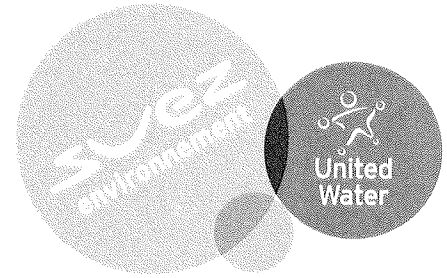


TIMOTHY J. MICHAELSON
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Via Electronic Filing

May 11, 2015

The Honorable Kathleen H. Burgess, Secretary
New York State Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

SUBJECT: Case 13-W-0295 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations for United Water New York Inc.

Dear Secretary Burgess:

Page 31 of the Order Establishing Rates issued on June 26, 2014 in the above-mentioned proceeding (the "Order") requires United Water New York Inc. ("UWNY" or "Company") to submit a copy of its Economic Obsolescence ("EO") filing within 10 days of submission to the Office of Real Property Tax Services ("ORPTS"). Additionally, the Company is to include an analysis comparing the EO adjustment results that UWNY reached using both actual and rate case capital structures.

Included with this letter are the Economic Obsolescence Templates that were filed with ORPTS (original filing on April 24, 2015 utilizing Rate Case Capital Structures yielding a 7.3% EO adjustment, and "revised" filing on April 30, 2015 utilizing the ORPTS template-generated Capital Structures yielding a 20.2% EO adjustment).

It is important to note, it is the Company's understanding that ORPTS as well as Commission Staff agree that for purposes of calculating Economic Obsolescence adjustments, the Capital Structures used to set rates should be utilized. All of the previous Economic Obsolescence adjustments granted by ORPTS were done so with the knowledge that the Company was using Rate Case Capital Structures. Additionally, Commission Staff has reviewed UWNY's two most recent EO filings and were aware the Company was using Rate Case Capital Structures. Finally, the Supplemental Testimony of the Staff Tax and Compensation Panel in the above referenced case states, "...we agree that it is more appropriate to use the allowed capital structure from the rate case when comparing actual earnings to allowed earnings..."

Please feel free to contact me should you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Timothy J. Michaelson', written over a white background.

Timothy J. Michaelson
Director-Regulatory Business

cc: Service List
Hon. David Van Ort