PSC NO: 3 - WATER   Statement Type: TSA
Heritage Hills Water-Works Corporation   Statement No. 2
Initial Effective Date: October 1, 2015

(Issued in Compliance with the Public Service Commission Order of April 17, 2015 in Case #09-M-0311)

<u>Applicable to All Customers</u>

1. General Description
    Purpose: To recover, as a separate surcharge, the revenues required for payment of the
    Temporary State Energy and Utility Service Conservation Assessment (Temporary State
    Assessment) (Public Service Law Section 18-a(6), including any carrying charges.

2. Computation of TSA Surcharge
    Calculation: The TSA will be updated annually to become effective on fifteen (15) days
    notice to reflect changes in revenues to be recovered from ratepayers to pay the
    Temporary State Assessment. Carrying charges of the corporation's authorized pre-tax
    rate of return will be applied to the net of tax un-recovered TSA payments.

    Tax Surcharge Amount: The charge will be expressed as a percentage carried to two
    decimal places and will be applied to the total amount billed to each Customer under the
    Company's otherwise applicable rates, charges and surcharges. The surcharge is subject
    to all revenues based taxes.

    Formula:

Line No.	Description	Source		Amount
1	Total Operating Revenues:	*Ann Rprt, pg 300*		$ 1,450,543
2	Adjustments:			
3	Interstate Revenues	*Ann Rprt, pg 300*		-
4	Sales for Resale	*Ann Rprt, pg 300*		-
5	Uncollectibles	*Ann Rprt, pg 122*		(5,624)
6	Per 18-a			(500,000)
7	Total Adjustments:			(505,624)
8	Assessable Revenues:			944,919
9	Assessment Rate:			1.00%
10	Estimated Combined General Assessment and			
11	Temporary State Assessment Amount:			9,449
12	General Assessment in Base Rates:	*Case 08-W-1201*	0.33%	1,944
13	Estimated Temporary Assessment Surcharge Amount:			7,505
14	To refund balance as of August 2015.			(22,248)
				(14,743)
15	Surcharge as a % of 2014 Billed Revenues:	944,919		-1.56%

<u>Issued By: Keith Sorensen, President, Southbury, Connecticut 06488</u>