

P.S.C. No. 2 – Water
SUEZ Water New York Inc.
Initial Effective Date: January 24, 2021

Leaf No. 95
Revision: 1
Superseding Revision: 0

SYSTEM IMPROVEMENT SURCHARGE (SIC) - SWNY/FOREST PARK/HERITAGE HILLS
(Continued)

Formula:	The formula for the calculation of the SIC Surcharge is as follows:
SIC Sucharges	= $((NRB \times PRE\text{-}Tax\ ROR) + D)/GF/AR$
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	= 8.12%
D	= Annual depreciation / amortization on the net additions
GF	= Gross-up factor before income taxes (98.90%)
AR	= SWNY/Forest Park Projected Annual Metered Revenues

Effective with this Statement, the 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:

- i. LDF Dam Stability – \$6.643 million
- ii. Stony Point Dam – \$2.174 million
- iii. Monsey Storage Tank – \$2.040 million
- iv. Haverstraw Storage Tank – \$4.060 million
- v. Sterling Lakes Equalization Tank Projects – \$1.243 million
- vi. PFOA/PFOS Projects at Spring Valley Well Field – \$4.4 million
- vii. PFOA/PFOS – Five Large Well Projects – \$17.5 million
- viii. PFOA/PFOS – Seven Small Well Projects – \$14.0 million

Cancelled by supplement No. 6 effective 01/23/2023