

P.S.C. No. 1 – Water
 UNITED WATER NEW ROCHELLE INC.
 Initial Effective Date: January 1, 2014

Statement Type: PWCT
 Statement No. 1

**PURCHASED WATER AQUARION CONNECTICUT ADJUSTMENT SURCHARGE
 STATEMENT**

Applicable to all Metered Customers of former territory of United Water Westchester Inc.:

I. General Description

Purpose: To recover any increases in the cost of water from Aquarion Connecticut (AQCT) beyond the authorized amount included in rates from DPU Docket 07-05-19 effective December 12, 2007.

II. Computation of the Purchased Water Aquarion Connecticut Adjustment Surcharge

Calculation: As early as possible after notification of an increase from Aquarion Connecticut, the Company shall make a compliance filing to be effective on the same date of the Aquarion Connecticut rate increase.

Formula for Purchased Water:

$$\text{PWCT} = [(\text{NFC} - \text{FC}) + \text{MG} * (\text{NAQCT} - \text{AQCT}) + (\text{PYA} - \text{PYB})] / \text{RYR}$$

$$5.45\% = (751,822 - 352,376) + (\text{MG} * (1,782.96 - 1,592.00)) + (\$0.00 - \$0.00) / 12,810,095$$

Where:

- PWCT** = Purchased Water Aquarion Connecticut Adjustment Surcharge expressed in percentage of revenue.
- NFC** = New AQCT Fixed Charge Rate.
- FC** = Fixed Charges effective December 12, 2007 Docket 07-05-19.
- MG** = Estimated Recoverable Purchased Water Volume - Most recent 5 year average of actual annual purchases adjusted to a LUFW of 18% (if actual LUFW during the period is above 18%) – expressed in million gallons (MG).
- NAQCT** = New AQCT Volumetric Rate
- AQCT** = Aquarion Connecticut Volumetric Rate effective December 12, 2007, Docket 07-05-19.
- PYA** = Prior Year Actual Purchases Amount: (on fixed charges plus excess volume purchases, adjusted to avg. LUFW of 18% if actual LUFW is above 18%).
- PYB** = Prior Year Billed Surcharge Amount
- RYR** = Rate Year Proposed Revenue for the period the surcharge is in effect. (RY4 revenue to continue until such time new rates are put in effect)