

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

Leaf No. 88
Revision: 1
Superseding Revision: 0

23.3 REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION
ADJUSTMENT CLAUSE (RRC) - NEW YORK/FORREST PARK (continued)

In accordance with the property tax mechanism set forth in the Joint Proposal approved by the Commission in Case 19-W-0168, the PSC has permitted the Company to reconcile property taxes each year. If actual property taxes exceed the specified target levels, 85% 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 15% of the difference. In accordance with the terms set forth in Section XX of the Joint Proposal approved by the Commission in Case 19-W-0168, the Company is required to defer any actual revenues above the estimated antenna site rental revenues included in the Company's revenue requirement. The amount netted to the Revenue and Production Cost Surcharge for the RY ended XX/XX/XXXX is (\$0).

A net surcharge/surcredit of X.XX% which is based on the Company's total metered sales revenues will be billed/refunded to all metered customers over the 12 month period following the effective date of the surcharge.

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 municipal tax, if applicable. At the end of Year four, 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 the revenue and production cost targets from the final rate year to do a pro-rated revenue and production cost reconciliation. Monthly revenue and production cost targets will be calculated as shown in Appendix 6 in the event of a partial rate year.

The reconciliations will continue beyond the end of the Rate Plan at the fourth rate year targets until new target levels are set in the next rate proceeding.

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