

23.4 REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION ADJUSTMENT CLAUSE (RRC) – WESTCHESTER

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. (F/K/A SUEZ WATER WESTCHESTER RATE DISTRICT #1)

APPLICABLE FOR USE OF SERVICE FOR VILLAGE OF PORT CHESTER, VILLAGE OF RYE BROOK AND THE CITY OF RYE IN WESTCHESTER COUNTY, NEW YORK. (F/K/A SUEZ WATER WESTCHESTER RATE DISTRICT #2)

APPLICABLE TO ALL METERED CUSTOMER IN RATE DISTRICT #1

Commission Opinion in Cases 13-W-0539, 13-W-0564, and 14-W-0006 directed that the rates applicable to all metered Customer accounts (except public and private fire) be subject to automatic adjustment by way of a surcharge, or credit, based on the difference between the actual net metered water revenues (operating revenues plus the change in unbilled revenue less production costs, consisting of purchased water from the New York City Water Board (NYCWB), additional cost for excess purchased water (entitlement and excess), and purchased power and chemicals) for the preceding year, and the revenue targets shown in the table below. Metered revenues are based on metered Customers' bill-rendered base rate revenue plus the change in unbilled revenue at the beginning and at the end of each rate year.

The difference in purchased water cost will be calculated by comparing actual metered sales in million gallons (MG) in the rate years (adjusted to reflect accrued sales at the end of each year), grossed up 18% for losses, to the purchased water targets allowed in this proceeding, as shown in the table below. The purchased water targets reflect the NYCWB purchased water rate of \$1,573.61 per MG and the NYCWB Excess per Capita rate of \$3,372.91 per MG, both effective July 1, 2014 plus the 9.87% increase effective July 1, 2015.

The difference in purchased power and chemical costs will be calculated by comparing the actual purchased power and chemical costs to the purchased power and chemical costs allowed in this proceeding, as shown in the table below, under the following terms: if production costs exceed their respective targets, recovery of purchased water costs will be at 100% of the excess amount, whereas purchased power and chemical costs will be recovered at 95% of their excess amounts, with the 5% difference to be absorbed by the Company. The net revenue differential will be added or subtracted, as the case may be, to any existing Adjustment Clause balance as of October 31, 2016. The balance shall be recovered or refunded during the following twelve months period from all metered customers.

In accordance with the terms set forth in Section IX of the JP, actual property taxes will be partially reconciled with the stated targets. If actual property taxes exceed the specified target levels, 80% of the variance will be recovered from ratepayers. If actual property taxes fall below the target levels, ratepayers will receive 100% of the benefit, unless the Company can demonstrate it took action to obtain the lower taxes, in which case the Company can retain 20% of the difference.

Issued in compliance with the Commission Order 19-W-0168 dated July 16, 2020

Issued by: Christopher J. Graziano, V.P. & Gen Mgr., 360 West Nyack Road, West Nyack, NY 10994