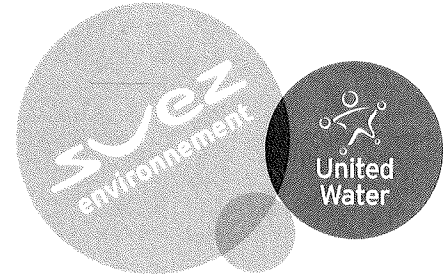


TIMOTHY J. MICHAELSON  
**Director - Regulatory Business**

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**Via Electronic Filing**

December 24, 2014

The Honorable Kathleen H. Burgess, Secretary  
New York State Public Service Commission  
Three Empire State Plaza, 19<sup>th</sup> 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:

Ordering clause 8 of the Order Establishing Rates issued on June 26, 2014 in the above-mentioned proceeding (the “Order”) requires United Water New York Inc. (the “Company”) to file within 6 months of the Order the results of a study of revenue allocation and rate design strategies that might further promote conservation in its service territory.

A revenue allocation and rate design strategies, conducted by Gannett Fleming Valuation and Rate Consultants, LLC is included with this letter.

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. Rafael Epstein  
Hon. David Van Ort