

P.S.C. No. 2 – Water
SUEZ Water New York Inc.
Initial Effective Date: August 1, 2020

Leaf No. 92
Revision: 0
Superseding Revision:

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

In the event of any disagreement over the proper net surcharge or surcredit amounts between the Company and Staff, Staff's calculated surcharge or surcredit will be temporarily placed in effect. The differences will be resolved through the Dispute Resolution Process.

If the Dispute Resolution Process results in an amount ultimately resolved in the Company's favor, then the Company will be allowed to recover carrying charges on the determined net of tax amount. Carrying charges will be applied at the then-current Other Customer Capital rate.

The accumulated net revenue variance will accrue interest net of income tax from the end of each Rate Year at the Other Customer Capital rate then in effect.

The reconciliation will be submitted to the Director of the Office of Electric, Gas and Water within 60 days after the end of the term of each Rate Year. The then-current Rate Year's net revenue variance will be recovered or refunded annually through a percentage surcharge or credit applied to all metered customers' bills. The surcharge or credit will be based on the projected revenues from metered water sales for the next succeeding Rate Year, and will be recovered or refunded during the next succeeding Rate Year. The surcharge or credit will be subject to the local village tax, if applicable. At the end of Year Three, any remaining balances will be reconciled in a similar manner as described above. In addition, reconciliation amounts from prior rate plans will be recovered or refunded in the manner described above. If a new rate plan does not immediately begin upon the completion of the final rate year of this rate plan, the Company will use monthly revenue, production cost (including but not limited to power, chemicals, and purchased water), and property tax expense targets from the final rate year to do a partial revenue, production cost and property tax reconciliation. The monthly levels will be calculated by using the monthly averages of metered revenue for the most recent 5 years applied to the third rate year target.

The reconciliation will continue beyond the end of the Rate Plan at the third year target levels and all other administrative provisions remain in effect.

The submitted net surcharge or credit will go into effect 45 days after submittal unless Staff submits a letter to the Company indicating the submitted Reconciliation amounts should be adjusted.

The amount to be surcharged/credited to metered customers derived from the calculation described above for the Rate Year ended October 31, 2018 is \$633,478. The net surcharge or credit will be billed to all metered customers or refunded by the Company as a percentage of all metered customer's bills based on the Company's total metered revenues at a rate of 4.278%.