

P.S.C. No. 1 – Water
UNITED WATER OWEGO-NICHOLS INC.
Initial Effective Date: December 1, 2008

Statement Type: CAC
Statement No. 1

CONSUMPTION ADJUSTMENT CLAUSE STATEMENT NO. 1

Consumption Adjustment Clause Methodology

Within 60 days after the end of each year of the four year adjustment period United Water Owego-Nichols Inc. shall reconcile and report to the staff of the Gas and Water Division the difference between actual and forecast rate year net revenues of Service Classification No. 5 based on the following methodology.

An accumulated balance of the variances between actual and forecast rate year revenue, net of variances between forecast and actual production costs (source power and chemicals) will be maintained. The rate year variance will be determined within 60 days after the end of the rate year and will become the first entry as the accumulated balance, provided that if that variance is less than or equal to one percent of the net revenue forecast there will be no entry as an accumulated balance for the rate year. The accumulated balance will accrue interest at the rate established by the Commission of other consumer provided capital. One third of the accumulated balance will be recovered or refunded annually through a surcharge or surcredit to all Customers. The surcharge or surcredit will be based on customers' gross bill before surcharges and shall be recovered or refunded as a surcharge or surcredit on a bills rendered basis.

Issued in compliance with the New York Public Service Commission Order in Cases 07-W-0639 and 07-W-0872,
issued April 23, 2008.

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