Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2013

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan; or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
UNITED WATER RESOURCES INC. RETIREMENT PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 05/12/1947

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)

UNITED WATER RESOURCES INC.

200 OLD HOOK ROAD
HARRINGTON PARK, NJ 07640

2b Employer Identification Number (EIN)
22-2441477

2c Sponsor's telephone number
201-767-9300

2d Business code (see instructions)
221300

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	MARIE C. WAUGH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	MARIE C. WAUGH
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address [X] Same as Plan Sponsor Name [ ] Same as Plan Sponsor Address

3b Administrator's EIN

3c Administrator's telephone number

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:

a Sponsor's name

4b EIN

4c PN

5	Total number of participants at the beginning of the plan year	**5**	2637
6	Number of participants as of the end of the plan year (welfare plans complete only lines **6a, 6b, 6c,** and **6d**).		
a	Active participants	**6a**	950
b	Retired or separated participants receiving benefits	**6b**	846
c	Other retired or separated participants entitled to future benefits	**6c**	572
d	Subtotal. Add lines **6a**, **6b**, and **6c**	**6d**	2368
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	228
f	Total. Add lines **6d** and **6e**.	**6f**	2596
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	8
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
1A 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

(1)	[ ]	Insurance
(2)	[ ]	Code section 412(e)(3) insurance contracts
(3)	[X]	Trust
(4)	[ ]	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1)	[X]	**R** (Retirement Plan Information)
(2)	[ ]	**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3)	[X]	**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1)	[X]	**H** (Financial Information)
(2)	[ ]	**I** (Financial Information – Small Plan)
(3)	[ ]	**A** (Insurance Information)
(4)	[X]	**C** (Service Provider Information)
(5)	[X]	**D** (DFE/Participating Plan Information)
(6)	[ ]	**G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
UNITED WATER RESOURCES INC. RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
UNITED WATER RESOURCES INC.

D Employer Identification Number (EIN)
22-2441477

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1	Enter the valuation date: Month _____ Day _____ Year _____			
2	Assets:			
	a Market value	2a		226811931
	b Actuarial value	2b		225283377
3	Funding target/participant count breakdown:		**(1)** Number of participants	**(2)** Funding Target
	a For retired participants and beneficiaries receiving payment	3a	1029	140286028
	b For terminated vested participants	3b	576	20793793
	c For active participants:			
	(1) Non-vested benefits	3c(1)		7911843
	(2) Vested benefits	3c(2)		90080113
	(3) Total active	3c(3)	1032	97991956
	d Total	3d	2637	259071777
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions	4a		
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5		6.32 %
6	Target normal cost	6		7949834

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary	10/14/2014 Date
LORRAINE HALPIN Type or print name of actuary	14-06775 Most recent enrollment number
TOWERS WATSON DELAWARE INC. Firm name	973-290-2500 Telephone number (including area code)
8 CAMPUS DRIVE 4TH FLOOR PARSIPPANY, NJ 07054 Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 10.47 %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		2552616
	b Interest on (a) using prior year's effective interest rate of 7.02 % except as otherwise provided (see instructions)		179194
	c Total available at beginning of current plan year to add to prefunding balance		2731810
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	86.95 %
15	Adjusted funding target attainment percentage	15	86.95 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	89.86 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2013	2968962				
07/15/2013	2968962				
10/15/2013	2325000				
12/31/2013	4530000				
08/21/2014	9340000				
09/15/2014	8844980				
			Totals ► 18(b)	30977904	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
	b Contributions made to avoid restrictions adjusted to valuation date	19b	
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	28680748

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.94%	6.15%	6.76 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	64

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	7949834
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	33788400	4285087
b Waiver amortization installment		0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	12234921

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	12234921
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	28680748

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	16445827
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☒ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011

42 Amount of acceleration adjustment	**42**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2013** **This Form is Open to Public Inspection.**

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan	**B** Three-digit plan number (PN) ▶
UNITED WATER RESOURCES INC. RETIREMENT PLAN	002
C Plan sponsor's name as shown on line 2a of Form 5500	**D** Employer Identification Number (EIN)
UNITED WATER RESOURCES INC.	22-2441477

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

NATIONAL FINANCIAL SERVICES

04-3523567

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

AON CONSULTING

22-2221888

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	58668	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

TRANSAMERICA RETIREMENT SOLUTIONS

13-3689044

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50	NONE	101358	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON DELAWARE INC.

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	404831	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

APPLIED PORTFOLIO MANAGEMENT, INC.

22-2349125

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 50	NONE	72204	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

WEISER MAZARS LLP

13-1459550

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	48515	Yes [ ] No [X]	Yes [ ] No [ ]		Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name: JOSEPH N. MCDONALD	**b** EIN: 22-2293237	
c Position: ENROLLED ACTUARY		
d Address: AON HEWITT 400 ATRIUM DRIVE, 5TH FLOOR SOMERSET, NJ 08873	**e** Telephone: 732-537-7015	

Explanation: CORPORATE DECISION TO CHANGE ACTUARIAL FIRMS

a Name:	**b** EIN:	
c Position:		
d Address:	**e** Telephone:	

Explanation:

a Name:	**b** EIN:	
c Position:		
d Address:	**e** Telephone:	

Explanation:

a Name:	**b** EIN:	
c Position:		
d Address:	**e** Telephone:	

Explanation:

a Name:	**b** EIN:	
c Position:		
d Address:	**e** Telephone:	

Explanation:

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
UNITED WATER RESOURCES INC. RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
UNITED WATER RESOURCES INC.

D Employer Identification Number (EIN)
22-2441477

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: COMMON COLLECTIVE TRUST FUND

b Name of sponsor of entity listed in (a): TRANSAMERICA RETIREMENT SOLUTIONS

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
13-3689044-001	C	213025623

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN
a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
UNITED WATER RESOURCES INC. RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
UNITED WATER RESOURCES INC.

D Employer Identification Number (EIN)
22-2441477

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	7365078	18184980
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)	11609723	11522470
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	196892388	213025623
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	10964149	20780531

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	226831338	263513604
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	436352	225956
k Total liabilities (add all amounts in lines 1g through1j)	1k	436352	225956
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	226394986	263287648

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	30977904	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		30977904
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		20730724
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		3491221
d Total income. Add all **income** amounts in column (b) and enter total	2d		55199849
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	15586141	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		15586141
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	485863	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	173561	
(4) Other	2i(4)	589369	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1248793
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		16834934
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		38364915
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		1472253

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WEISERMAZARS LLP **(2)** EIN: 13-1459550

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		2000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j	X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)
LIBERTY UTILITIES (PINE BLUFF WATER) RETIREMENT PLAN	71-0080628	008

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2013

This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan
UNITED WATER RESOURCES INC. RETIREMENT PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
UNITED WATER RESOURCES INC.

D Employer Identification Number (EIN)
22-2441477

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1** 0

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 13-3689044

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 0

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 38% Investment-Grade Debt: 34% High-Yield Debt: 13% Real Estate: _____% Other: 15%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

MAZARS

WeiserMazars

Independent Auditors' Report

The Benefits Committee
United Water Resources Inc. Retirement Plan

Report on the Financial Statements
We were engaged to audit the financial statements of the United Water Resources Inc. Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years ended December 31, 2013 and 2012, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion
As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by Street Bank & Trust Company, the trustee of the Plan (the "Trustee"), except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2013 and 2012, that the information provided to the plan administrator by the Trustee is complete and accurate.

Disclaimer of Opinion
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

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Other Matter
The supplemental schedule H, line 4i – schedule of assets (held at end of year) as of December 31, 2013 and schedule H, line 4j – schedule of reportable transactions for the year ended December 31, 2013, are required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance With DOL Rules and Regulations
The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Weiser Mazars LLP

October 10, 2014

United Water Resources Inc. Retirement Plan

Statements of Net Assets Available for Benefits

	December 31	
	2013	**2012**
Assets		
Investments, at fair value:		
Mutual funds:		
Bonds	**$ 42,118,256**	$ 14,792,499
U.S. equities	**39,039,873**	28,702,908
International equities	**12,692,466**	11,684,879
Common collective trust funds:		
Short-term investments	**235,246**	10,419,434
Bonds	**65,812,505**	88,565,970
U.S. equities	**21,081,764**	14,655,663
International equities	**32,045,513**	28,071,035
Alternative investments:		
Hedge funds	**20,780,531**	10,964,149
Private equities	**11,522,470**	11,609,723
Total investments, at fair value	**245,328,624**	219,466,260
Employer contribution receivable	**18,184,980**	7,365,078
Total assets	**263,513,604**	226,831,338
Liabilities		
Accrued administrative expenses	**225,956**	436,352
Total liabilities	**225,956**	436,352
Net assets available for benefits	**$ 263,287,648**	$ 226,394,986

The accompanying notes are an integral part of these financial statements.

United Water Resources Inc. Retirement Plan

Statements of Changes in Net Assets Available for Benefits

	Years Ended December 31	
	2013	**2012**
Additions:		
Net appreciation in fair value of investments:		
Mutual funds	**$ 9,868,970**	$ 5,509,963
Common collective trust funds	**10,861,754**	13,145,726
Alternative investments	**3,157,945**	2,386,140
	23,888,669	21,041,829
Employer contributions	**30,977,942**	15,477,450
Other credits	**333,238**	225,268
Total additions	**55,199,849**	36,744,547
Deductions:		
Benefits paid to participants	**15,586,141**	13,725,080
Settlements	**1,472,253**	169,782
Administrative expenses	**1,248,793**	1,369,426
Total deductions	**18,307,187**	15,264,288
Net increase in net assets available for benefits	**36,892,662**	21,480,259
Net assets available for benefits at beginning of year	**226,394,986**	204,914,727
Net assets available for benefits at end of year	**$ 263,287,648**	$ 226,394,986

The accompanying notes are an integral part of these financial statements.

United Water Resources Inc. Retirement Plan

Notes to Financial Statements

December 31, 2013 and 2012

1. Description of Plan

General

The following brief description of the United Water Resources Inc. Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan document for more complete information.

The Plan is a noncontributory defined benefit pension plan covering substantially all non-bargaining and some bargaining employees of United Water Resources Inc. (the "Company") and its subsidiaries. All full-time employees (and part-time employees with more than 1,000 hours and one year of service) whose employment commenced prior to January 1, 2010 are eligible for the Plan, unless they are in a collectively bargained unit that has not bargained into the Plan. Full-time employees whose employment commenced on or after January 1, 2010 are eligible for the Plan if they are in a collectively bargained unit that has bargained into the Plan. The Benefits Committee, appointed by the Company's Board of Directors, administers the Plan. The Plan complies with the Employee Retirement Income Security Act of 1974 ("ERISA").

Effective March 1, 2012, the Benefits Committee amended the Plan to provide a fully-subsidized retirement or death benefit for certain bargaining employees hired on or before December 31, 2006 who reach age 60 and complete 30 years of vesting service. Effective July 1, 2011, the Benefits Committee amended the Plan to add a participation cap for all non-bargaining and certain bargaining employees. For employees with 35 or more years of Plan participation as of June 30, 2011, pension plan benefits have been frozen as of that date. However, for those employees for whom the attainment of the 35-year cap occurs in 2011 or 2012, an enhanced final average earnings calculation, as defined, will be used to determine pension benefits. All active bargained employees have a service cap of 40 years. All other employees who participate in the Plan will continue to accrue benefits until they reach a maximum of 35 years of participation.

Pension Benefits

Employees with five or more years of service are entitled to annual pension benefits at normal retirement age (65). The basic formula applying to normal retirement provides for an annual benefit, as defined, which is based on the employee's average annual base wage or salary rate for the highest paid five years of the ten years immediately preceding retirement. The Plan provides for annual benefits, payable in monthly installments, equivalent to 1.5% of such average annual base wage or salary rate for each credited year of service, without adjustment for social security benefits. Employees who have completed 20 years of credited service can elect early retirement with full pension benefits upon reaching age 62, while employees who have completed 10 years of credited service can elect early retirement upon reaching age 55 with reduced benefits. A participant who continues employment beyond normal retirement date will not receive payment until the first day of the month following actual retirement.

For participants who die while employed, the benefit is computed under the formula set forth in the Plan agreement, payable in the form of a 100% joint and surviving spouse retirement benefit as if the participant had begun receiving these benefits immediately prior to death. The benefit is actuarially

1. Description of Plan (continued)

reduced and, if payment to the spouse commences before the participant's 65th birthday, adjusted in accordance with the applicable reduction table found in the Plan document (if death benefits commence before the participant's 55th birthday, the death benefit is computed as if the participant had reached age 55). However, if the deceased participant in this case was hired prior to October 1, 2001 and had completed at least twenty years of vesting service at the time of death on or after the participant's 62nd birthday, the annuity payable to the participant's surviving spouse is not reduced for payment prior to the participant's 65th birthday.

In the case of total and permanent disability, benefits are computed under the formula set forth in the Plan document without reduction for commencement of benefits prior to attainment of age 65 but taking into account years of benefit service only up to the date of disability. In the case of partial disability, retirement benefits are computed under the formula set forth in the Plan document with a reduction for commencement of benefits prior to attainment of age 65 in accordance with the Plan document.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, the actuarial present value of accumulated plan benefits, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Allocation of Assets

At December 31, 2013 and 2012, the majority of the Plan's assets have been invested in various investment fund options under a collective trust arrangement with State Street Bank and Trust Company, the trustee of the Plan ("State Street" or the "Trustee"). The beneficial interest for these investments is represented by units, each of which is of equal value to every other unit. In accordance with the trust agreement, the unit value of each of the investment fund options is determined at the close of business on each business day. In addition, the remaining Plan assets have been invested in mutual funds and other alternative investments, with Adams Street Partners and with several hedge funds.

Investment Valuation and Income Recognition

Investments are stated at fair value. The fair value represents the daily calculated value of units of participations in investment fund options under the collective trust (the "Common Collective Trust Funds"). The daily calculated unit value is determined and reported by the funds in which the Plan assets

2. Summary of Significant Accounting Policies (continued)

are invested. The calculation involves the measurements of the underlying assets and liabilities of the Common Collective Trust Funds and of alternative investments at fair value as follows:

- Short-term investments: Short-term securities having remaining maturities of 60 days or less are valued at amortized cost, which approximates market value. The amortized cost of a security is determined by valuing it at original cost and thereafter amortizing any discount or premium at a constant rate until maturity.

- Equity securities: Valued at the official closing price or last sale price on the exchange on which they are primarily traded or at the last quoted bid price for securities in which there were no sales during the day or for unlisted securities. Portfolio securities listed on the NASDAQ National Market and NASDAQ Small Cap Market for which reliable market quotations are available are valued at the official closing price or, if there is no official closing price on that day, at the last sale price.

- Bonds, warrants and related securities: Bonds and warrants are valued at the last available bid prices by an independent pricing service. Option contracts that are traded on commodities or securities exchanges are normally valued at the last mean price on the exchange on which they are traded; if mean prices are not available, the bid price will be used. If neither mean nor bid prices are available, a broker quote will be obtained. Futures contracts traded on commodities or securities exchanges are normally valued at the last closing price on the exchange on which they are traded. If last closing price is not available for futures contracts, a broker quote will be obtained. Swap agreements are normally valued by an independent pricing service. If the independent pricing service is not able to value a swap contract, that contract will be valued at bid price. If bid is not available, a broker quote will be obtained.

  When valuations are not readily available, securities will be valued at their fair value as determined in good faith by the Valuation Committee, under the supervision of the Board of Trustees, of the investment fund options. Unlisted securities are valued at the last sales price provided by an independent pricing agent or the principal market maker.

- Alternatives: The Plan invests in private equities and hedge funds, including nonmarketable, nonredeemable investments in partnerships that make private equity and hedge fund investments. Because observable prices are not available for these securities, the fund management has valued the investments based solely on the capital account balances reported by the underlying partnerships. The capital account balances may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated.

  While fund management for the alternatives believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available market for such investments existed, or had such investments been liquidated, and these differences could be material to the financial statements.

United Water Resources Inc. Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

- Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Investment transactions are recorded on the trade date basis (the date the order to buy or sell is executed). Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis and includes amortization of premiums and accretions of discounts on investments. Realized gains or losses on the sale of securities are recorded on an identified cost basis.

Payment of Benefits

Pension benefits are recognized when paid.

3. Fair Value Measurements

Accounting Standards Codification topic ("ASC") 820, Fair Value Measurements and Disclosures, defines fair value, and establishes a framework for measuring fair value in US GAAP and disclosing fair value measurements. It also applies under other accounting pronouncements that require or permit fair value measurements. The fair value hierarchy for disclosure of fair value measurements under ASC 820 is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices, other than quoted prices included in Level 1, that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Valuation inputs are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

3. Fair Value Measurements (continued)

The fair values of the assets were as follows at December 31, 2013 and 2012:

	Level 1	Level 2	Level 3	Total
At December 31, 2013:				
Investment in mutual funds:				
Bonds - fixed income	**$ 42,118,256**	**$ -**	**$ -**	**$ 42,118,256**
U.S. equities - small cap	**39,039,873**	**-**	**-**	**39,039,873**
International equities	**12,692,466**	**-**	**-**	**12,692,466**
Investments in common collective trust funds:				
Short-term investments	**235,246**	**-**	**-**	**235,246**
Bonds - fixed income	**-**	**35,456,115**	**-**	**35,456,115**
Bonds - high yield	**-**	**30,356,390**	**-**	**30,356,390**
U.S. equities - large cap	**-**	**21,081,764**	**-**	**21,081,764**
International equities	**-**	**32,045,513**	**-**	**32,045,513**
Alternative investments:				
Hedge funds	**-**	**-**	**20,780,531**	**20,780,531**
Private equities	**-**	**-**	**11,522,470**	**11,522,470**
Total at December 31, 2013	**$ 94,085,841**	**$ 118,939,782**	**$ 32,303,001**	**$ 245,328,624**

	Level 1	Level 2	Level 3	Total
At December 31, 2012:				
Investment in mutual funds:				
Bonds - fixed income	$ 14,792,499	$ -	$ -	$ 14,792,499
U.S. equities - small cap	28,702,908	-	-	28,702,908
International equities	11,684,879	-	-	11,684,879
Investments in common collective trust funds:				
Short-term investments	1,061,200	-	-	1,061,200
Pending investment (money market fund)	9,358,234	-	-	9,358,234
Bonds - fixed income	-	60,391,519	-	60,391,519
Bonds - high yield	-	28,174,451	-	28,174,451
U.S. equities - large cap	-	14,655,663	-	14,655,663
International equities	-	28,071,035	-	28,071,035
Alternative investments:				
Hedge funds	-	-	10,964,149	10,964,149
Private equities	-	-	11,609,723	11,609,723
Total at December 31, 2012	$ 65,599,720	$ 131,292,668	$ 22,573,872	$ 219,466,260

3. Fair Value Measurements (continued)

The following is a summary of changes in the fair value of the Level 3 assets during 2013:

	Hedge Funds	Private Equities	Total
Balance at beginning of year	$ 10,964,149	$ 11,609,723	**$ 22,573,872**
Purchases	11,861,667	789,663	**12,651,330**
Sales	(3,693,626)	(2,386,520)	**(6,080,146)**
Net change in unrealized appreciation	1,484,204	1,415,360	**2,899,564**
Realized gains	164,137	94,244	**258,381**
Balance at end of year	**$ 20,780,531**	**$ 11,522,470**	**$ 32,303,001**

The Plan's investments in Level 3 assets at December 31, 2013 include the following:

- Prisma Spectrum Fund Ltd: Multi-strategy funds that invest in convertible arbitrage, credit-distressed, equity market neutral, event, fixed income arbitrage, global macro, long/short equity, managed futures, and short bias strategies. These funds have a quarterly redemption frequency, with 65 days prior notice. There is a one year soft-lock with a 5% penalty; however, this lock-up has expired for United Water's investments.

- Adams Street Partners Investment: The investment objective is to invest, typically over three to four years, in private equity funds that in turn invest a substantial portion of their assets in US and Canadian-based companies, companies located in developed markets outside the U.S. and Canada and in primarily late-stage venture capital and growth equity portfolio companies (a majority of which are located in North America).

- JPM Multi Strat II: The investment objective is to generate capital appreciation over the long-term with relatively low volatility and a low correlation with traditional equity and fixed income markets. The Investment Manager will seek to accomplish this objective by allocating the Fund's assets among professionally selected Investment Funds that are managed by experienced Portfolio Managers employing, as a group, a variety of investment techniques and strategies.

With respect to transferability of the interests in these funds, the interests are generally non-transferable and any transfer of interest requires the prior consent of the general partner. At December 31, 2013 the fund has unfunded commitments of $2.8 million.

4. Related Party Transactions

The Plan invests in shares of mutual funds managed by an affiliate of State Street. State Street acts as Trustee for only those investments as defined by the Plan. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules.

5. Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments that are attributable, under the Plan's provisions, to services employees have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated employees or their beneficiaries, beneficiaries of employees who have died and present employees or their beneficiaries.

The actuarial present value of accumulated plan benefits under the Plan is calculated by consulting actuaries, Aon Hewitt for years prior to 2013 and Towers Watson beginning in 2013, and are those amounts that result from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The actuarial cost method used is the unit credit method.

Significant assumptions underlying the actuarial computations of the Plan are as follows:

Mortality	The RP 2000 Combined Healthy Mortality Tables
Funding valuation investment return	8.5% per annum, compounded annually, net of investment and administrative expenses
Terminations and retirements	Calculations reflect age related termination rates prior to being eligible for retirement and age related retirement rates for those eligible for retirement. The weighted average retirement age is 63.8.

These actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The accumulated plan benefit information at January 1, 2013 is as follows:

Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Active participants	**$ 66,986,341**
Deferred vested terminations	**14,846,189**
Participants currently receiving benefits	**118,719,471**
Total vested benefits	**200,552,001**
Nonvested benefits	**6,041,042**
Total actuarial present value of accumulated plan benefits	**$ 206,593,043**

5. Accumulated Plan Benefits (continued)

The following is a summary of the changes in the actuarial present value of accumulated plan benefits:

Actuarial present value of accumulated plan benefits as of January 1, 2012	**$ 197,007,301**
Changes in accumulated plan benefits:	
Benefits accumulated	**6,881,646**
Assumption changes	**227,970**
Benefits paid	**(13,687,765)**
Interest	**16,163,891**
Net increase in accumulated plan benefits	**9,585,742**
Actuarial present value of accumulated plan benefits as of January 1, 2013	**$ 206,593,043**

The Company's funding policy provides that payments to the Plan shall be equal to the minimum funding requirements of ERISA plus additional amounts which may be approved by the Company from time to time, and the amounts deductible for income tax purposes. The Company has met the minimum funding requirements of ERISA as of December 31, 2013.

6. Plan Termination

In the event of termination of the Plan, the net assets of the Plan would be allocated among the participants of the Plan as provided for in the Plan or as otherwise required by law. If the assets are insufficient to cover such amounts, an allocation procedure is prescribed. If the assets exceed such amounts and expenses for such distribution, the excess would be paid to the Company. In no event would any contributions revert to the Company prior to the satisfaction of all benefit liabilities under the Plan. To the extent unfunded benefits exist, such benefits will be paid by the Pension Benefit Guaranty Corporation ("PBGC") to participants, as described in ERISA.

Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination. However, if a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the Plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefits that the PBGC guarantees, which is adjusted periodically.

7. Investments

The Plan administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the total investments at fair value on the statements of net assets available for benefits and the net appreciation in fair value of investments on the statements of changes in net assets available for benefits, the information of which was supplied to the Plan administrator and certified as complete and accurate by State Street as of December 31, 2013 and 2012, and for the years then ended.

Investments that represent 5% or more of the fair value of the Plan's net assets were as follows at December 31, 2013 and 2012:

	2013	2012
PIMCO Long Duration Bond Fund	**$ 42,118,256**	$ 14,792,499
Diversified Core Bond Fund	**35,456,116**	30,683,397
Diversified International Equity Fund	**32,045,513**	28,071,035
Diversified High Yield Bond Fund	**30,356,390**	28,174,451
Cambiar Small Cap Fund	**22,044,778**	16,063,485
Diversified Stock Index Fund	**21,081,764**	14,655,663
Fidelity Low Price Fund	**16,995,095**	12,639,423
Minton Lehman Bond Fund	-	29,708,122
Driehaus Emerging Markets Growth Fund	-	11,684,879
Adams Street Partners (partnership)	-	11,609,723

8. Income Tax Status

The Plan received a determination letter from the Internal Revenue Service ("IRS"), dated April 5, 2010, which superseded the previous one dated August 4, 2003, stating that the Plan is qualified under Section 401(a) of the Code; therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan has been amended since the last amendment covered by the determination letter. However, the Plan administrator and the Plan's counsel believe that the Plan is currently designed and is being operated in compliance with the applicable requirements of the Internal Revenue Code and, therefore, believe that the Plan is qualified and the related trust is tax-exempt.

US GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that would not meet the more likely than not standard and be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

9. Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

10. Subsequent Events

The Plan has evaluated subsequent events through October 10, 2014 which is the date these financial statements were available for issuance.

Supplemental Schedules

EIN#: 22-2441477
Plan#: 002

United Water Resources Inc. Retirement Plan
Schedule H, Line 4(i) – Schedule of Assets (Held at End of Year)

December 31, 2013

Identity of Issue, Borrower, Lessor, or Similar Party		Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Cost	Current Value
Diversified Retirement Corporation	*	Money Market Fund	$ 235,246	**$ 235,246**
Diversified Retirement Corporation	*	Diversified Core Bond Fund	35,702,704	**35,456,116**
Diversified Retirement Corporation	*	Diversified High Yield Bond Fund	28,221,215	**30,356,390**
PIMCO		Pimco Long Duration Bond Fund	44,277,612	**42,118,256**
Diversified Retirement Corporation	*	Diversified Stock Index Fund	16,283,967	**21,081,764**
Cambiar		Cambiar Small Cap Fund	18,404,559	**22,044,778**
Fidelity		Fidelity Low Price Fund	13,739,355	**16,995,095**
Diversified Retirement Corporation	*	Diversified International Equity Fund	28,118,761	**32,045,513**
Vanguard		Vanguard Emerging Markets Growth Fund	11,844,735	**12,692,466**
Adams Street		Adams Street Partners (partnership)	10,107,110	**11,522,470**
JPM		JPM Multi Strat II	8,168,041	**8,614,975**
Prisma		Prisma Fund E 201001	11,128,286	**12,165,555**
			$ 226,231,591	**$ 245,328,624**

* Indicates party-in-interest to the plan

United Water Resources Inc. Retirement Plan
Schedule H, Line 4(j) – Schedule of Reportable Transactions

December 31, 2013

Identity of Party Involved	Description of Asset (include interest rate and maturity in the case of a loan)	Number of Transactions	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain / (Loss)
Category (i) - Individual transactions in excess of 5%:							
There are no individual transactions in excess of 5%.							
Category (ii) - Series transactions in excess of 5%:							
Diversified Investment Advisors	Diversified Core Bond Fund	193	$ 20,231,860			$ 20,231,860	
		370		$ 15,105,555	$ 15,212,553	$ 15,105,555	$ (106,998)
Minton Lehman	Minton Lehman Bond Fund	0					
		10		$ 28,746,309		$ 28,746,309	$ 28,746,309
PIMCO	Pimco Long Duration Bond Fund	140	$ 29,504,461			$ 29,504,461	
		120		$ 18,149	$ 19,348	$ 18,149	$ (1,199)
	Funds Pending	10	$ 8,168,041			$ 8,168,041	
		40		$ 17,526,274	$ 17,526,274	$ 17,526,274	$ -
Diversified Investment Advisors	Diversifed Stock Index	30	$ 9,358,270			$ 9,358,270	
		400		$ 9,047,398	$ 7,729,966	$ 9,047,398	$ 1,317,432
Drichaus	Drichaus Emerging Markets	70	$ 16,458			$ 16,458	
		10		$ 11,677,730	$ 11,701,338	$ 11,677,730	$ (23,608)
Vanugard	Vanguard Emerging Markets	30	$ 11,852,641			$ 11,852,641	
		60		$ 8,392	$ 7,906	$ 8,392	$ 486

EIN/PN 22-2441477/002

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	United Water Resources Inc.
EIN/PN	22-2441477/002
Plan Name	United Water Resources Inc. Retirement Plan
Valuation Date	January 1, 2013
Enrolled Actuary	Lorraine Halpin
Enrollment Number	14-06775

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2013

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan

United Water Resources Inc. Retirement Plan

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF

United Water Resources Inc.

D Employer Identification Number (EIN)

22-2441477

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2013

2	Assets:			
	a Market value		**2a**	226,811,931
	b Actuarial value		**2b**	225,283,377
3	Funding target/participant count breakdown:		(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment	**3a**	1,029	140,286,028
	b For terminated vested participants	**3b**	576	20,793,793
	c For active participants:			
	(1) Non-vested benefits	**3c(1)**		7,911,843
	(2) Vested benefits	**3c(2)**		90,080,113
	(3) Total active	**3c(3)**	1,032	97,991,956
	d Total	**3d**	2,637	259,071,777
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]			
	a Funding target disregarding prescribed at-risk assumptions		**4a**	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		**4b**	
5	Effective interest rate		**5**	6.32 %
6	Target normal cost		**6**	7,949,834

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE

Signature of actuary L H

10-09-14
Date

Lorraine Halpin
Type or print name of actuary

14-06775
Most recent enrollment number

Towers Watson Delaware Inc.
Firm name

(973) 290-2500
Telephone number (including area code)

8 Campus Drive
4th Floor
Parsippany NJ 07054
Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of 10.47 %		
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		2,550,971
	b Interest on (a) using prior year's effective interest rate of 7.02 % except as otherwise provided (see instructions)		179,078
	c Total available at beginning of current plan year to add to prefunding balance		2,730,049
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	0

Part III Funding Percentages

14	Funding target attainment percentage	14	86.95 %
15	Adjusted funding target attainment percentage	15	86.95 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	89.86 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2013	2,968,962				
07/15/2013	2,968,962				
10/15/2013	2,325,000				
12/31/2013	4,530,000				
08/21/2014	9,340,000				
09/15/2014	8,844,980				
		Totals ▶ 18(b)		30,977,904	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.	19a	
	b Contributions made to avoid restrictions adjusted to valuation date	19b	
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	28,680,748

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	
4.94 %	6.15 %	6.76 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	64

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes	☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes	☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	**28**	
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	**29**	
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	**30**	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	7,949,834
b Excess assets, if applicable, but not greater than line 31a	**31b**	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	33,788,400	4,285,087
b Waiver amortization installment		0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	**33**	0
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	**34**	12,234,921

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	12,234,921
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	28,680,748

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	**38a**	16,445,827
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☒ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011

42 Amount of acceleration adjustment	**42**	0
43 Excess installment acceleration amount to be carried over to future plan years	**43**	0

SCHEDULE SB ATTACHMENTS

Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	United Water Resources Inc.
EIN/PN	22-2441477/002
Plan Name	United Water Resources Inc. Retirement Plan
Valuation Date	January 1, 2013
Enrolled Actuary	Lorraine Halpin
Enrollment Number	14-06775

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2013

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table, as illustrated below.

AGE	(1) RETIREMENT q_x	(2) $l_x = l_{x-1} - d_{x-1}$	(3) $d_x = q_x * l_x$	(4) (3)*AGE
55	0.040000	1.000000	0.040000	2.200000
56	0.020833	0.960000	0.020000	1.119982
57	0.021277	0.940000	0.020000	1.140022
58	0.021739	0.920000	0.020000	1.159993
59	0.022222	0.900000	0.020000	1.179988
60	0.090909	0.880000	0.080000	4.799997
61	0.037500	0.800000	0.030000	1.830001
62	0.129870	0.770000	0.100000	6.199996
63	0.074627	0.670000	0.050000	3.150007
64	0.048387	0.620000	0.030000	1.919997
65	0.457627	0.590000	0.270000	17.550004
66	0.406250	0.320000	0.130000	8.580006
67	0.315789	0.190000	0.060000	4.019997
68	0.384615	0.130000	0.050000	3.400001
69	0.500000	0.080000	0.040000	2.760006
70	1.000000	0.040000	0.040000	2.800006
Total			**1.000000**	**63.810003**

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2013

Attained Age	Years of Credited Service																	
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	1		3		0		0		0		0		0		0		0		0	
25 - 29	1		24	52,551	21	53,519	1		0		0		0		0		0		0	
30 - 34	4		29	58,905	36	61,841	8		0		0		0		0		0		0	
35 - 39	3		26	66,760	48	67,416	28	77,351	8		1		0		0		0		0	
40 - 44	3		27	66,763	41	81,040	28	69,401	21	72,618	13		1		0		0		0	
45 - 49	3		33	85,163	51	80,206	18		23	79,312	24	75,342	16		0		0		0	
50 - 54	3		20	79,281	36	79,282	22	81,394	23	79,504	26	76,060	19		19		0		0	
55 - 59	0		17		30	82,718	24	84,109	22	94,605	13		16		36	81,791	17		1	
60 - 64	1		7		10		13		11		10		9		12		18		13	
65 - 69	0		4		3		9		5		6		2		1		0		4	
70 & Over	0		2		0		1		1		0		0		0		2		0	

Plan Name: United Water Resources Inc. Retirement Plan
EIN / PN: 22-2441477 / 002
Plan Sponsor: United Water Resources Inc.
Valuation Date: January 1, 2013

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2013

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2013	2,765,682	7	2,765,682	461,570
2	Shortfall	01/01/2012	(17,682,223)	6	(15,884,535)	(3,001,108)
3	Shortfall	01/01/2011	24,264,100	13	23,842,494	2,545,440
4	Shortfall	01/01/2010	16,419,036	12	15,978,567	1,802,353
5	Shortfall	01/01/2009	9,154,186	3	7,086,192	2,476,832
Total					33,788,400	4,285,087

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

• Applicable month	September
• Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
• First segment rate	4.94%	1.75%
• Second segment rate	6.15%	4.62%
• Third segment rate	6.76%	5.72%
• Effective interest rate	6.32%	4.95%

Salary Scale

Bargained participants:	3.25%
Non-bargained participants:	3.00%

Assumed cost of living adjustments

None.

Plan-related expenses

The amount assumed for plan-related expenses is the actual administrative expenses paid during the prior plan year. The amount included this year for plan-related expenses is $1,460,000.

Future increases in maximum benefits and plan compensation limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

SCHEDULE SB ATTACHMENTS

Mortality
For the funding valuation, the prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

For the ASC 960 valuation, the RP-2000 Combined Healthy Mortality table for males and females projected by Scale AA to 2021 was used.

Retirement Rates

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below:

Age	Retirement Rate
55	4.00%
56	2.08%
57	2.13%
58	2.17%
59	2.22%
60	9.09%
61	3.75%
62	12.99%
63	7.46%
64	4.84%
65	45.76%
66	40.63%
67	31.58%
68	38.46%
69	50.00%
70	100.00%

Disability Rates

The rates at which participants are assumed to become disabled by age are shown below (the 11th Railroad Retirement Board Standard Disability Table):

Age	Disability Rate
25	0.06%
30	0.06%
35	0.07%
40	0.11%
45	0.22%
50	0.46%
55	1.02%
60	3.20%

SCHEDULE SB ATTACHMENTS

Disability Mortality

Revenue Ruling 96-7 mortality table for participants disabled after December 31, 1994.

Termination Rates

The rates at which participants are assumed to leave the Company by age are shown below:

Age	Termination Rate
20	6.38%
25	5.17%
30	4.07%
35	3.08%
40	2.42%
45	1.98%
50	1.43%
55	0.88%
60	0.00%

Marital Assumptions

Percent married: 66.67% for males; 66.67% for females.

Form of Benefit Payment

Single Life Annuity

New Entrants

It was assumed that there will be no new or rehired employees.

Inclusion Date

The valuation date coincident or next following the date the employee becomes a participant.

Plan Compensation

Compensation paid in the current year beginning on the valuation date is the current annual rate of pay.

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month.

SCHEDULE SB ATTACHMENTS

Valuation date

First day of plan year.

Funding target

Present value of accrued benefits.

Target normal cost

Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2012 plan year).

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Participant data

Employee data was supplied by United Water, with supplemental information provided by Aon Hewitt.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with United Water Resources Inc. and, based on that review, is not aware of any significant benefits required to be valued that were not.

SCHEDULE SB ATTACHMENTS

Changes in assumptions and methods since last actuarial valuation

The following changes in assumptions and methods were made as part of this valuation:

- The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2011 to September 2012 and the segment interest rate corridors of MAP-21 were applied.
- The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the target normal cost were changed from $1,511,000 for 2012 to $1,460,000 for 2013.
- The marriage assumption was changed to 66.67% married for all participants, regardless of bargaining status.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Summary of Plan Provisions

Plan Sponsor

United Water Resources Inc.

Plan

The United Water Resources Inc. Retirement Plan

Effective Date and Most Recent Amendment

The plan was originally effective May 12, 1947. The plan was amended in its entirety on January 1, 1976, to comply with the Employees Retirement Income Security Act of 1974. The plan was amended effective March 1, 1989 to comply with the statutory requirements of the Tax Reform Act of 1986. It was further amended October 1, 1989 to improve certain Early Retirement Benefits.

The United Water Resources Inc. Retirement Plan is a continuation of the Hackensack Water Company and Subsidiaries Employees' Retirement Plan Executive, Supervisory and Other Employees Not Represented by a Bargaining Agent ("Prior Plan"), which was originally effective May 12, 1947.

Effective as of December 31, 1994 the sponsorship of the Plan was change to United Water Resources Inc. and the Pension Plan of General Waterworks Corporation was merged with and into the Plan.

The current plan was effective January 1, 1976.

The plan was most recently restated on January 1, 2013.

It was amended:

- March 1, 1977 to incorporate improvements in survivorship options;
- January 1, 1980 to eliminate compulsory retirement at age 65;
- March 6, 1980 to delete the restriction on retaining a consultant;
- March, 1981 to incorporate surviving spouse pensions and changes in early retirement reduction tables;
- March 1, 1985 to improve benefits and disability pensions;
- January 1, 1988 to accommodate accruals beyond Normal Retirement Age;
- January 1, 1989 to improve vesting from 10 Years to 5 Years of Credited Service and to comply with provisions of the Tax Reform Act of 1986;
- October 1, 1989 to improve Early Retirement by introducing an unreduced benefit from age 62 and after completion of 20 Years of Credited Service and to reduce the early commencement cutback for those retiring on or after age 55 with 10 Years of Credited Service. The previous early retirement requirements were age 55 and 15 Years of Credited Service.

Plan Name:	United Water Resources Inc. Retirement Plan
EIN / PN:	22-2441477 / 002
Plan Sponsor:	United Water Resources Inc.
Valuation Date	January 1, 2013

SCHEDULE SB ATTACHMENTS

- May 1, 1992 to include certain employees of United Water Resources;
- January 1, 1994 to reflect the limit on pensionable pay to $150,000;
- Effective December 31, 1994, two Ad-Hoc pension increases were granted to certain retirees in receipt of benefits. The first was a special one-time increase in monthly pension benefits to offset the added cost of a new medical plan. The second was a pure cost-of-living adjustment, whereby the percentage of increase in the monthly benefit varied by year of retirement. These increases did not apply to former General Waterworks Corporation retirees.
- Effective December 31, 1994 the Pension Plan of General Waterworks Corporation was merged into this Plan. For former active participants in the Pension Plan of General Waterworks Corporation all past service is recognized for purposes of determining benefits and benefit eligibility under this Plan. Accrued Benefits under the Pension Plan of General Waterworks Corporation as of December 31, 1994 and attendant early retirement subsidies associated with such accrued benefits are preserved as minimum benefits under this Plan.
- Effective January 1, 1996, the New Mexico division of United Waterworks, Inc. was closed. The plan retained liabilities for accrued vested benefits.
- Effective March 1, 1998 to improve early retirement subsidies for those retiring prior to age 57.
- Effective January 1, 1999 the Plan was amended to recognize past service benefit accruals for those former United Water Services (UWS) participants who transferred to Department 700 on January 1, 1998. The January 1, 1998 UWS accrued benefit is an offset to the total service benefit.
- Effective January 1, 1999, United Water Mid-Atlantic adopted this Plan. Future service from January 1, 1999 is recognized for benefit accruals. Total service is recognized for purposes of vesting and benefit eligibility.
- Effective August 1, 1999 the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed September 21, 1999. Those electing to take the Window had to retire by the end of 1999. The criteria for the window required the attainment of age 54 and the completion of 15 Years of Credited Service (10 years for UW M&S) by the end of 1999. Select locations and individuals were excluded from the offer for business reasons. The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 1999 would be eligible to receive a Social Security Supplement payable to age 62.
- Effective August 25, 1999 the South Gate Division of United Waterworks Inc. was sold to Utilities Inc. Vested accrued liabilities for those participants involved in the sale were retained by the Plan along with attendant assets.
- Effective September 29, 1999 United Water Rahway adopted this Plan. Future service from January 1, 2000 is recognized for benefit accruals. Total service is recognized for purposes of vesting and benefit eligibility.
- Effective December 1, 1999, the Plan was amended to increase the accrual rate for one participant retiring December 1, 1999.
- Effective January 1, 2000 United Properties Group adopted this Plan. Total service is recognized for purposes of vesting, benefit eligibility and benefit accruals. Benefits are offset by an actuarial equivalent annuity derived from 50% of the employer match account balance in the 401(k) Plan as of December 31, 1999.

SCHEDULE SB ATTACHMENTS

- The following divisions of United Waterworks, Inc. were divested in 2000. Vested accrued liabilities for those participants involved in the sale were retained by the Plan along with attendant assets.

Division	Effective Date
Indiana	January 31, 2000
West Lafayette	January 31, 2000
Virginia	February 29, 2000
Missouri	April 30, 2000
Illinois	May 31, 2000

- Effective August 31, 2000 the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed November 30, 2000. Those electing to take the Window had to retire by the end of 2000. The criteria for the window required the attainment of age 50 and the completion of 15 Years of Credited Service or attainment of age 50 with at least 75 points (age plus service) by the end of 2000. Those who would otherwise have been eligible to participate in the 1999 Voluntary Early Retirement Program but were either not offered the Program or elected not to participate were also eligible for the 2000 Voluntary Early Retirement Program.

  The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 2000 would be eligible to receive a Social Security Supplement payable to age 62.

- Effective December 31, 2000, the plan was amended to increase accrual rates for selected participants and add a flat minimum benefit of $3,750 per year for UWM&S and Waterworks participants.

- Effective October 1, 2001, the plan was amended to eliminate early retirement subsidies for participants entering the plan on or after October 1, 2001.

- Effective December 31, 2001, the Florida Division of United Waterworks, Inc. was divested. Vested accrued liabilities for those participants involved in the sale were retained by the Plan along with attendant assets.

- Effective January 1, 2003 the Plan was amended to reflect the increase in the maximum Benefit Limit to $160,000 and the compensation Limit to $200,000 to comply with the *Economic* Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). This new Compensation Limit was also applied retroactively prior to January 1, 2003.

- Effective May 28, 2004 United Water South County Water Inc. and United Water South County Sewer Inc. adopted this Plan. Vesting and benefit accrual service are measured from the later of May 28, 2004 or date of hire.

- Effective January 1, 2005 the Company adopted UP 84 mortality and a 7.5% interest rate as the new basis for optional form conversion factors for all participants and early retirement reduction factors for participants hired after October 1, 2001.

- Effective April 1, 2006, the United Water New Jersey Inc. Employees' Retirement Plan Bargaining Unit merged into this Plan.

- Effective August 1, 2006, the United Water New York Inc. Employees' Retirement Plan Bargaining Unit merged into this Plan.

- Effective January 1, 2007 the Plan was amended to provide additional benefits for executives that would otherwise be payable from the United Water Resources Inc. Supplemental Executive Retirement Plan.

Plan Name:	United Water Resources Inc. Retirement Plan
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Plan Sponsor:	United Water Resources Inc.
Valuation Date	January 1, 2013

SCHEDULE SB ATTACHMENTS

- Effective January 1, 2007, United Waterworks Inc. Employees' Retirement Plan Bargaining Unit merged into this Plan.
- Effective January 1, 2008, the Plan was amended to reflect the Pension Protection Act of 2006 and final regulations under IRC Section 415.
- Effective September 30, 2009, the Plan was amended to freeze accrued benefits for 36 contract services employees of United Water Management & Services who were not grandfathered participants in the Plan.
- Effective December 31, 2009, the Plan was amended for one participant to increase their UWR Plan accrued benefit by their SERP accrued benefit.
- Effective December 31, 2009, the Plan was amended for two participants to increase their UWR Plan accrual rate to include their SERP accrued benefit.
- Effective January 1, 2010, the Plan was amended to exclude Non-Bargained new hires from plan participation.
- Effective January 1, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all Bloomsburg, Pennsylvania Bargained employees as of the later of February 1, 2012 or the 40th anniversary of the date of Plan participation. Bloomsburg, Pennsylvania Bargained employees hired on or after January 1, 2011 will not be eligible to participate in the Plan.
- Effective February 1, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all Jersey City Bargained employees as of the later of December 31, 2011 or the 40th anniversary of the date of Plan participation. Jersey City Bargained employees hired on or after February 1, 2011 will not be eligible to participate in the Plan.
- Effective April 1, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all Pennsylvania Bargained employees as of the later of December 31, 2011 or the 40th anniversary of the date of Plan participation. Pennsylvania Bargained employees hired on or after April 1, 2011 will not be eligible to participate in the Plan.
- Effective July 1, 2011 the Plan implemented a 35 year cap on credited service and final average pay for all Non-Bargained and Idaho Bargained employees. The final average pay was enhanced for Non-Bargained employees affected by the cap in 2011 or 2012. Idaho Bargained employees hired on or after April 1, 2011 will not be eligible to participate in the Plan.
- Effective November 18, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all Toms River Bargained employees as of the later of February 1, 2012 or the 40th anniversary of the date of Plan participation. Toms River Bargained employees hired on or after November 18, 2011 will not be eligible to participate in the Plan.
- Effective December 16, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all New Jersey Bargained employees as of the later of February 1, 2012 or the 40th anniversary of the date of Plan participation. New Jersey Bargained employees hired on or after December 16, 2011 will not be eligible to participate in the Plan.

The following amendments were adopted for the UWR Pension Plan since the prior actuarial valuation

- Effectible January 1, 2012, the Plan was amended to grandfather a transferred participant in his UWR Plan benefit, payable from the UWES Plan.
- Effective March 1, 2012 New Jersey Bargained employees hired on or before December 31, 2006 who reach age 60 and complete 30 years of vesting service will be eligible to receive a fully-subsidized retirement or death benefit.

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- Effective May 1, 2012, the Plan implemented a 40 year cap on credited service and final average pay for all New Rochelle Bargained employees as of the later of May 1, 2012 or the 40th anniversary of Plan participation. New Rochelle Bargained employees hired on or before December 31, 2009 who reach age 60 and complete 30 years of vesting service will be eligible to receive a fully-subsidized retirement or death benefit.
- Effective July 1, 2012 the Plan implemented a 40 year cap on credited service and final average pay for all Harrisburg, Pennsylvania Bargained employees as of the later of July 1, 2012 or the 40th anniversary of the date of Plan participation. Harrisburg, Pennsylvania Bargained employees hired on or after April 11, 2012 will not be eligible to participate in the Plan.
- On September 4, 2012, United Water Connecticut was spun-off, resulting in the transfer of non-bargained Pension Plan liabilities and Pension Trust assets for 8 active participants.
- Effective September 7, 2012 the Plan implemented a 40 year cap on credited service and final average pay for all New York Bargained employees as of the later of December 1, 2012 or the 40th anniversary of the date of Plan participation. New York Bargained employees hired on or after September 7, 2012 will not be eligible to participate in the Plan.
- Effective October 1, 2012 New York Bargained employees hired on or before August 27, 2007 who reach age 60 and complete 30 years of vesting service will be eligible to receive a fully-subsidized retirement or death benefit.
- Effective February 1, 2013 the Arkansas division of United Waterworks, Inc. was sold. Assets and liabilities for active participants in the Plan will be spun off to the buyer.

Amendments to the United Water New Jersey Inc. Employees Retirement Plan – Bargaining Unit, subsequently merged with this plan:

- On July 24, 1995 the plan name was changed effective March 13, 1995 from the Hackensack Water Company Employees' Retirement Plan – Bargaining Unit to the United Water New Jersey Inc. Employees' Retirement Plan – Bargaining Unit.
- Effective March 1, 1995, the Company improved the death benefits by providing an active death benefit for single participants with 15 years of service equal to the survivors portion of an actuarially equivalent 15 year certain and continuous benefit.
- Effective January 1, 2003, the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed on March 14, 2003. Those electing to take the Window have to retire by April 1, 2003. The criteria for the window required the attainment of age 55 and the completion of at least fifteen (15) Years of Credited Service as of December 31, 2002.

  The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by April 1, 2003 would be eligible to receive a Social Security supplement payable to age 62.
- Effective September 29, 2003, the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed on December 15, 2003. Those electing to take the Window must retire by the end of 2003. The criteria for the window required the attainment of age 55 and the completion of at least thirty (30) Years of Credited Service except for employees currently assigned to the Corporate Office Support Department for whom the criteria is attainment of age 60 and completion of at least fifteen (15) Years of Credited Service as of April 1, 2003.

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The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 2003 would be eligible to receive a Social Security supplement payable to age 62.

- Effective April 1, 2006, the Company improved the benefits by providing an additional Career Average Benefit equal to .50% of Pay per year of Service from January 1, 2001 to December 31, 2005 payable on an unreduced basis at Early Retirement.

Amendments to the United Water New York Inc. Employees Retirement Plan – Bargaining Unit, subsequently merged with this plan:

- On December 4, 1995 the plan name was changed effective March 21, 1995 from the Spring Valley Water Company Incorporated Employees' Retirement Plan – Bargaining Unit to the United Water New York Inc. Employees' Retirement Plan – Bargaining Unit.
- September 1, 1990 to improve early retirement benefits and offer a 20-year Certain and Continuous optional form of payment;
- In September of 1996 a new labor agreement was ratified which granted, effective December 31, 1994, two Ad-Hoc pension increases to certain retirees in receipt of benefits as of December 31, 1994. The first was a special one-time increase in monthly pension benefits to offset the added cost of a new medical plan. The second was a pure cost-of-living adjustment, whereby the percentage of increase in the monthly benefit varied by year of retirement.
- Effective September 29, 2003, the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed on December 8, 2003. Those electing to take the Window have to retire by the end of 2003.

  The criteria for the window required the attainment of age 62 and the completion of at least fifteen (15) Years of Credited Service except for employees employed as Utility Person Pumping for whom the criteria is attainment of age 59 and completion of at least fifteen (15) Years of Credited Service as of February 1,2003.

  The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 2003 would be eligible to receive a Social Security Supplement payable to age 62.
- Effective August 1, 2006, the company improved the benefits by providing an additional Career Average Benefit equal to .50% of Pay per year of Service from January 1, 2001 to December 31, 2005 payable on an unreduced basis at Early Retirement.

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Amendments to the United Waterworks Inc. Employees Retirement Plan – Bargaining Unit, subsequently merged with this plan:

- On March 14, 1995 the plan name was changed effective March 14, 1995 from the General Waterworks Corporation Employees' Retirement Plan – Bargaining Unit to the United Waterworks Inc. Employees' Retirement Plan – Bargaining Unit.
- Effective April 1, 2003 Annual Compensation was amended to mean base wages and lump sum payments in lieu of base wage rate increases but excludes overtime pay, vacation pay, fringe benefits, reimbursements, expense allowances, bonuses, remuneration received attributable to moving expenses, exercise of any stock options, other special remuneration, commissions, nontaxable expense allowances, contributions under this Plan and any other qualified employee benefit plan, and any premiums paid under any group health, life, accident or other insurance plan paid to an Employee.
- Effective June 1, 2003, the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period closed on August 28, 2003. Those electing to take the Window had to retire by September 1, 2003. The criteria for the window are based on the following:

    - United Water New Rochelle, Inc.: Attainment of age 55 and the completion of at least fifteen (15) Years of Credited Service as of December 31, 2002.
    - United Water Pennsylvania, Inc. and United Water Pennsylvania, Inc. at the Harrisburg location: Attainment of age 55 and the completion of at least fifteen (15) Years of Credited Service as of April 1, 2003.
    - United Water Pennsylvania, Inc. at the Bloomsburg location: Attainment of age 60 and the completion of at least ten (10) Years of Credited Service as of April 1, 2003.

    The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 2003 would be eligible to receive a Social Security Supplement payable to age 62.

Plan Year

The twelve-month period ending December 31.

Coverage

All regular non-bargained employees of United Water and members of the collectively bargained units represented by the Utility Workers Union of America, the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, and the International Brotherhood of Electrical Workers.

Participation

Participation begins on the day following the day on which the employee is first credited with an hour of service.

Non-Bargained Employees: Participation was closed to future entrants hired on or after January 1, 2010

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Pennsylvania, Bloomsburg Operation Bargained Employees (Local 516): Participation was closed to future entrants hired on or after January 1, 2011

Jersey City Bargained Employees (Local 375): Participation was closed to future entrants hired on or after February 1, 2011

Pennsylvania Bargained Employees (Local 584): Participation was closed to future entrants hired on or after April 1, 2011

Idaho Bargained Employees (Local 296): Participation was closed to future entrants hired after April 1, 2011

Toms River Bargained Employees (Local 503): Participation was closed to future entrants hired on or after November 18, 2011

New Jersey Bargained Employees (Local 375): Participation was closed to future entrants hired on or after December 16, 2011

Pennsylvania, Harrisburg Operation Bargained Employees (Local 489): Partition was closed to future entrants hired on or after April 11, 2012

New York Bargained Employees (Local 363): Participation was closed to future entrants hired on or after September 7, 2012

Credited Service

Credited Year of Service shall mean each year beginning with the participant's employment commencement date during which the employee performs 1,000 or more hours of service. Credited Service shall include service granted under the following plans (subsequently merged with this plan):

- United Water New Jersey Inc. Employees' Retirement Plan – Bargaining Unit
- United Water Work New York Inc. Employees' Retirement Plan – Bargaining Unit
- United Waterworks Inc. Employees' Retirement Plan – Bargaining Unit

Credited service shall be limited as noted to the following groups of employees:

Non-Bargained Employees and Idaho Bargained Employees (Local 296): Credited Service is limited to the later of July, 1, 2011 and the 35th anniversary of Plan Participation

Pennsylvania Bargained Employees (Local 584): Credited Service is limited to the later of December 31, 2011 and the 40th anniversary of Plan Participation

Jersey City Bargained Employees (Local 375): Credited Service is limited to the later of December 31, 2011 and the 40th anniversary of Plan participation

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New Jersey Bargained Employees (Local 375): Credited Service is limited to the later of February 28, 2012 and the 40th anniversary of Plan participation

Pennsylvania, Bloomsburg Operation Bargained Employees (Local 516): Credited Service will be limited to the to the later of February 1, 2012 and the 40th anniversary of Plan Participation

Toms River Bargained Employees (Local 503): Credited Service will be limited to the to the later of February 1, 2012 and the 40th anniversary of Plan Participation

New York Bargained Employees (Local 363): Credited Service will be limited to the later of December 1, 2012 and the 40th anniversary of Plan Participation

New Rochelle Bargained Employees (Local 1-2): Credited Service will be limited to the later of May 1, 2012 and the 40th anniversary of Plan Participation

Pennsylvania, Harrisburg Operation Bargained Employees (Local 489): Credited Service will be limited to the later of July 1, 2012 and the 40th anniversary of Plan Participation

Vesting Service

Vesting Year of Service shall mean each year beginning with the participant's employment commencement date during which the employee performs 1,000 or more hours of service

Annual Compensation

Annual base compensation, excluding bonuses, overtime, differential and other forms of additional compensation. No compensation will be included after credited service ceases to accrue due to the service dates and caps outlined above.

Average Compensation

The average Annual Compensation for the highest five years (or the actual number of months, if less) of the last ten years of service (does not have to be consecutive).

Actuarial Equivalence

Unless otherwise specified, the Actuarial Equivalence is based upon the UP-84 Mortality Table and 7.5% interest per annum.

Normal Retirement Date

The Normal Retirement Date for each participant is the first day of the month following their 65th birthday or the fifth anniversary of employment, whichever is later.

SCHEDULE SB ATTACHMENTS

Normal Retirement Benefit

Basic Benefit Formula

1.5% of Average Compensation for each Year of Credited Service

Adjustments to Basic Benefit Formula

The following adjustments will be made to the Basic Benefit Formula, as appropriate:

1. Participant in the United Water Services LLC Pension Plan: Basic Benefit reduced by the actuarial equivalent life annuity value of the lump sum benefit for employees participating in the United Water Services LLC Pension Plan who transferred to the United Water Management and Services Inc. on January 1, 1998. Actuarial Equivalence is based upon the 1971 Group Annuity Mortality (Participants assumed to be male and Beneficiaries assumed to be female) and 9.5% interest per annum

2. Participants who Received 100% Match in the Thrift Plan of Hackensack Water Company, Spring Valley Water Company Incorporated, and/or the Employees Thrift Plan of United Water New Jersey, Inc.: Basic Benefit reduced by Actuarial Equivalent annuity attributable to the 401(k) match in excess of 50%. Actuarial Equivalence is based upon the UP-84 Mortality and 8.5% interest per annum

3. New Jersey Bargained and New York Bargained participants actively employed on March 1, 2006 and May, 31, 2006, respectively: An additional benefit equal to 0.5% of Annual Compensation for each year of pension service between January 1, 2001 and December 31, 2005

4. United Water Management and Services, Inc. and United Waterworks, Inc. participants actively employed between December 1, 1999 and December 31, 2009, inclusive: A minimum benefit of $3,750 annually

Delayed Retirement Benefit

Eligibility: The first day of the month coincident with or following a participant's date of termination, provided that it occurs after the Normal Retirement Date

Benefit: The Normal Retirement Benefit with pay and service through Delayed Retirement Date

Early Retirement Benefit

Eligibility: The first day of the month coincident with or following the date the participant has attained age 55 and completed 10 Years of Vesting Service

Benefit:

For Non-Bargained Participants Hired Prior to October 1, 2001 and All Bargained Participants

The Normal Retirement Basic Benefit, reduced by 1% per year for the first three years and 2% per year for the next seven years preceding the Normal Retirement Date.

The following groups will have an unreduced Normal Retirement Basic Benefit:

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i. Participants who have attained age 62 with 20 Years of Service

ii. New Jersey Bargained – Local 375 participants hired on or prior to December 31, 2006 who have attained age 60 with 30 Years of Vesting Service

iii. New York Bargained – Local 363 participants hired on or prior to August 27, 2007 who have attained age 60 with 30 Years of Vesting Service

iv. New Rochelle Bargained – Local 1-2 participants hired on or prior to December 31, 2009 who have attained age 60 with 30 Years of Vesting Service

Adjustments (1) and (2) to the Normal Retirement Basic Benefits will be based on the Actuarial Equivalence as stated therein.

Adjustment (3) to the Normal Retirement Benefit item (3) shall not be reduced, regardless of the benefit commencement date.

Adjustment (4) to the Normal Retirement Benefit is subject to the same reductions as the Normal Retirement Basic Benefit.

For Non-Bargained Participants Hired On or After October 1, 2001

The Actuarial Equivalent of the Normal Retirement Basic Benefit payable on the participant's Early Retirement Date. All adjustments are subject to the reductions noted in the above section.

Vested Benefit Upon Termination of Service

Eligibility: The completion of 5 Years of Vesting Service

Benefit: The Normal Retirement Benefit payable on the later of the first or the month coincident with or following a participant's Normal Retirement Date. Participants with at least 10 Years of Vesting Service upon termination can commence benefits after attaining age 55. Early commencement benefits are reduced by the same factors as would be used upon Early Retirement.

Disability Retirement Benefit

Eligibility: The first day of any month following the determination of disability, provided 10 Years of Vesting Service were completed.

Benefit:

New York Bargained participants (Local 363) only: For Partial Disability, a pension based upon the Normal Retirement Benefit, to commence at the Disability Retirement Date, reduced at 2% for the first three years and 3% for each additional year preceding Normal Retirement Date

For Permanent Disability, the unreduced Normal Retirement Benefit Payable at disability.

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Death Benefit

Eligibility: Married participant with 5 or more Years of Vested Service

Benefit: The pension to the participant's surviving spouse will be equal to the pension the participant would have received had they lived to the earliest date they could have retired and elected a 100% (50% if the participant is no longer employed by the company at death) Joint and Survivor Annuity, and subsequently dies.

For participants who had been covered by the United Water New Jersey Inc. Employees Retirement Plan-Bargaining Unit with at least 15 Years of Vesting Service, a beneficiary will receive a pension the participant would have received had the participant lived to the earliest date they could have retired and elected a 15 year certain benefit.

Death benefits commencing prior to the participant's Normal Retirement Date are subject to the Early Retirement provisions above. No additional reductions will be made for commencement prior to age 55.

Normal Form of Retirement Income

Single: Life Annuity

Married: 50% Joint and Survivor annuity, converted on an Actuarial Equivalent basis from a Life Annuity

Optional Forms of Retirement Income in Lieu of Normal Form

The Actuarial Equivalent of the Single Life Annuity payable as a:

i. 100% Joint and Survivor Annuity, 75% Joint and Survivor Annuity, 66⅔% Joint and Survivor Annuity, 50% Joint and Survivor Annuity

ii. 10-Year Certain and Life Annuity and 15-Year Certain and Life Annuity (the 20-Year Certain and Life Annuity is available for New York Bargained (Local 363))

Plan Participant's Contributions

They are neither required nor permitted.

Plan Changes Since the Prior Year

See Effective Date and Most Recent Amendments portion of this section.

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24
Change in Actuarial Assumptions
as of January 1, 2013

The marriage assumption was changed to 66.67% married for all participants, regardless of bargaining status.

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Schedule SB, Line 22
Description of Weighted Average Retirement Age
as of January 1, 2013

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table, as illustrated below.

AGE	(1) RETIREMENT q_x	(2) $l_x = l_{x-1} - d_{x-1}$	(3) $d_x = q_x * l_x$	(4) (3)*AGE
55	0.040000	1.000000	0.040000	2.200000
56	0.020833	0.960000	0.020000	1.119982
57	0.021277	0.940000	0.020000	1.140022
58	0.021739	0.920000	0.020000	1.159993
59	0.022222	0.900000	0.020000	1.179988
60	0.090909	0.880000	0.080000	4.799997
61	0.037500	0.800000	0.030000	1.830001
62	0.129870	0.770000	0.100000	6.199996
63	0.074627	0.670000	0.050000	3.150007
64	0.048387	0.620000	0.030000	1.919997
65	0.457627	0.590000	0.270000	17.550004
66	0.406250	0.320000	0.130000	8.580006
67	0.315789	0.190000	0.060000	4.019997
68	0.384615	0.130000	0.050000	3.400001
69	0.500000	0.080000	0.040000	2.760006
70	1.000000	0.040000	0.040000	2.800006
Total			**1.000000**	**63.810003**

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:

• Applicable month	September
• Interest rate basis	3-Segment Rates

Interest rates:

	Reflecting Corridors	Not Reflecting Corridors
• First segment rate	4.94%	1.75%
• Second segment rate	6.15%	4.62%
• Third segment rate	6.76%	5.72%
• Effective interest rate	6.32%	4.95%

Salary Scale

Bargained participants:	3.25%
Non-bargained participants:	3.00%

Assumed cost of living adjustments

None.

Plan-related expenses

The amount assumed for plan-related expenses is the actual administrative expenses paid during the prior plan year. The amount included this year for plan-related expenses is $1,460,000.

Future increases in maximum benefits and plan compensation limitations

Accrued benefits projected to be paid in future years are limited to the maximum presently allowed under IRC §415. Plan compensation is limited to the maximum presently allowed under IRC §401(a)(17). No provision is made for future increases in the maximum annual benefit or compensation limit.

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Mortality
For the funding valuation, the prescribed mortality assumption under Section 430(h)(3)(A) of the Internal Revenue Code using static tables with separate mortality rates for annuitants and non-annuitants.

For the ASC 960 valuation, the RP-2000 Combined Healthy Mortality table for males and females projected by Scale AA to 2021 was used.

Retirement Rates

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below:

Age	Retirement Rate
55	4.00%
56	2.08%
57	2.13%
58	2.17%
59	2.22%
60	9.09%
61	3.75%
62	12.99%
63	7.46%
64	4.84%
65	45.76%
66	40.63%
67	31.58%
68	38.46%
69	50.00%
70	100.00%

Disability Rates

The rates at which participants are assumed to become disabled by age are shown below (the 11th Railroad Retirement Board Standard Disability Table):

Age	Disability Rate
25	0.06%
30	0.06%
35	0.07%
40	0.11%
45	0.22%
50	0.46%
55	1.02%
60	3.20%

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Disability Mortality

Revenue Ruling 96-7 mortality table for participants disabled after December 31, 1994.

Termination Rates

The rates at which participants are assumed to leave the Company by age are shown below:

Age	Termination Rate
20	6.38%
25	5.17%
30	4.07%
35	3.08%
40	2.42%
45	1.98%
50	1.43%
55	0.88%
60	0.00%

Marital Assumptions

Percent married: 66.67% for males; 66.67% for females.

Form of Benefit Payment

Single Life Annuity

New Entrants

It was assumed that there will be no new or rehired employees.

Inclusion Date

The valuation date coincident or next following the date the employee becomes a participant.

Plan Compensation

Compensation paid in the current year beginning on the valuation date is the current annual rate of pay.

Timing of benefit payments

Annuity payments are payable monthly at the beginning of the month.

SCHEDULE SB ATTACHMENTS

Valuation date

First day of plan year.

Funding target

Present value of accrued benefits.

Target normal cost

Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year.

Actuarial value of assets

Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2012 plan year).

The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.

Participant data

Employee data was supplied by United Water, with supplemental information provided by Aon Hewitt.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with United Water Resources Inc. and, based on that review, is not aware of any significant benefits required to be valued that were not.

SCHEDULE SB ATTACHMENTS

Changes in assumptions and methods since last actuarial valuation

The following changes in assumptions and methods were made as part of this valuation:

- The segment interest rates used to calculate the funding target and target normal cost were updated from an applicable month of September 2011 to September 2012 and the segment interest rate corridors of MAP-21 were applied.
- The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the target normal cost were changed from $1,511,000 for 2012 to $1,460,000 for 2013.
- The marriage assumption was changed to 66.67% married for all participants, regardless of bargaining status.

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V
Summary of Plan Provisions

Plan Sponsor

United Water Resources Inc.

Plan

The United Water Resources Inc. Retirement Plan

Effective Date and Most Recent Amendment

The plan was originally effective May 12, 1947. The plan was amended in its entirety on January 1, 1976, to comply with the Employees Retirement Income Security Act of 1974. The plan was amended effective March 1, 1989 to comply with the statutory requirements of the Tax Reform Act of 1986. It was further amended October 1, 1989 to improve certain Early Retirement Benefits.

The United Water Resources Inc. Retirement Plan is a continuation of the Hackensack Water Company and Subsidiaries Employees' Retirement Plan Executive, Supervisory and Other Employees Not Represented by a Bargaining Agent ("Prior Plan"), which was originally effective May 12, 1947.

Effective as of December 31, 1994 the sponsorship of the Plan was change to United Water Resources Inc. and the Pension Plan of General Waterworks Corporation was merged with and into the Plan.

The current plan was effective January 1, 1976.

The plan was most recently restated on January 1, 2013.

It was amended:

- March 1, 1977 to incorporate improvements in survivorship options;
- January 1, 1980 to eliminate compulsory retirement at age 65;
- March 6, 1980 to delete the restriction on retaining a consultant;
- March, 1981 to incorporate surviving spouse pensions and changes in early retirement reduction tables;
- March 1, 1985 to improve benefits and disability pensions;
- January 1, 1988 to accommodate accruals beyond Normal Retirement Age;
- January 1, 1989 to improve vesting from 10 Years to 5 Years of Credited Service and to comply with provisions of the Tax Reform Act of 1986;
- October 1, 1989 to improve Early Retirement by introducing an unreduced benefit from age 62 and after completion of 20 Years of Credited Service and to reduce the early commencement cutback for those retiring on or after age 55 with 10 Years of Credited Service. The previous early retirement requirements were age 55 and 15 Years of Credited Service.

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- May 1, 1992 to include certain employees of United Water Resources;
- January 1, 1994 to reflect the limit on pensionable pay to $150,000;
- Effective December 31, 1994, two Ad-Hoc pension increases were granted to certain retirees in receipt of benefits. The first was a special one-time increase in monthly pension benefits to offset the added cost of a new medical plan. The second was a pure cost-of-living adjustment, whereby the percentage of increase in the monthly benefit varied by year of retirement. These increases did not apply to former General Waterworks Corporation retirees.
- Effective December 31, 1994 the Pension Plan of General Waterworks Corporation was merged into this Plan. For former active participants in the Pension Plan of General Waterworks Corporation all past service is recognized for purposes of determining benefits and benefit eligibility under this Plan. Accrued Benefits under the Pension Plan of General Waterworks Corporation as of December 31, 1994 and attendant early retirement subsidies associated with such accrued benefits are preserved as minimum benefits under this Plan.
- Effective January 1, 1996, the New Mexico division of United Waterworks, Inc. was closed. The plan retained liabilities for accrued vested benefits.
- Effective March 1, 1998 to improve early retirement subsidies for those retiring prior to age 57.
- Effective January 1, 1999 the Plan was amended to recognize past service benefit accruals for those former United Water Services (UWS) participants who transferred to Department 700 on January 1, 1998. The January 1, 1998 UWS accrued benefit is an offset to the total service benefit.
- Effective January 1, 1999, United Water Mid-Atlantic adopted this Plan. Future service from January 1, 1999 is recognized for benefit accruals. Total service is recognized for purposes of vesting and benefit eligibility.
- Effective August 1, 1999 the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed September 21, 1999. Those electing to take the Window had to retire by the end of 1999. The criteria for the window required the attainment of age 54 and the completion of 15 Years of Credited Service (10 years for UW M&S) by the end of 1999. Select locations and individuals were excluded from the offer for business reasons. The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 1999 would be eligible to receive a Social Security Supplement payable to age 62.
- Effective August 25, 1999 the South Gate Division of United Waterworks Inc. was sold to Utilities Inc. Vested accrued liabilities for those participants involved in the sale were retained by the Plan along with attendant assets.
- Effective September 29, 1999 United Water Rahway adopted this Plan. Future service from January 1, 2000 is recognized for benefit accruals. Total service is recognized for purposes of vesting and benefit eligibility.
- Effective December 1, 1999, the Plan was amended to increase the accrual rate for one participant retiring December 1, 1999.
- Effective January 1, 2000 United Properties Group adopted this Plan. Total service is recognized for purposes of vesting, benefit eligibility and benefit accruals. Benefits are offset by an actuarial equivalent annuity derived from 50% of the employer match account balance in the 401(k) Plan as of December 31, 1999.

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- The following divisions of United Waterworks, Inc. were divested in 2000. Vested accrued liabilities for those participants involved in the sale were retained by the Plan along with attendant assets.

Division	Effective Date
Indiana	January 31, 2000
West Lafayette	January 31, 2000
Virginia	February 29, 2000
Missouri	April 30, 2000
Illinois	May 31, 2000

- Effective August 31, 2000 the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed November 30, 2000. Those electing to take the Window had to retire by the end of 2000. The criteria for the window required the attainment of age 50 and the completion of 15 Years of Credited Service or attainment of age 50 with at least 75 points (age plus service) by the end of 2000. Those who would otherwise have been eligible to participate in the 1999 Voluntary Early Retirement Program but were either not offered the Program or elected not to participate were also eligible for the 2000 Voluntary Early Retirement Program.

  The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 2000 would be eligible to receive a Social Security Supplement payable to age 62.

- Effective December 31, 2000, the plan was amended to increase accrual rates for selected participants and add a flat minimum benefit of $3,750 per year for UWM&S and Waterworks participants.

- Effective October 1, 2001, the plan was amended to eliminate early retirement subsidies for participants entering the plan on or after October 1, 2001.

- Effective December 31, 2001, the Florida Division of United Waterworks, Inc. was divested. Vested accrued liabilities for those participants involved in the sale were retained by the Plan along with attendant assets.

- Effective January 1, 2003 the Plan was amended to reflect the increase in the maximum Benefit Limit to $160,000 and the compensation Limit to $200,000 to comply with the *Economic* Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). This new Compensation Limit was also applied retroactively prior to January 1, 2003.

- Effective May 28, 2004 United Water South County Water Inc. and United Water South County Sewer Inc. adopted this Plan. Vesting and benefit accrual service are measured from the later of May 28, 2004 or date of hire.

- Effective January 1, 2005 the Company adopted UP 84 mortality and a 7.5% interest rate as the new basis for optional form conversion factors for all participants and early retirement reduction factors for participants hired after October 1, 2001.

- Effective April 1, 2006, the United Water New Jersey Inc. Employees' Retirement Plan Bargaining Unit merged into this Plan.

- Effective August 1, 2006, the United Water New York Inc. Employees' Retirement Plan Bargaining Unit merged into this Plan.

- Effective January 1, 2007 the Plan was amended to provide additional benefits for executives that would otherwise be payable from the United Water Resources Inc. Supplemental Executive Retirement Plan.

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- Effective January 1, 2007, United Waterworks Inc. Employees' Retirement Plan Bargaining Unit merged into this Plan.
- Effective January 1, 2008, the Plan was amended to reflect the Pension Protection Act of 2006 and final regulations under IRC Section 415.
- Effective September 30, 2009, the Plan was amended to freeze accrued benefits for 36 contract services employees of United Water Management & Services who were not grandfathered participants in the Plan.
- Effective December 31, 2009, the Plan was amended for one participant to increase their UWR Plan accrued benefit by their SERP accrued benefit.
- Effective December 31, 2009, the Plan was amended for two participants to increase their UWR Plan accrual rate to include their SERP accrued benefit.
- Effective January 1, 2010, the Plan was amended to exclude Non-Bargained new hires from plan participation.
- Effective January 1, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all Bloomsburg, Pennsylvania Bargained employees as of the later of February 1, 2012 or the 40th anniversary of the date of Plan participation. Bloomsburg, Pennsylvania Bargained employees hired on or after January 1, 2011 will not be eligible to participate in the Plan.
- Effective February 1, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all Jersey City Bargained employees as of the later of December 31, 2011 or the 40th anniversary of the date of Plan participation. Jersey City Bargained employees hired on or after February 1, 2011 will not be eligible to participate in the Plan.
- Effective April 1, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all Pennsylvania Bargained employees as of the later of December 31, 2011 or the 40th anniversary of the date of Plan participation. Pennsylvania Bargained employees hired on or after April 1, 2011 will not be eligible to participate in the Plan.
- Effective July 1, 2011 the Plan implemented a 35 year cap on credited service and final average pay for all Non-Bargained and Idaho Bargained employees. The final average pay was enhanced for Non-Bargained employees affected by the cap in 2011 or 2012. Idaho Bargained employees hired on or after April 1, 2011 will not be eligible to participate in the Plan.
- Effective November 18, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all Toms River Bargained employees as of the later of February 1, 2012 or the 40th anniversary of the date of Plan participation. Toms River Bargained employees hired on or after November 18, 2011 will not be eligible to participate in the Plan.
- Effective December 16, 2011 the Plan implemented a 40 year cap on credited service and final average pay for all New Jersey Bargained employees as of the later of February 1, 2012 or the 40th anniversary of the date of Plan participation. New Jersey Bargained employees hired on or after December 16, 2011 will not be eligible to participate in the Plan.

The following amendments were adopted for the UWR Pension Plan since the prior actuarial valuation

- Effectible January 1, 2012, the Plan was amended to grandfather a transferred participant in his UWR Plan benefit, payable from the UWES Plan.
- Effective March 1, 2012 New Jersey Bargained employees hired on or before December 31, 2006 who reach age 60 and complete 30 years of vesting service will be eligible to receive a fully-subsidized retirement or death benefit.

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- Effective May 1, 2012, the Plan implemented a 40 year cap on credited service and final average pay for all New Rochelle Bargained employees as of the later of May 1, 2012 or the 40th anniversary of Plan participation. New Rochelle Bargained employees hired on or before December 31, 2009 who reach age 60 and complete 30 years of vesting service will be eligible to receive a fully-subsidized retirement or death benefit.
- Effective July 1, 2012 the Plan implemented a 40 year cap on credited service and final average pay for all Harrisburg, Pennsylvania Bargained employees as of the later of July 1, 2012 or the 40th anniversary of the date of Plan participation. Harrisburg, Pennsylvania Bargained employees hired on or after April 11, 2012 will not be eligible to participate in the Plan.
- On September 4, 2012, United Water Connecticut was spun-off, resulting in the transfer of non-bargained Pension Plan liabilities and Pension Trust assets for 8 active participants.
- Effective September 7, 2012 the Plan implemented a 40 year cap on credited service and final average pay for all New York Bargained employees as of the later of December 1, 2012 or the 40th anniversary of the date of Plan participation. New York Bargained employees hired on or after September 7, 2012 will not be eligible to participate in the Plan.
- Effective October 1, 2012 New York Bargained employees hired on or before August 27, 2007 who reach age 60 and complete 30 years of vesting service will be eligible to receive a fully-subsidized retirement or death benefit.
- Effective February 1, 2013 the Arkansas division of United Waterworks, Inc. was sold. Assets and liabilities for active participants in the Plan will be spun off to the buyer.

Amendments to the United Water New Jersey Inc. Employees Retirement Plan – Bargaining Unit, subsequently merged with this plan:

- On July 24, 1995 the plan name was changed effective March 13, 1995 from the Hackensack Water Company Employees' Retirement Plan – Bargaining Unit to the United Water New Jersey Inc. Employees' Retirement Plan – Bargaining Unit.
- Effective March 1, 1995, the Company improved the death benefits by providing an active death benefit for single participants with 15 years of service equal to the survivors portion of an actuarially equivalent 15 year certain and continuous benefit.
- Effective January 1, 2003, the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed on March 14, 2003. Those electing to take the Window have to retire by April 1, 2003. The criteria for the window required the attainment of age 55 and the completion of at least fifteen (15) Years of Credited Service as of December 31, 2002.

  The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by April 1, 2003 would be eligible to receive a Social Security supplement payable to age 62.
- Effective September 29, 2003, the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed on December 15, 2003. Those electing to take the Window must retire by the end of 2003. The criteria for the window required the attainment of age 55 and the completion of at least thirty (30) Years of Credited Service except for employees currently assigned to the Corporate Office Support Department for whom the criteria is attainment of age 60 and completion of at least fifteen (15) Years of Credited Service as of April 1, 2003.

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The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 2003 would be eligible to receive a Social Security supplement payable to age 62.

- Effective April 1, 2006, the Company improved the benefits by providing an additional Career Average Benefit equal to .50% of Pay per year of Service from January 1, 2001 to December 31, 2005 payable on an unreduced basis at Early Retirement.

Amendments to the United Water New York Inc. Employees Retirement Plan – Bargaining Unit, subsequently merged with this plan:

- On December 4, 1995 the plan name was changed effective March 21, 1995 from the Spring Valley Water Company Incorporated Employees' Retirement Plan – Bargaining Unit to the United Water New York Inc. Employees' Retirement Plan – Bargaining Unit.
- September 1, 1990 to improve early retirement benefits and offer a 20-year Certain and Continuous optional form of payment;
- In September of 1996 a new labor agreement was ratified which granted, effective December 31, 1994, two Ad-Hoc pension increases to certain retirees in receipt of benefits as of December 31, 1994. The first was a special one-time increase in monthly pension benefits to offset the added cost of a new medical plan. The second was a pure cost-of-living adjustment, whereby the percentage of increase in the monthly benefit varied by year of retirement.
- Effective September 29, 2003, the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period for the Window closed on December 8, 2003. Those electing to take the Window have to retire by the end of 2003.

  The criteria for the window required the attainment of age 62 and the completion of at least fifteen (15) Years of Credited Service except for employees employed as Utility Person Pumping for whom the criteria is attainment of age 59 and completion of at least fifteen (15) Years of Credited Service as of February 1,2003.

  The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 2003 would be eligible to receive a Social Security Supplement payable to age 62.
- Effective August 1, 2006, the company improved the benefits by providing an additional Career Average Benefit equal to .50% of Pay per year of Service from January 1, 2001 to December 31, 2005 payable on an unreduced basis at Early Retirement.

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Amendments to the United Waterworks Inc. Employees Retirement Plan – Bargaining Unit, subsequently merged with this plan:

- On March 14, 1995 the plan name was changed effective March 14, 1995 from the General Waterworks Corporation Employees' Retirement Plan – Bargaining Unit to the United Waterworks Inc. Employees' Retirement Plan – Bargaining Unit.
- Effective April 1, 2003 Annual Compensation was amended to mean base wages and lump sum payments in lieu of base wage rate increases but excludes overtime pay, vacation pay, fringe benefits, reimbursements, expense allowances, bonuses, remuneration received attributable to moving expenses, exercise of any stock options, other special remuneration, commissions, nontaxable expense allowances, contributions under this Plan and any other qualified employee benefit plan, and any premiums paid under any group health, life, accident or other insurance plan paid to an Employee.
- Effective June 1, 2003, the Company offered an Early Retirement Window Program to selected participants who met certain age and service criteria. The election period closed on August 28, 2003. Those electing to take the Window had to retire by September 1, 2003. The criteria for the window are based on the following:

    - United Water New Rochelle, Inc.: Attainment of age 55 and the completion of at least fifteen (15) Years of Credited Service as of December 31, 2002.
    - United Water Pennsylvania, Inc. and United Water Pennsylvania, Inc. at the Harrisburg location: Attainment of age 55 and the completion of at least fifteen (15) Years of Credited Service as of April 1, 2003.
    - United Water Pennsylvania, Inc. at the Bloomsburg location: Attainment of age 60 and the completion of at least ten (10) Years of Credited Service as of April 1, 2003.

    The Window provided an additional 5 years of age, service or combination thereof for purposes of determining the accrued pension and early retirement reduction factor. In addition, those participants who had not attained age 62 by the end of 2003 would be eligible to receive a Social Security Supplement payable to age 62.

Plan Year

The twelve-month period ending December 31.

Coverage

All regular non-bargained employees of United Water and members of the collectively bargained units represented by the Utility Workers Union of America, the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, and the International Brotherhood of Electrical Workers.

Participation

Participation begins on the day following the day on which the employee is first credited with an hour of service.

Non-Bargained Employees: Participation was closed to future entrants hired on or after January 1, 2010

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Pennsylvania, Bloomsburg Operation Bargained Employees (Local 516): Participation was closed to future entrants hired on or after January 1, 2011

Jersey City Bargained Employees (Local 375): Participation was closed to future entrants hired on or after February 1, 2011

Pennsylvania Bargained Employees (Local 584): Participation was closed to future entrants hired on or after April 1, 2011

Idaho Bargained Employees (Local 296): Participation was closed to future entrants hired after April 1, 2011

Toms River Bargained Employees (Local 503): Participation was closed to future entrants hired on or after November 18, 2011

New Jersey Bargained Employees (Local 375): Participation was closed to future entrants hired on or after December 16, 2011

Pennsylvania, Harrisburg Operation Bargained Employees (Local 489): Partition was closed to future entrants hired on or after April 11, 2012

New York Bargained Employees (Local 363): Participation was closed to future entrants hired on or after September 7, 2012

Credited Service

Credited Year of Service shall mean each year beginning with the participant's employment commencement date during which the employee performs 1,000 or more hours of service. Credited Service shall include service granted under the following plans (subsequently merged with this plan):

- United Water New Jersey Inc. Employees' Retirement Plan – Bargaining Unit
- United Water Work New York Inc. Employees' Retirement Plan – Bargaining Unit
- United Waterworks Inc. Employees' Retirement Plan – Bargaining Unit

Credited service shall be limited as noted to the following groups of employees:

Non-Bargained Employees and Idaho Bargained Employees (Local 296): Credited Service is limited to the later of July, 1, 2011 and the 35th anniversary of Plan Participation

Pennsylvania Bargained Employees (Local 584): Credited Service is limited to the later of December 31, 2011 and the 40th anniversary of Plan Participation

Jersey City Bargained Employees (Local 375): Credited Service is limited to the later of December 31, 2011 and the 40th anniversary of Plan participation

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New Jersey Bargained Employees (Local 375): Credited Service is limited to the later of February 28, 2012 and the 40th anniversary of Plan participation

Pennsylvania, Bloomsburg Operation Bargained Employees (Local 516): Credited Service will be limited to the to the later of February 1, 2012 and the 40th anniversary of Plan Participation

Toms River Bargained Employees (Local 503): Credited Service will be limited to the to the later of February 1, 2012 and the 40th anniversary of Plan Participation

New York Bargained Employees (Local 363): Credited Service will be limited to the later of December 1, 2012 and the 40th anniversary of Plan Participation

New Rochelle Bargained Employees (Local 1-2): Credited Service will be limited to the later of May 1, 2012 and the 40th anniversary of Plan Participation

Pennsylvania, Harrisburg Operation Bargained Employees (Local 489): Credited Service will be limited to the later of July 1, 2012 and the 40th anniversary of Plan Participation

Vesting Service

Vesting Year of Service shall mean each year beginning with the participant's employment commencement date during which the employee performs 1,000 or more hours of service

Annual Compensation

Annual base compensation, excluding bonuses, overtime, differential and other forms of additional compensation. No compensation will be included after credited service ceases to accrue due to the service dates and caps outlined above.

Average Compensation

The average Annual Compensation for the highest five years (or the actual number of months, if less) of the last ten years of service (does not have to be consecutive).

Actuarial Equivalence

Unless otherwise specified, the Actuarial Equivalence is based upon the UP-84 Mortality Table and 7.5% interest per annum.

Normal Retirement Date

The Normal Retirement Date for each participant is the first day of the month following their 65th birthday or the fifth anniversary of employment, whichever is later.

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Normal Retirement Benefit

Basic Benefit Formula

1.5% of Average Compensation for each Year of Credited Service

Adjustments to Basic Benefit Formula

The following adjustments will be made to the Basic Benefit Formula, as appropriate:

1. Participant in the United Water Services LLC Pension Plan: Basic Benefit reduced by the actuarial equivalent life annuity value of the lump sum benefit for employees participating in the United Water Services LLC Pension Plan who transferred to the United Water Management and Services Inc. on January 1, 1998. Actuarial Equivalence is based upon the 1971 Group Annuity Mortality (Participants assumed to be male and Beneficiaries assumed to be female) and 9.5% interest per annum

2. Participants who Received 100% Match in the Thrift Plan of Hackensack Water Company, Spring Valley Water Company Incorporated, and/or the Employees Thrift Plan of United Water New Jersey, Inc.: Basic Benefit reduced by Actuarial Equivalent annuity attributable to the 401(k) match in excess of 50%. Actuarial Equivalence is based upon the UP-84 Mortality and 8.5% interest per annum

3. New Jersey Bargained and New York Bargained participants actively employed on March 1, 2006 and May, 31, 2006, respectively: An additional benefit equal to 0.5% of Annual Compensation for each year of pension service between January 1, 2001 and December 31, 2005

4. United Water Management and Services, Inc. and United Waterworks, Inc. participants actively employed between December 1, 1999 and December 31, 2009, inclusive: A minimum benefit of $3,750 annually

Delayed Retirement Benefit

Eligibility: The first day of the month coincident with or following a participant's date of termination, provided that it occurs after the Normal Retirement Date

Benefit: The Normal Retirement Benefit with pay and service through Delayed Retirement Date

Early Retirement Benefit

Eligibility: The first day of the month coincident with or following the date the participant has attained age 55 and completed 10 Years of Vesting Service

Benefit:

For Non-Bargained Participants Hired Prior to October 1, 2001 and All Bargained Participants

The Normal Retirement Basic Benefit, reduced by 1% per year for the first three years and 2% per year for the next seven years preceding the Normal Retirement Date.

The following groups will have an unreduced Normal Retirement Basic Benefit:

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i. Participants who have attained age 62 with 20 Years of Service

ii. New Jersey Bargained – Local 375 participants hired on or prior to December 31, 2006 who have attained age 60 with 30 Years of Vesting Service

iii. New York Bargained – Local 363 participants hired on or prior to August 27, 2007 who have attained age 60 with 30 Years of Vesting Service

iv. New Rochelle Bargained – Local 1-2 participants hired on or prior to December 31, 2009 who have attained age 60 with 30 Years of Vesting Service

Adjustments (1) and (2) to the Normal Retirement Basic Benefits will be based on the Actuarial Equivalence as stated therein.

Adjustment (3) to the Normal Retirement Benefit item (3) shall not be reduced, regardless of the benefit commencement date.

Adjustment (4) to the Normal Retirement Benefit is subject to the same reductions as the Normal Retirement Basic Benefit.

For Non-Bargained Participants Hired On or After October 1, 2001

The Actuarial Equivalent of the Normal Retirement Basic Benefit payable on the participant's Early Retirement Date. All adjustments are subject to the reductions noted in the above section.

Vested Benefit Upon Termination of Service

Eligibility: The completion of 5 Years of Vesting Service

Benefit: The Normal Retirement Benefit payable on the later of the first or the month coincident with or following a participant's Normal Retirement Date. Participants with at least 10 Years of Vesting Service upon termination can commence benefits after attaining age 55. Early commencement benefits are reduced by the same factors as would be used upon Early Retirement.

Disability Retirement Benefit

Eligibility: The first day of any month following the determination of disability, provided 10 Years of Vesting Service were completed.

Benefit:

New York Bargained participants (Local 363) only: For Partial Disability, a pension based upon the Normal Retirement Benefit, to commence at the Disability Retirement Date, reduced at 2% for the first three years and 3% for each additional year preceding Normal Retirement Date

For Permanent Disability, the unreduced Normal Retirement Benefit Payable at disability.

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Death Benefit

Eligibility: Married participant with 5 or more Years of Vested Service

Benefit: The pension to the participant's surviving spouse will be equal to the pension the participant would have received had they lived to the earliest date they could have retired and elected a 100% (50% if the participant is no longer employed by the company at death) Joint and Survivor Annuity, and subsequently dies.

For participants who had been covered by the United Water New Jersey Inc. Employees Retirement Plan-Bargaining Unit with at least 15 Years of Vesting Service, a beneficiary will receive a pension the participant would have received had the participant lived to the earliest date they could have retired and elected a 15 year certain benefit.

Death benefits commencing prior to the participant's Normal Retirement Date are subject to the Early Retirement provisions above. No additional reductions will be made for commencement prior to age 55.

Normal Form of Retirement Income

Single: Life Annuity

Married: 50% Joint and Survivor annuity, converted on an Actuarial Equivalent basis from a Life Annuity

Optional Forms of Retirement Income in Lieu of Normal Form

The Actuarial Equivalent of the Single Life Annuity payable as a:

i. 100% Joint and Survivor Annuity, 75% Joint and Survivor Annuity, 66⅔% Joint and Survivor Annuity, 50% Joint and Survivor Annuity

ii. 10-Year Certain and Life Annuity and 15-Year Certain and Life Annuity (the 20-Year Certain and Life Annuity is available for New York Bargained (Local 363))

Plan Participant's Contributions

They are neither required nor permitted.

Plan Changes Since the Prior Year

See Effective Date and Most Recent Amendments portion of this section.

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Schedule SB, Line 24
Change in Actuarial Assumptions
as of January 1, 2013

The marriage assumption was changed to 66.67% married for all participants, regardless of bargaining status.

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Schedule SB, Line 26
Schedule of Active Participant Data as of January 1, 2013

Attained Age	Years of Credited Service																	
	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & Over	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	1		3		0		0		0		0		0		0		0		0	
25 - 29	1		24	52,551	21	53,519	1		0		0		0		0		0		0	
30 - 34	4		29	58,905	36	61,841	8		0		0		0		0		0		0	
35 - 39	3		26	66,760	48	67,416	28	77,351	8		1		0		0		0		0	
40 - 44	3		27	66,763	41	81,040	28	69,401	21	72,618	13		1		0		0		0	
45 - 49	3		33	85,163	51	80,206	18		23	79,312	24	75,342	16		0		0		0	
50 - 54	3		20	79,281	36	79,282	22	81,394	23	79,504	26	76,060	19		19		0		0	
55 - 59	0		17		30	82,718	24	84,109	22	94,605	13		16		36	81,791	17		1	
60 - 64	1		7		10		13		11		10		9		12		18		13	
65 - 69	0		4		3		9		5		6		2		1		0		4	
70 & Over	0		2		0		1		1		0		0		0		2		0	

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Schedule SB, Line 32
Schedule of Amortization Bases
as of January 1, 2013

	Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1	Shortfall	01/01/2013	2,765,682	7	2,765,682	461,570
2	Shortfall	01/01/2012	(17,682,223)	6	(15,884,535)	(3,001,108)
3	Shortfall	01/01/2011	24,264,100	13	23,842,494	2,545,440
4	Shortfall	01/01/2010	16,419,036	12	15,978,567	1,802,353
5	Shortfall	01/01/2009	9,154,186	3	7,086,192	2,476,832
Total					33,788,400	4,285,087

SCHEDULE H ATTACHMENTS

The required Information is included in the Accountants Opinion attachment

SCHEDULE H ATTACHMENTS

The required Information is included in the Accountants Opinion attachment

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