

P.S.C. No. 1 – Water  
SUEZ WATER OWEGO-NICHOLS INC.  
Initial Effective Date: November 14, 2016

Statement Type: DPO  
Statement No. 1

**DEFERRED PENSION AND POSTRETIREMENT BENEFITS OTHER THAN PENSIONS**

Pursuant to the Commission Order issued in Case 07-W-0639, SUEZ Water Owego-Nichols deferred pension and postretirement benefits other than pensions (OPEB) will be recovered through a 1.27% surcharge applied on all customers' bills on a bills-rendered basis commencing January 1, 2011. The surcharge will expire after seven years or at such time the total amount is fully recovered.

Description: In Case 07-W-0639, State of New York Public Service Commission Staff was granted their request to pursue an audit of SUEZ Water Owego-Nichols (SWON) Deferred Pension and OPEB costs in a Phase II proceeding to the rate case. As a result of the audit, the amount of deferred pension and OPEB was determined to be \$252,752. Of this amount, accrued interest owed ratepayers of \$117,221, recorded to SWON's pension and OPEB internal reserve accounts will be offset against the \$252,752 of pension and OPEB deferrals. The remainder, \$135,531, will be amortized over a period of seven years, at \$19,361 per year. In order to recover this cost, SWON will be allowed to bill ratepayers for this amortization through a surcharge.

Per Cases 07-W-0639 and 07-W-0872:

|  |                    |
|--|--------------------|
| Metered Service Revenues                       | \$1,353,461        |
| Fire Protection Revenues                       | <u>166,614</u>     |
| Assessable Revenues                            | <u>\$1,520,075</u> |
| Total Pension/OPEB Deferral Allowed            | \$252,752          |
| Applied Pension/OPEB Internal Reserve Interest | <u>(117,221)</u>   |
| Amount Subject to Recovery Through Surcharge   | <u>135,531</u>     |
| Amortization Period (7 Years)                  | <u>\$19,361</u>    |
| Surcharge Percentage                           | <u>1.27%</u>       |