

PSC No. 5 - WATER**STATEMENT TYPE: RLSS****COMPANY: NEW YORK AMERICAN WATER COMPANY, INC.****STATEMENT NO.: 2****INITIAL EFFECTIVE DATE: APRIL 1, 2020**

Issued in compliance with Commission Order issued February 6, 2020 in Case 16-W-0259

RATE LEVELIZATION SURCHARGE STATEMENT

On May 18, 2017, the New York State Public Service Commission (PSC) issued an Order Establishing Rates for Water Service (Order) that approved a four-year rate plan for New York American Water beginning on April 1, 2017. Rate Year 1 was effective April 1, 2017 through March 31, 2018; Rate Year 2 from April 1, 2018 through March 31, 2019; Rate Year 3 from April 1, 2019 through March 31, 2020; and Rate Year 4 from April 1, 2020 through March 31, 2021. On February 6, 2020, the PSC issued an order postponing the levelization surcharge for Service Area One.

Under the original rate plan, the Commission authorized levelized revenue increases for a portion of the levelized revenue increases for RY3 (ending March 31, 2020) and RY4 (ending March 31, 2021), and ordered New York American Water to collect the costs through levelization surcharges as opposed to base rate charges. At the end of the rate plan, the surcharge will end so that base rates are not higher than they would have been if the revenue increases had not been levelized. The planned increases and levelized surcharges in the original rate plan, and amended on February 6, 2020, are as follows:

Levelized Base Revenue Increases and Levelization Surcharges* (\$ millions)						
Rate Year	SA1 Levelized BASE Revenue Increase	Deferred SA1 Levelization Surcharge	Total SA1	SA2 Levelized BASE Revenue Increase	SA2 Levelization Surcharge	Total SA2
1	\$10.14	-	\$10.14	\$3.07	-	\$3.07
2	\$10.14	-	\$10.14	\$3.07	-	\$3.07
3	\$5.64	\$4.49	\$10.14	\$3.07	-	\$3.07
4	\$4.34	\$5.80	\$10.14	\$2.61	\$0.46	\$3.07
Total	\$30.25	\$10.29	\$40.54	\$11.82	\$0.46	\$12.27
4-year average			\$10.14			\$3.07

*Does not include declining consumption adjustment

The RY4 Levelization Surcharge for Service Area 2 is in effect beginning April 1, 2020 through March 31, 2021.

	<u>Debit</u>
Service Area 1 Metered, Public and Private Fire Customers	Deferred
Service Area 2 Metered Customers	\$.008019 per 100 gallons
Service Area 2 Public Fire Customers	1.13%
Service Area 2 Private Fire Customers	1.13%

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