

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

Statement Type: TPS
Statement No. 1

TANK PAINTING SURCHARGE STATEMENT (TPS)

Applicable to all metered and fire protection customers

I. General Description

Purpose: The TPS will be used to recover the pre-tax return cost and the actual costs of the tank painting and rehab work and will be applied to all metered and fire protection customers. The surcharge statement will be filed with the Commission after completion of the tank painting and rehab work and will expire at the end of its 15-year term or when new base rates are established.

II. Computation of the TPS

The formula for the calculation of the TPS is as follows:

$$\text{TPS} = \frac{(C/15) + (\text{pre-Tax ROR} \times (UAB - DIT))}{\text{PABR}}$$

Where:

C	=	Costs associated with tank painting and rehabilitation
15	=	Amortization period (Fifteen Years)
Pre-Tax ROR	=	10.46% until the Tank Painting Surcharge is terminated and the Unamortized balance is reflected in the new base rates
UAB	=	Unamortized Balance
DIT	=	Deferred Income Taxes
PABR	=	SWON's projected annual billed revenues

The TPS will be percentage, carried to two decimal places, and will be applied to the total amount billed to all metered and fire protection customers.

Effective with this statement, the surcharge is 4.89%

III. Safeguards

Reconciliation: the TPS will be subject to an annual reconciliation between the authorized collections and actual collections and should be filed with the Commission within sixty (60) days after the end of each rate year. Adjustments for over/under collections resulting from the surcharge will be reflected in the next year's surcharge percentage. To the extent that new base rates are established before the 15-year amortization period expires, the TPS will be terminated and the unamortized balance will be reflected in the new base rates.

Customer Notice: Customers shall be notified of changes in the TPS by including appropriate information on the first bill they receive following any change. An explanatory bill insert shall also be included with the first billing.