

P.S.C. No.1– Water
Veolia Water New York Inc.
Initial Effective Date: April 3, 2023

Statement Type: SIC
Statement No. 2

SYSTEM IMPROVEMENT SURCHARGE (SIC)

NEW YORK/FOREST PARK/HERITAGE HILLS/OWEGO-NICHOLS

APPLICABLE TO USE OF SERVICE FOR TOWNS OF RAMAPO, HAVERSTRAW, STONYPPOINT, CLARKSTOWN AND ORANGETOWN IN THE COUNTY OF ROCKLAND AND THE TOWNS OF TUXEDO, WARWICK AND MONROE IN THE COUNTY OF ORANGE, NEW YORK.

APPLICABLE TO USE OF SERVICE FOR RESIDENTIAL, COMMERCIAL, AND GENERAL USE CUSTOMERS IN CARMEL, SOUTHEAST, HILLTOP MEADOWS SUBDIVISION, TONETTA LAKE ROAD, NORTH BREWSTER ROAD, TOWN OF SOUTHEAST, DEVELOPMENT OF MISTY HILLS AND TOWN OF PATTERSON, PUTNAM COUNTY AND THE TOWN OF LEWISBORO, WESTCHESTER COUNTY..

APPLICABLE TO USE OF SERVICE FOR RESIDENTIAL AND NON-RESIDENTIAL USE CUSTOMERS IN THE TOWN OF SOMERS IN THE COUNTY OF WESTCHESTER, NEW YORK.

APPLICABLE FOR USE OF SERVICE FOR OWEGO, AND THE VILLAGE AND PARTS OF THE TOWN OF NICHOLS, TIOGA COUNTY, NEW YORK.

Applicable to all Metered Customers (Single Family Residential, Multi-Family Residential, Non-Residential & Service to Other Water Supply Systems)

Effective with this statement, the surcharge for New York/Forest Park/Heritage Hills is 0.00%

Effective with this statement, the surcharge for Owego -Nichols is 5.31%

I. General Description

Purpose: To recover the carrying costs (i.e., return and depreciation expense) associated with the construction of specific reviewed and approved projects placed in service in Rate Year one and beyond.

Effective Date: The SIC will become effective for bills rendered on and after XX/XX/XXXX.

II. Computation of the SIC Surcharge

Calculation: When the Company has incurred actual expenditures for projects listed below and the new facilities have been placed in service, then the amount of those expenditures (net of the associated (1) retirements, including cost of removal and any related tax benefits, (2) accumulated deferred income taxes ("ADIT"), and (3) accumulated depreciation reserve / accumulated amortization, i.e., the net rate base ["NRB"]) will constitute the incremental rate base investment subject to the SIC.

The SIC filing will be made within 60 days after the project has been placed into service. The Company will provide Staff with the detailed project information regarding the SIC (such as in-service dates, actual expenditures incurred, retirements, etc.).

Suspended to 8/1/2023 by order in Case 23-W-0111. See Supplement No. 1. The supplement filing date was 3/22/2023.
Cancelled effective 05/28/2023.
Cancelled effective 05/18/2023.

Issued by: Christopher J. Graziano, V.P. & Gen Mgr., 162 Old Mill Road, West Nyack, NY 10994

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SYSTEM IMPROVEMENT SURCHARGE (SIC) (Continued)

NEW YORK/FOREST PARK/HERITAGE HILLS/OWEGO-NICHOLS

III. Safeguards

Audit/Reconciliation: A reconciliation between authorized collections and actual collections related to the SIC surcharge will be conducted annually and filed with the Secretary to the Commission within 60 days of the end of each rate year. Any under collections or over collections will accrue interest at the customer deposit interest rate established by the Commission each year. Adjustments of the under collections and over collections, as well as updates related to accumulated depreciation reserve, will be reflected in the next SIC surcharge filing.

IV. The use of the SIC mechanism is approved for the following projects and associated capital expenditures:

V. Lisle Road tank Painting - Capital and Deferred costs

LockHeed Martin Tank Painting- Deferred Costs

Formula:	The formula for the calculation of the SIC Surcharge is as follows:
SIC Sucharges	= $((NRB \times \text{PRE-Tax ROR}) + D)/GF/AR$
Where:	
NRB	= The cost of the specific approved facilities listed above, net of associated (1) retirements, including cost of removal and any related tax benefits, (2) ADIT and (3) accumulated depreciation reserve / accumulated amortization.
Pre-tax ROR	= X.XX
D	= Annual depreciation / amortization on the net additions
GF	= Gross-up factor before income taxes (X.XX%)
AR	= SWNY/Forest Park/Heritage Hills/Owego-Nichols Projected Annual Metered Revenues

VI. Safeguards

Audit/Reconciliation: A reconciliation between authorized collections and actual collections related to the SIC surcharge will be conducted annually and filed with the Secretary to the Commission within 60 days of the end of each rate year. The submitted surcharge will go into effect 60 days after submittal unless Staff submits a letter to the Company indicating the submitted reconciliation amounts should be adjusted. Any under collections or over collections will accrue interest at the other customer capital interest rate established by the Commission each year. Adjustments of the under collections and over collections, as well as updates related to accumulated depreciation/amortization reserve, will be reflected in the next SIC surcharge filing.

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NEW YORK/FOREST PARK/HERITAGE HILLS/OWEGO-NICHOLS

IV. The use of the SIC mechanism is approved for the following projects and associated capital expenditures:

		(Thousands)
Park Ave Tank Replacement	Water Storage	\$2,099
New Haverstraw Tank (2 MG)	Water Storage	\$8,180
Lake DeForest Fencing	Safety and Security	\$3,193
RVWF (augmentation)	Water Supply	\$825
Sludge Handling	Treatment Improv	\$1,325
Replace Monsey Tank (2MG)	Water Storage	\$4,774
RVWF Facility Overhaul	Water Pumping	\$9,618
Stony Point Dam	Dam Improvements	\$869
Stony Point Tank (Elevated: 250,000)	Water Storage	\$4,340
SV Reservoir roof	Water Storage	\$7,140

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SYSTEM IMPROVEMENT SURCHARGE (SIC)

WESTCHESTER RATE DISTRICTS 1 AND 2

APPLICABLE FOR USE OF SERVICE FOR CITY OF NEW ROCHELLE, VILLAGE OF BRONXVILLE, VILLAGE OF TUCKAHOE, VILLAGE OF PELHAM MANOR, VILLAGE OF PELHAM, VILLAGE OF ARDSLEY, VILLAGE OF DOBBS FERRY, VILLAGE OF HASTINGS-ON-HUDSON, TOWN OF MAMARONECK, TOWN OF GREENBURGH, TOWN OF MOUNT PLEASANT AND TOWN OF EASTCHESTER IN WESTCHESTER COUNTY, NEW YORK.
APPLICABLE FOR USE OF SERVICE FOR VILLAGE OF PORT CHESTER, VILLAGE OF RYE BROOK AND THE CITY OF RYE IN WESTCHESTER COUNTY, NEW YORK.

Applicable to all Metered Customers (Single Family Residential, Multi-Family Residential, Non-Residential & Service to Other Water Supply Systems)

I. General Description

Purpose: To recover the carrying costs (i.e., return and depreciation expense) associated with the construction of specific reviewed and approved projects placed in service in Rate Year one and beyond.

Effective Date: The SIC will become effective for bills rendered on and after XX/XX/XXXX.

II. Computation of the SIC Surcharge

Calculation: When the Company has incurred actual expenditures for projects listed below and the new facilities have been placed in service, then the amount of those expenditures (net of the associated (1) retirements, including cost of removal and any related tax benefits, (2) accumulated deferred income taxes ("ADIT"), and (3) accumulated depreciation reserve / accumulated amortization, i.e., the net rate base ["NRB"]) will constitute the incremental rate base investment subject to the SIC.

The SIC filing will be made within 60 days after the project has been placed into service. The Company will provide Staff with the detailed project information regarding the SIC (such as in-service dates, actual expenditures incurred, retirements, etc.).

Effective with this statement, the Surcharge is 0.00%.

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WESTCHESTER RATE DISTRICTS 1 AND 2

Formula: The formula for the calculation of the SIC Surcharge is as follows:

$$\text{SIC surcharge} = ((\text{NRB} \times \text{PRE-Tax ROR}) + \text{D}) / \text{GF} / \text{AR}$$

Where:

NRB = The cost of the specific approved facilities listed above, net of associated (1) retirements, including cost of removal and any related tax benefits, (2) ADIT and (3) accumulated depreciation reserve / accumulated amortization.

Pre-tax ROR = X.XX%

D = Annual depreciation / amortization on the net additions

GF = Gross-up factor before income taxes (XX.XX%)

AR = SWNY-Westchester Projected Annual Metered Revenues

Effective with this statement, the SIC surcharge is X.XX %

III. Safeguards

Audit/Reconciliation: A reconciliation between authorized collections and actual collections related to the SIC surcharge will be conducted annually and filed with the Secretary to the Commission within 60 days of the end of each rate year. The submitted surcharge will go into effect 60 days after submittal unless Staff submits a letter to the Company indicating the submitted reconciliation amounts should be adjusted. Any under collections or over collections will accrue interest at the other customer capital interest rate established by the Commission each year. Adjustments of the under collections and over collections, as well as updates related to accumulated depreciation/amortization reserve, will be reflected in the next SIC surcharge filing.

IV. The use of the SIC mechanism is approved for the following projects and associated capital expenditures:

		(Thousands)
Anderson Hill Tank	Water Storage	\$3,583
Daisy Farms Tank Repl	Water Storage	\$3,210