,950,020	24
Customer Accounting and Collecting	1,440,408	1,478,849	1,651,585	1,282,341	1,363,515	25
Administrative and General	4,232,975	3,846,397	3,412,072	3,412,072	3,356,896	26
Total O & M Expense	\$22,961,705	\$21,477,263	\$16,638,962	\$16,576,942	\$15,325,417	27

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

	2011	2010	2009	2008	2007
1 Revenues	\$48,966,238	\$43,555,966	\$40,309,191	\$36,208,830	\$29,520,521
2 Sales (Thousands of Gallons)	5,210,159	5,488,037	5,071,019	5,478,842	5,728,560
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$13,905,860	\$12,539,728	\$11,768,514	\$8,933,597	\$7,776,899
4 Wages and Benefits	4,129,763	4,470,940	2,464,290	2,568,695	3,720,911
5 Other Operation and Maintenance Expense	4,926,082	4,466,595	2,406,157	5,074,650	3,827,607
6 Depreciation and Amortization Expense	4,463,127	6,722,361	1,852,401	1,679,896	1,752,080
7 Income Taxes-Operating	3,952,868	6,698,212	3,442,863	2,929,576	1,571,780
8 Other Taxes-Operating	6,999,533	6,905,832	6,847,583	6,474,979	5,997,343
9 Capital Costs	10,589,005	1,752,298	11,527,382	8,547,437	4,873,901
10 Total	\$48,966,238	\$43,555,966	\$40,309,191	\$36,208,830	\$29,520,521
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	28.4	28.8	29.2	24.7	26.3
12 Wages and Benefits	8.4	10.3	6.1	7.1	12.6
13 Other Operation and Maintenance Expense	10.1	10.3	6.0	14.0	13.0
14 Depreciation and Amortization Expense	9.1	15.4	4.6	4.6	5.9
15 Income Taxes-Operating	8.1	15.4	8.5	8.1	5.3
16 Other Taxes-Operating	14.3	15.9	17.0	17.9	20.3
17 Capital Costs	21.6	4.0	28.6	23.6	16.5
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	2.67	2.28	2.32	1.63	1.36
20 Wages and Benefits	0.79	0.81	0.49	0.47	0.65
21 Other Operation and Maintenance Expense	0.95	0.81	0.47	0.93	0.67
22 Depreciation and Amortization Expense	0.86	1.22	0.37	0.31	0.31
23 Income Taxes-Operating	0.76	1.22	0.68	0.53	0.27
24 Other Taxes-Operating	1.34	1.26	1.35	1.18	1.05
25 Capital Costs	2.03	0.32	2.27	1.56	0.85
26 Total	9.40	7.94	7.95	6.61	5.15

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

Purchased Water	12,587,966	11,406,534	10,397,098	7,491,824	6,506,682
Fuel for Pumping	989,569	906,265	1,093,621	1,214,762	1,002,895
Chemicals	328,325	226,929	277,795	227,012	267,322
Total PW, Fuel and Chemicals	13,905,860	12,539,728	11,768,514	8,933,597	7,776,899
Total - Ultimate Customers	13,905,860	12,539,728	11,768,514	8,933,597	7,776,899

Wages and Benefits

Salaries	2,446,461	2,411,465	2,464,290	1,223,386	2,021,912
Pensions and Benefits	1,683,302	2,059,475		1,345,309	1,698,999
Total Wages and Benefits	4,129,763	4,470,940	2,464,290	2,568,695	3,720,911

Other Expenses

Total O&M Expenses	22,961,705	21,477,263	16,638,962	16,576,942	15,325,417
-Total PW, Fuel and Chemicals	13,905,860	12,539,728	11,768,514	8,933,597	7,776,899
-Wages and Benefits	4,129,763	4,470,940	2,464,290	2,568,695	3,720,911
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	4,926,082	4,466,595	2,406,157	5,074,650	3,827,607

Depreciation and Amortization

Depreciation Exp	4,463,127	4,243,389	1,852,401	1,679,896	1,752,080
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	4,463,127	4,243,389	1,852,401	1,679,896	1,752,080

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

Total PW, Fuel and Chemicals	13,905,860	12,539,728	11,768,514	8,933,597	7,776,899
divided by Total Gallons	5,210,159	5,488,037	5,071,019	5,478,842	5,728,560
Cost per KWH	0.0027	0.0023	0.0023	0.0016	0.0014
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,

	2011	2010	2009	2008	2007	
WATER UTILITY PLANT						
Plant in Service						
Intangible	\$48,254	\$48,247	\$47,428	\$47,428	\$47,428	1
Source of Supply	22,063,169	22,020,913	21,436,248	249,512	249,512	2
Pumping	45,737,474	45,667,805	43,810,893	2,465,537	2,451,753	3
Water Treatment	2,971,817	2,967,127	2,964,471	839,825	839,825	4
Transmission and Distribution	109,860,819	103,058,049	97,475,747	89,291,104	83,267,937	5
General	11,703,419	9,907,651	9,250,174	5,054,764	4,326,825	6
Purchased or Sold						7
Total Plant in Service	192,384,952	183,669,792	174,984,960	97,948,170	91,183,280	8
Plant Leased To Others						9
Construction Work In Progress	2,989,973	3,832,088	3,188,106	64,816,720	55,874,663	10
Plant Held For Future Use						11
Plant Acquisition Adjustments						12
Accum. Gains & Losses - Utility Land & Land Rights				(90,846)	(90,846)	13
Total Plant	195,374,925	187,501,880	178,173,066	162,674,044	146,967,097	14
Accum. Prov. - Depr. & Amort.	24,899,762	22,092,797	18,596,932	17,765,706	17,076,712	15
Net Plant	\$170,475,163	\$165,409,083	\$159,576,135	\$144,908,338	\$129,890,384	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	1.31	1.06	2.60	0.98	0.48	17
Total Capitalization	\$173,729,153	\$159,594,011	\$161,238,941	\$145,742,856	\$121,889,908	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	2.9	2.7	2.9	2.8	2.2	23
Com. Stock Dividends as a % of Earnings		242.4%				24
Return on Common Equity	3.2%	0.7%	3.3%	3.6%	2.6%	25
Internal Cash Generated as a % of Cash Outflows for Construction	111.2%	144.7%	-34.0%	14.9%	-8.5%	26
CWIP as a % of Plant	1.5%	2.0%	1.8%	39.8%	38.0%	27
Number of Employees	61	62	61	59	57	28

Current Assets	8,217,868.00	5,468,924	13,682,015.70	6,055,488	7,328,351
Current Liabilities	6,269,209	5,151,092	5,262,234	6,178,665	15,127,097
Total Capitalization	173,729,153	159,594,011	161,238,941	145,742,856	121,889,908
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	173,729,153	159,594,011	161,238,941	145,742,856	121,889,908
Short-Term Debt					
Pretax Income	14,609,183	12,665,549	13,010,016	12,301,022	8,147,269
Interest Expense	5,097,101	4,740,282	4,548,588	4,457,183	3,726,064
Dividends Paid		2,800,000			
Net Income (Excl. Preferred Stock Dividends)	5,410,142	1,155,070	4,996,087	4,852,947	2,852,578
Internal Cash	10,547,833	14,068,826	5,389,276	(2,426,520)	2,198,593
Cash Outflows for Construction	9,486,808	9,722,286	(15,865,407)	(16,306,217)	(25,766,400)
CWIP	2,989,973	3,832,088	3,188,106	64,816,720	55,874,663
Total Plant	195,374,925	187,411,034	178,173,066	162,674,044	146,967,097
Number of Employees	61	62	61	59	57
Salaries and Wages					

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$315,101,545	\$288,149,977	\$264,028,198	\$244,386,492	\$219,885,524
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)					
3 Other Investments					
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	1,935,078	523,360	(9,663,749)	(4,909,086)	1,014,181
7 Notes and Accounts Receivables - Net	7,940,031	5,560,821	4,165,395	3,363,658	3,588,600
8 Receivables from Associated Companies					
9 Materials and Supplies	765,928	802,945	1,093,375	1,059,664	1,001,323
10 Prepayments	5,610,728	5,186,734	4,450,534	1,072,424	10,839,599
11 Accrued Utility Revenue	5,451,353	4,791,987	4,149,983	4,679,510	3,417,699
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	21,703,118	16,865,847	4,195,538	5,266,170	19,861,402
DEFERRED DEBITS					
14 Unamort. Debt Expense	2,116,305	2,276,502	2,218,332	2,371,728	2,525,124
15 Other Deferred Debits	32,224,153	22,780,558	26,144,612	18,061,593	7,173,966
16 Accumulated Deferred Income Taxes	(201,136)	(184,485)	1,458,182	2,725,682	1,177,212
17 Total Deferred Debits	34,139,322	24,872,575	29,821,126	23,159,003	10,876,302
18 Total Assets and Other Debits	\$370,943,985	\$329,888,399	\$298,044,862	\$272,811,665	\$250,623,228
PROPRIETARY CAPITAL					
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	84,278,053	64,278,053	64,278,053	49,278,053	44,278,053
22 Retained Earnings	72,581,315	65,448,180	60,949,156	55,227,066	53,033,864
23 Reacquired Capital Stock					
24 Total Proprietary Capital	170,715,858	143,582,723	139,083,699	118,361,609	111,168,407
LONG-TERM DEBT					
25 Long-Term Debt	81,000,000	81,000,000	51,000,000	51,000,000	51,000,000
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable	35,000,000	34,500,000	40,000,000	40,000,000	33,000,000
27 Accounts Payable	10,763,949	4,076,429	3,478,204	6,024,878	5,458,042
28 Payables to Associated Companies	347,370	368,272	669,921	390,283	555,680
29 Customer Deposits	176,143	174,153	177,694	164,344	144,687
30 Taxes Accrued	1,592,065	245,664	(2,814,703)	3,760,681	2,895,896
31 Interest Accrued	2,430,427	1,800,201	1,325,938	1,486,498	1,415,929
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	1,805,094	1,637,200	2,023,418	1,560,158	1,431,102
34 Total Current and Accrued Liabilities	52,115,048	42,801,919	44,860,472	53,386,842	44,901,336
DEFERRED CREDITS					
35 Customer Advances for Construction	3,222,750	3,141,892	2,944,963	2,849,167	4,047,268
36 Other Deferred Credits	7,318,528	7,902,982	12,220,421	10,374,149	6,306,610
37 Accumulated Deferred Investment Tax Credits	625,117	651,076	677,035	702,994	785,703
38 Accumulated Deferred Income Taxes	50,203,879	48,342,144	45,033,217	35,440,326	31,822,974
39 Total Deferred Credits	61,370,274	60,038,094	60,875,636	49,366,636	42,962,555
OPERATING RESERVES					
40 Operating Reserves	5,742,805	2,465,663	2,225,055	696,578	590,930
41 Total Liabilities and Other Credits	\$370,943,985	\$329,888,399	\$298,044,862	\$272,811,665	\$250,623,228

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$70,182,491	\$63,532,240	\$59,178,984	\$56,918,029	\$53,989,753	1
Operating Expense:						
Operation Expense	20,816,047	19,516,989	18,288,656	18,270,563	16,855,573	2
Maintenance Expense	6,110,203	5,708,453	5,153,620	4,165,230	4,080,932	3
Depreciation and Amortization Expense	7,853,270	7,466,266	6,748,481	6,430,649	5,631,325	4
Taxes Other than Income Taxes	14,001,590	13,321,632	11,628,859	11,516,597	10,855,895	5
Income Taxes	7,756,443	6,028,494	6,160,409	4,969,035	4,982,559	6
Total Operating Expenses	56,537,553	52,041,834	47,980,025	45,352,074	42,406,284	7
Net Operating Revenues	13,644,938	11,490,406	11,198,959	11,565,955	11,583,469	8
Other Utility Operating Income						9
Total Utility Operating Income	13,644,938	11,490,406	11,198,959	11,565,955	11,583,469	10
OTHER INCOME						
Interest and Dividend Income	190,777	203,023	4,800	7,754	4,251	11
Allowance for Funds Used During Construction	3,790,731	2,585,558	2,132,523	1,488,147	658,013	12
Miscellaneous Nonoperating Income	72,270	46,647	842,916	52,503	43,171	13
Other Income	(35,839)	(18,289)				14
Total Other Income	4,017,939	2,816,939	2,980,239	1,548,404	705,435	15
Other Income Deductions	30,661	132,110	96,659	724,231	55,661	16
Taxes-Other Income and Deductions						17
Income Available	17,632,216	14,175,235	14,082,539	12,390,128	12,233,243	18
INTEREST CHARGES						
Interest on Long-Term Debt	5,036,868	4,794,188	3,591,996	3,591,996	3,591,996	19
Interest on Debt to Associated Co.						20
Other Interest Expense	1,462,214	882,023	768,453	1,455,598	1,589,887	21
Total Interest Charges	6,499,082	5,676,211	4,360,449	5,047,594	5,181,883	22
Income Before Extraordinary Items	11,133,134	8,499,024	9,722,090	7,342,534	7,051,360	23
Net Extraordinary Items						24
Net Income	\$11,133,134	\$8,499,024	\$9,722,090	\$7,342,534	\$7,051,360	25
RETAINED EARNINGS						
Unappropriated (Beginning)	\$65,448,180	\$60,949,156	\$55,227,066	\$53,033,864	\$49,147,002	26
Balance Transferred from Income	11,133,134	8,499,024	9,722,090	6,193,202	7,051,360	27
Appropriated						28
Dividends Declared-Preferred Stock					2,800,000	29
Dividends Declared-Common Stock	4,000,000	4,000,000	4,000,000	4,000,000		30
Adjustments to Retained Earnings					(364,498)	31
Net Change	7,133,134	4,499,024	5,722,090	2,193,202	3,886,862	32
Unappropriated (EOP)	72,581,314	65,448,180	60,949,156	55,227,066	53,033,864	33
Appropriated (EOP)						34
Total Retained Earnings	\$72,581,314	\$65,448,180	\$60,949,156	\$55,227,066	\$53,033,864	35

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$11,133,134	\$8,499,024	\$9,722,090	\$7,301,334	\$5,654,564
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	7,757,662	7,429,219	6,768,631	6,473,272	5,686,703
3 Deferred Taxes & ITCs	1,852,427	4,925,635	10,834,432	878,041	931,646
4 Receivables and Inventory	(3,001,559)	(1,747,000)	(305,921)	(1,095,210)	(679,595)
5 Payables and Accrued Expenses	7,466,728	381,080	(1,950,986)	620,721	2,299,500
6 Capitalized AFUDC - Equity Funds	(3,790,731)	(2,585,558)	(2,132,523)	(1,488,147)	(658,013)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	(9,443,595)	3,364,054	(8,083,019)	(10,887,627)	4,464,220
9	(584,454)	(4,317,439)	1,846,272	4,067,539	(1,478,831)
10	4,199,549	2,564,775	(8,425,017)	10,737,608	(168,825)
11 Net Cash From Operating Activities	<u>15,589,161</u>	<u>18,513,790</u>	<u>8,273,959</u>	<u>16,607,531</u>	<u>16,051,369</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(30,742,231)	(28,794,852)	(24,124,418)	(29,332,697)	(32,674,967)
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>(30,742,231)</u>	<u>(28,794,852)</u>	<u>(24,124,418)</u>	<u>(29,332,697)</u>	<u>(32,674,967)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	20,080,858	24,500,000	15,095,796	3,801,899	9,882,586
25 Common Stock		196,929			
26 Preferred Stock					
27 Short-Term Debt	500,000			7,000,000	10,000,000
28 Dividends Paid	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(2,800,000)
29 Other Cash Flows - Financing Activities	(16,070)	(228,758)			
30					
31					
32 Net Cash From Financing Activities	<u>16,564,788</u>	<u>20,468,171</u>	<u>11,095,796</u>	<u>6,801,899</u>	<u>17,082,586</u>
33 Net Increase/(Decrease) In Cash Equivalents	1,411,718	10,187,109	(4,754,663)	(5,923,267)	458,988
34 Cash & Cash Equivalents At Beginning Of Year	523,360	(9,663,749)	(4,909,086)	1,014,181	555,193
35 Cash & Cash Equivalents At End Of Year	\$1,935,078	\$523,360	(\$9,663,749)	(\$4,909,086)	\$1,014,181

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

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$53,000,096	\$48,491,467	\$42,407,976	\$45,659,578	\$46,162,639	1
Sales to Other Water Companies						2
Other Sales of Water	9,466,331	8,386,618	7,768,615	6,333,957	6,077,200	3
Total Revenues from Sales of Water	62,466,427	56,878,085	50,176,591	51,993,535	52,239,839	4
Other Water Operating Revenues*	7,716,064	6,650,697	8,994,236	4,915,770	1,740,727	5
						6
Total Water Operating Revenues	\$70,182,491	\$63,528,782	\$59,170,827	\$56,909,305	\$53,980,566	7
WATER SALES (Thousands of Gallons)						
Sales to General Customers	8,083,169	8,621,828	7,987,095	8,786,943	9,106,923	8
Sales to Other Water Companies						9
Other Sales of Water	103,055	88,159	62,517	80,172	79,982	10
						11
Total Sales of Water	8,186,224	8,709,987	8,049,612	8,867,115	9,186,905	12
AVG CUSTOMERS PER MONTH						
Sales to General Customers	72,096	71,835	71,501	70,984	70,230	13
Sales to Other Water Companies						14
Other Sales of Water	1,637	1,592	1,531	1,415	1,284	15
						16
Total Customers	73,733	73,427	73,032	72,399	71,514	17
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$735.13	\$675.04	\$593.11	\$643.24	\$657.31	18
Average Consumption per Customer (T.Gal)	112.12	120.02	111.71	123.79	129.67	19
Average Revenue per T Gallons Sold	\$6.56	\$5.62	\$5.31	\$5.20	\$5.07	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	\$786,068	\$976,988	\$875,105	\$698,655	\$967,327	24
Power and Pumping	5,750,349	5,364,299	5,097,833	4,665,987	4,567,623	25
Purification	4,172,419	4,001,153	3,665,946	3,507,332	2,923,471	26
Transmission and Distribution	6,511,320	5,945,067	5,510,540	4,664,024	4,393,635	27
Customer Accounting and Collecting	2,579,423	3,155,337	2,527,437	2,101,339	2,544,850	28
Administrative and General	7,126,671	5,782,957	5,765,415	6,798,456	5,539,597	29
						30
Total O & M Expense	\$26,926,250	\$25,225,801	\$23,442,276	\$22,435,793	\$20,936,504	30

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

	2011	2010	2009	2008	2007
1 Revenues	\$70,182,491	\$63,528,782	\$59,170,827	\$56,909,305	\$53,980,566
2 Sales (Thousands of Gallons)	8,186,224	8,709,987	8,049,612	8,867,115	9,186,905
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$4,786,248	\$4,302,612	\$4,566,796	\$4,527,967	\$3,994,587
4 Wages and Benefits	10,271,145	9,204,208	7,942,033	7,190,505	7,074,472
5 Other Operation and Maintenance Expense	11,868,857	11,718,622	10,933,447	10,717,321	9,867,445
6 Depreciation and Amortization Expense	7,853,270	7,466,266	6,748,481	6,430,649	5,631,325
7 Income Taxes-Operating	7,756,443	6,028,494	6,160,409	4,969,035	4,982,559
8 Other Taxes-Operating	14,001,590	13,321,632	11,628,859	11,516,597	10,855,895
9 Capital Costs	13,644,938	11,486,948	11,190,802	11,557,231	11,574,282
10 Total	\$70,182,491	\$63,528,782	\$59,170,827	\$56,909,305	\$53,980,566
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	6.8	6.8	7.7	8.0	7.4
12 Wages and Benefits	14.6	14.5	13.4	12.6	13.1
13 Other Operation and Maintenance Expense	16.9	18.4	18.5	18.8	18.3
14 Depreciation and Amortization Expense	11.2	11.8	11.4	11.3	10.4
15 Income Taxes-Operating	11.1	9.5	10.4	8.7	9.2
16 Other Taxes-Operating	20.0	21.0	19.7	20.2	20.1
17 Capital Costs	19.4	18.1	18.9	20.3	21.4
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.58	0.49	0.57	0.51	0.43
20 Wages and Benefits	1.25	1.06	0.99	0.81	0.77
21 Other Operation and Maintenance Expense	1.45	1.35	1.36	1.21	1.07
22 Depreciation and Amortization Expense	0.96	0.86	0.84	0.73	0.61
23 Income Taxes-Operating	0.95	0.69	0.77	0.56	0.54
24 Other Taxes-Operating	1.71	1.53	1.44	1.30	1.18
25 Capital Costs	1.67	1.32	1.39	1.30	1.26
26 Total	8.57	7.29	7.35	6.42	5.88

Purchased Water, Fuel or Power for Pumping and Chemicals

Purchased Water	167,206	161,630	278,873	275,969	135,387
Fuel for Pumping	3,600,932	3,270,725	3,584,939	3,649,435	3,310,483
Chemicals	1,018,110	870,257	702,984	602,563	548,717
Total PW, Fuel and Chemicals	4,786,248	4,302,612	4,566,796	4,527,967	3,994,587
Total - Ultimate Customers	4,786,248	4,302,612	4,566,796	4,527,967	3,994,587

Wages and Benefits

Salaries	6,512,543	6,380,911	5,249,390	5,164,746	5,350,264
Pensions and Benefits	3,758,602	2,823,297	2,692,642	2,025,759	1,724,208
Total Wages and Benefits	10,271,145	9,204,208	7,942,033	7,190,505	7,074,472

Other Expenses

Total O&M Expenses	26,926,250	25,225,442	23,442,276	22,435,793	20,936,505
-Total PW, Fuel and Chemicals	4,786,248	4,302,612	4,566,796	4,527,967	3,994,587
-Wages and Benefits	10,271,145	9,204,208	7,942,033	7,190,505	7,074,472
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	11,868,857	11,718,622	10,933,447	10,717,321	9,867,445

Depreciation and Amortization

Depreciation Exp	7,853,270	7,466,266	6,748,481	6,430,649	5,631,325
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	7,853,270	7,466,266	6,748,481	6,430,649	5,631,325

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

Total PW, Fuel and Chemicals	4,786,248	4,302,612	4,566,796	4,527,967	3,994,587
divided by Total Gallons	8,186,224	8,709,987	8,049,612	8,867,115	9,186,905
Cost per Gallon	0.0006	0.0005	0.0006	0.0005	0.0004

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

	2011	2010	2009	2008	2007	
WATER UTILITY PLANT						
Plant in Service						
Intangible	\$93,655	\$90,872	\$89,248	\$89,248	\$89,248	1
Source of Supply	29,526,195	28,500,418	27,681,199	26,281,295	26,003,004	2
Pumping	32,554,479	31,449,037	29,771,771	25,857,277	21,558,617	3
Water Treatment	44,650,050	43,669,226	43,635,743	37,197,404	34,940,135	4
Transmission and Distribution	215,627,215	204,250,615	191,574,730	178,932,673	166,387,769	5
General	24,830,244	19,827,066	19,413,582	18,445,915	16,475,884	6
Purchased or Sold						7
Plant In Service	347,281,838	327,787,234	312,166,273	286,803,812	265,454,657	8
Plant Leased To Others						9
Construction Work In Progress	47,571,660	35,434,678	22,179,875	27,662,879	18,982,277	10
Plant Held For Future Use	8,794,537	8,792,615	8,792,615	8,792,615	8,792,615	11
Plant Acquisition Adjustments					1,001,391	12
Accum. Gains & Losses - Utility Land & Land Rights	(1,179,412)	(1,179,412)	(1,179,412)	(1,179,412)	(1,179,412)	13
Total Plant	402,468,623	370,835,115	341,959,351	322,079,894	293,051,528	14
Accum. Prov. - Depr. & Amort.	87,367,078	82,685,138	77,931,153	77,693,402	73,166,004	15
Net Plant	\$315,101,545	\$288,149,977	\$264,028,198	\$244,386,492	\$219,885,524	16
SELECTED RATIOS AND STATISTICS						
Current Assets / Current Liabilities	0.42	0.39	0.09	0.10	0.44	17
Total Capitalization	\$286,715,858	\$259,082,723	\$230,083,699	\$210,469,741	\$193,771,611	18
<u>Percent Of Capitalization (incl S-T Debt)</u>						
Long-Term Debt	28.3%	31.3%	22.2%	24.2%	26.3%	19
Preferred Stock						20
Common Stock & Retained Earnings	59.5%	55.4%	60.4%	56.8%	56.6%	21
Short-Term Debt	12.2%	13.3%	17.4%	19.0%	17.0%	22
Pretax Coverage of Interest Expense	3.9	3.6	4.7	3.6	3.3	23
Com. Stock Dividends as a % of Earnings	35.9%	47.1%	41.1%	54.5%	98.1%	24
Return on Common Equity	7.1%	6.0%	7.5%	6.4%	2.8%	25
Internal Cash Generated as a % of Cash Outflows for Construction	50.7%	64.3%	34.3%	56.6%	49.1%	26
CWIP as a % of Plant	11.8%	9.6%	6.5%	8.6%	6.5%	27
Number of Employees	115	110	103	106	104	28

Current Assets	21,703,118.00	16,865,847	4,195,538	5,266,170	19,861,402
Current Liabilities	52,115,048	42,801,919	44,860,472	53,386,842	44,901,336
Total Capitalization	286,715,858	259,082,723	230,083,699	210,469,741	193,771,611
Long-Term Debt	81,000,000	81,000,000	51,000,000	51,000,000	51,000,000
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	170,715,858	143,582,723	139,083,699	119,469,741	109,771,611
Short-Term Debt	35,000,000	34,500,000	40,000,000	40,000,000	33,000,000
Pretax Income	25,419,320	20,335,839	20,339,607	18,083,394	17,271,463
Interest Expense	6,499,082	5,676,211	4,360,449	5,047,594	5,181,883
Dividends Paid	4,000,000	4,000,000	4,000,000	4,000,000	2,800,000
Net Income (Excl. Preferred Stock Dividends)	11,133,134	8,499,024	9,722,090	7,342,534	2,854,564
Internal Cash	15,589,161	18,513,790	8,273,959	16,607,531	16,051,369
Cash Outflows for Construction	30,742,231	28,794,852	24,124,418	29,332,697	32,674,967
CWIP	47,581,660	35,434,678	22,179,875	27,662,879	18,982,277
Total Plant	402,468,623	370,835,115	341,959,351	322,079,894	293,051,529
Number of Employees	115	110	103	106	104
Salaries and Wages					

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

	2011	2010	2009	2008	2007
UTILITY PLANT					
1 Net Utility Plant	\$5,995,322	\$5,416,289	\$4,348,766	\$4,057,821	\$3,023,860
OTHER PROPERTY AND INVESTMENTS					
2 Nonutility Property (Net)					
3 Other Investments					693,771
4 Sinking Funds and Other Special Funds					
5 Total Other Property and Investments					693,771
CURRENT AND ACCRUED ASSETS					
6 Cash and Cash Equivalents	14,824	12,871	49,290	47,326	22,696
7 Notes and Accounts Receivables - Net	346,829	180,066	261,470	229,585	86,661
8 Receivables from Associated Companies					
9 Materials and Supplies	43,474	79,260	81,645	64,664	53,491
10 Prepayments	98,696	93,222	81,963	(553,088)	(421,909)
11 Accrued Utility Revenue	187,646	150,345	131,993	120,162	91,850
12 Misc Current and Accrued Assets					
13 Total Current and Accrued Assets	691,469	515,764	606,361	(91,351)	(167,211)
DEFERRED DEBITS					
14 Unamort. Debt Expense					
15 Other Deferred Debits	1,319,237	928,445	637,501	1,078,710	(139,170)
16 Accumulated Deferred Income Taxes	22,009	21,805	37,404	29,591	80,336
17 Total Deferred Debits	1,341,246	950,250	674,905	1,108,301	(58,834)
18 Total Assets and Other Debits	\$8,028,037	\$6,882,303	\$5,630,032	\$5,074,772	\$3,491,586
PROPRIETARY CAPITAL					
19 Common Stock Issued	\$33,600	\$33,600	\$33,600	\$33,600	\$33,600
20 Preferred Stock Issued					
21 Other Paid-in Capital	6,015,181	5,065,181	4,665,181	3,865,181	2,426,181
22 Retained Earnings	(591,811)	(652,629)	(644,983)	(226,885)	372,749
23 Reacquired Capital Stock					
24 Total Proprietary Capital	5,456,970	4,446,152	4,053,798	3,671,896	2,832,530
LONG-TERM DEBT					
25 Long-Term Debt					
CURRENT AND ACCRUED LIABILITIES					
26 Notes Payable					
27 Accounts Payable	400,370	141,337	40,771	775,898	68,585
28 Payables to Associated Companies	16,866	10,060	14,444	3,233	2,703
29 Customer Deposits					
30 Taxes Accrued	(160,414)	(253,881)	13,902	(396,712)	(62,840)
31 Interest Accrued					
32 Matured Long-Term Debt					
33 Misc Current and Accrued Liabilities	71,356	43,244	37,129	46,152	24,289
34 Total Current and Accrued Liabilities	328,178	(59,240)	106,246	428,571	32,737
DEFERRED CREDITS					
35 Customer Advances for Construction		231,380	231,380	242,968	242,967
36 Other Deferred Credits	311,837	246,286	(263,872)	(100,834)	3,697
37 Accumulated Deferred Investment Tax Credits	20,965	22,021	23,077	24,133	16,731
38 Accumulated Deferred Income Taxes	1,169,063	1,291,188	798,294	808,038	362,923
39 Total Deferred Credits	1,501,865	1,790,875	788,879	974,305	626,318
OPERATING RESERVES					
40 Operating Reserves	741,025	704,516	681,109		
41 Total Liabilities and Other Credits	\$8,028,037	\$6,882,303	\$5,630,032	\$5,074,772	\$3,491,586

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

	2011	2010	2009	2008	2007	
UTILITY OPERATING INCOME						
Operating Revenues	\$1,606,744	\$1,537,570	\$1,353,546	\$1,188,779	\$931,450	1
Operating Expense:						
Operation Expense	758,667	752,896	877,847	751,158	660,387	2
Maintenance Expense	177,092	184,785	142,049	112,539	115,350	3
Depreciation and Amortization Expense	146,395	111,196	127,569	139,548	99,124	4
Taxes Other than Income Taxes	275,881	249,301	238,391	292,753	202,035	5
Income Taxes	40,900	(3,350)	262,288	(306,968)	(4,664)	6
Total Operating Expenses	1,398,934	1,294,828	1,648,144	989,030	1,072,233	7
Net Operating Revenues	207,810	242,742	(294,598)	199,749	(140,783)	8
Other Utility Operating Income						9
Total Utility Operating Income	207,810	242,742	(294,598)	199,749	(140,783)	10
OTHER INCOME						
Interest and Dividend Income	689	148				11
Allowance for Funds Used During Construction	10,601	40,081	116	446	2,783	12
Miscellaneous Nonoperating Income		9,217				13
Other Income						14
Total Other Income	11,291	49,446	116	446	2,783	15
Other Income Deductions	155	19	218	694	1,006	16
Taxes-Other Income and Deductions						17
Income Available	218,946	292,169	(294,700)	199,501	(139,006)	18
INTEREST CHARGES						
Interest on Long-Term Debt						19
Interest on Debt to Associated Co.	134,316	121,029	123,339	101,902	71,970	20
Other Interest Expense	23,812	178,786	60	(41,768)	1,466	21
Total Interest Charges	158,128	299,815	123,399	60,134	73,436	22
Income Before Extraordinary Items	60,818	(7,646)	(418,099)	139,367	(212,442)	23
Net Extraordinary Items						24
Net Income	\$60,818	(\$7,646)	(\$418,099)	\$139,367	(\$212,442)	25
<hr/>						
RETAINED EARNINGS						
Unappropriated (Beginning)	(\$652,629)	(\$644,983)	(\$226,884)	\$372,749	\$614,314	26
Balance Transferred from Income	60,818	(7,646)	(418,099)	139,367	(212,442)	27
Appropriated						28
Dividends Declared-Preferred Stock						29
Dividends Declared-Common Stock						30
Adjustments to Retained Earnings				(739,000)	(29,123)	31
Net Change	60,818	(7,646)	(418,099)	(599,633)	(241,565)	32
Unappropriated (EOP)	(591,811)	(652,629)	(644,983)	(226,884)	372,749	33
Appropriated (EOP)						34
Total Retained Earnings	(\$591,811)	(\$652,629)	(\$644,983)	(\$226,884)	\$372,749	35

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

	2011	2010	2009	2008	2007
Cash Flows From Operating Activities					
1 Net Income	\$60,818	(\$7,646)	(\$418,099)	\$139,367	(\$212,442)
Adjustments to reconcile net income to net cash provided by operating activities:					
2 Depreciation, Depletion & Amortization	140,921	111,196	127,569	139,548	99,124
3 Deferred Taxes & ITCs	(122,329)	507,437	(18,613)	503,262	3,400
4 Receivables and Inventory	(168,278)	65,437	(60,697)	(182,409)	(7,831)
5 Payables and Accrued Expenses	330,460	102,297	(732,939)	729,706	(45,829)
6 Capitalized AFUDC - Equity Funds	(390,793)			(446)	(2,783)
7 Equity In Loss (Earnings) Of Affiliates					
8 Other Adjustments	65,551	(290,945)	441,211	(1,217,882)	9,755
9	(1,056)	510,158	(163,038)	(104,531)	(13,199)
10	104,068	(255,635)	456,672	(202,692)	(18,110)
11 Net Cash From Operating Activities	<u>19,362</u>	<u>742,299</u>	<u>(367,934)</u>	<u>(196,077)</u>	<u>(187,914)</u>
Cash Flows From Investing Activities					
12 Cash Outflows For Construction	(967,409)	(1,178,719)	(418,514)	(1,173,063)	(242,862)
13 Acquisition Of Other Non-Current Assets					
14 Investments In & Advances to Affiliates.					
15 Contributions & Advances from Affiliates					(165,000)
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>(967,409)</u>	<u>(1,178,719)</u>	<u>(418,515)</u>	<u>(1,218,292)</u>	<u>(407,862)</u>
Cash Flows From Financing Activities					
Net Proceeds (Payments) - Issuing & Retiring:					
24 Long-Term Debt	950,000	400,000	788,412	1,438,999	615,000
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	<u>950,000</u>	<u>400,000</u>	<u>788,412</u>	<u>1,438,999</u>	<u>615,000</u>
33 Net Increase/(Decrease) In Cash Equivalents	1,953	(36,420)	1,963	24,630	19,224
34 Cash & Cash Equivalents At Beginning Of Year	12,869	49,289	47,326	22,696	3,472
35 Cash & Cash Equivalents At End Of Year	\$14,822	\$12,869	\$49,289	\$47,326	\$22,696

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,

	2011	2010	2009	2008	2007	
SALES AND CUSTOMER DATA						
REVENUES						
Sales to General Customers	\$453,513	\$441,944	\$1,112,456	\$1,060,102	\$844,594	1
Sales to Other Water Companies	714,306	665,087	75,377	62,807	49,271	2
Other Sales of Water	277,330	269,672	41,101	39,168	30,023	3
Total Revenues from Sales of Water	1,445,149	1,376,703	1,228,934	1,162,077	923,888	4
Other Water Operating Revenues	161,595	160,867	55,883			5
Total Water Operating Revenues	\$1,606,744	\$1,537,570	\$1,284,817	\$1,162,077	\$923,888	6
WATER SALES (Thousands of Gallons)						
Sales to General Customers	68,381	66,291	359,723	424,973	451,010	8
Sales to Other Water Companies	274,978	283,551	7,741	32,850	36,235	9
Other Sales of Water	43,374	40,403	29,645	8,727	6,760	10
Total Sales of Water	386,733	390,245	397,109	466,550	494,005	11
AVG CUSTOMERS PER MONTH						
Sales to General Customers	1,399	1,399	1,623	1,632	1,408	13
Sales to Other Water Companies	200	200	2	2	2	14
Other Sales of Water	42	73	40	30	36	15
Total Customers	1,641	1,672	1,665	1,664	1,446	16
OPERATING REVENUE RELATIONSHIP						
METERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	\$324.17	\$315.90	\$685.43	\$649.57	\$599.85	18
Average Consumption per Customer (T.Gal)	48.88	47.38	221.64	260.40	320.32	19
Average Revenue per T Gallons Sold	\$6.63	\$6.67	\$3.09	\$2.49	\$1.87	20
UNMETERED GENERAL CUSTOMERS						
Average Annual Bill per Customer	---	---	---	---	---	21
Average Consumption per Customer (T.Gal)	---	---	---	---	---	22
Average Revenue per T Gallons Sold	---	---	---	---	---	23
OPERATION AND MAINTENANCE EXPENSES						
Source of Supply	13,503	12,226	11,598	\$14,642	\$22,275	24
Power and Pumping	196,018	201,383	205,463	217,653	205,486	25
Purification	48,518	54,980	42,901	42,413	42,107	26
Transmission and Distribution	197,845	219,461	175,380	124,123	124,886	27
Customer Accounting and Collecting	104,263	134,163	115,957	113,476	89,366	28
Administrative and General	375,610	315,467	468,600	351,390	291,617	29
Total O & M Expense	\$935,758	\$937,680	\$1,019,899	\$863,697	\$775,738	30

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

	2011	2010	2009	2008	2007
1 Revenues	\$1,606,744	\$1,537,570	\$1,284,817	\$1,162,077	\$923,888
2 Sales (Thousands of Gallons)	386,733	390,245	397,109	466,550	494,005
DOLLAR AMOUNTS					
3 Purchased Water, Fuel or Power for Pumping, and Chemicals	\$86,338	\$116,942	\$131,792	\$149,943	\$148,159
4 Wages and Benefits	437,487	348,359	390,702	342,641	327,441
5 Other Operation and Maintenance Expense	411,933	472,379	497,405	371,113	300,138
6 Depreciation and Amortization Expense	146,395	111,196	127,569	139,548	99,124
7 Income Taxes-Operating	40,900	(3,350)	262,288	(306,968)	(4,664)
8 Other Taxes-Operating	275,881	249,301	238,391	292,753	202,035
9 Capital Costs	207,811	242,743	(363,330)	173,047	(148,345)
10 Total	\$1,606,744	\$1,537,570	\$1,284,817	\$1,162,077	\$923,888
PERCENT OF REVENUES					
11 Purchased Water, Fuel or Power for Pumping, and Chemicals	5.4	7.6	10.3	12.9	16.0
12 Wages and Benefits	27.2	22.7	30.4	29.5	35.4
13 Other Operation and Maintenance Expense	25.6	30.7	38.7	31.9	32.5
14 Depreciation and Amortization Expense	9.1	7.2	9.9	12.0	10.7
15 Income Taxes-Operating	2.5	(0.2)	20.4	(26.4)	(0.5)
16 Other Taxes-Operating	17.2	16.2	18.6	25.2	21.9
17 Capital Costs	12.9	15.8	(28.3)	14.9	(16.1)
18 Total	100.0	100.0	100.0	100.0	100.0
DOLLARS PER THOUSAND GALLONS SOLD					
19 Purchased Water, Fuel or Power for Pumping, and Chemicals	0.22	0.30	0.33	0.32	0.30
20 Wages and Benefits	1.13	0.89	0.98	0.73	0.66
21 Other Operation and Maintenance Expense	1.07	1.21	1.25	0.80	0.61
22 Depreciation and Amortization Expense	0.38	0.28	0.32	0.30	0.20
23 Income Taxes-Operating	0.11	-0.01	0.66	-0.66	-0.01
24 Other Taxes-Operating	0.71	0.64	0.60	0.63	0.41
25 Capital Costs	0.54	0.62	-0.91	0.37	-0.30
26 Total	4.15	3.94	3.24	2.49	1.87

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

Purchased Water					
Fuel for Pumping	78,246	110,561	125,354	140,801	140,748
Chemicals	8,092	6,381	6,438	9,142	7,411
Total PW, Fuel and Chemicals	86,338	116,942	131,792	149,943	148,159
Total - Ultimate Customers	86,338	116,942	131,792	149,943	148,159

Wages and Benefits

Salaries	298,419	266,161	248,613	215,884	201,086
Pensions and Benefits	139,068	82,198	142,089	126,757	126,355
Total Wages and Benefits	437,487	348,359	390,702	342,641	327,441

Other Expenses

Total O&M Expenses	935,758	937,680	1,019,899	863,697	775,738
-Total PW, Fuel and Chemicals	86,338	116,942	131,792	149,943	148,159
-Wages and Benefits	437,487	348,359	390,702	342,641	327,441
-Other Gains					
+Other Losses					
-Other Revenues					
Other Expenses	411,933	472,379	497,405	371,113	300,138

Depreciation and Amortization

Depreciation Exp	146,395	111,196	127,569	139,548	99,124
Amort of Utility Plant					
Amort of Other Utility Plant					
Amort of Property Losses					
Total Depre and Amort	146,395	111,196	127,569	139,548	99,124

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

Total PW, Fuel and Chemicals	86,338	116,942	131,792	149,943	148,159
divided by Total Gallons	386,733	390,245	397,109	466,550	494,005
Cost per KWH	0.0002	0.0003	0.0003	0.0003	0.0003
times Sales for Resale MWHs					
Sales for Resale Cost					

Current Assets	691,469	515,764	606,361	(91,351)	(167,211)
Current Liabilities	328,178	(59,240)	106,246	428,571	32,737
Total Capitalization	5,456,970	4,446,152	4,053,798	3,610,107	2,832,530
Long-Term Debt					
Preferred Stock					
Common Stock and Retained Earnings (Excl. Preferred Stock)	5,456,970	4,446,152	4,053,798	3,610,107	2,832,530
Short-Term Debt					
Pretax Income	260,000	288,838	(32,194)	(106,773)	(142,664)
Interest Expense	158,128	299,815	123,398	60,133	73,436
Dividends Paid					
Net Income (Excl. Preferred Stock Dividends)	60,818	(7,646)	(418,098)	77,579	(212,442)
Internal Cash	19,362	742,299	(367,933)	(196,077)	(187,915)
Cash Outflows for Construction	967,409	1,178,719	418,514	1,173,063	242,862
CWIP	950,484	428,371	845,560	595,323	150,535
Total Plant	7,830,342	7,236,770	6,103,762	5,718,854	4,319,478
Number of Employees	5	5	5	5	5
Salaries and Wages					