Exhibit GSP-1

DSIC PROCEDURE

1) The DSIC should reflect qualified additions for the previous six-month period that are non-revenue producing and include additions that are replacing and rehabilitating in nature.

2) Qualified additions may include among other things: mains; main cleaning and lining; services, hydrants; valves; short mains and valves; meters; dead-end looping; and re-location due to government requirements.

4) The rate of return would be based upon the Company's last base rate case

5) Rate base would include accumulated depreciation and deferred federal income tax on qualified additions

6) Depreciation expense on the DSIC plant would be included.

7) Revenue taxes would be grossed-up and the revenue requirement would be on a pre-tax basis.

8) 7.5% cap on the DISC surcharge.

9) The surcharge calculation should be filed within 15 days after the end of the 6 month DSIC period. The Surcharge will go into effect 45 days later (or 60 days after the DSIC surcharge period)

   Note: this review period is to review the calculation and that the projects included are qualified projects. There is no review period prior to projects commencing. Revenues from DSIC projects is considered temporary until rolled into base rates.

10) A surcharge would be applied to all customer bills equal to the percentage calculated by dividing the DSIC revenue requirement by the Company's projected revenues for the next six months. The surcharge will be applied on a bills rendered basis.

11) After the first 12 month period, the Company would need to include an earnings test.

If a company is over earning, then the surcharge would stop until such time as the company is in an under earning position.

12) Some states also perform an annual audit of the program to review the actual projects implemented by the company.

13) On each six month submittal, a reconciliation on the over(under) recovery of DSIC surcharge would be included.

14) There should not be any "Gap Period" as a result of base rate case. The Gap Period represents the time period between when qualified additions are reflected in base rates and the Company's subsequent DSIC filing. For example, if increased rates become effective in April and that increase only includes qualified DSIC additions through the prior December, the next DSIC surcharge after the rate increase would include qualified additions from January through September (i.e., six months after the April effective date).