

P.S.C. No. 1 – Water
United Water Westchester Inc.
Initial Effective Date: July 1, 2011

Statement Type: PWWJ
Statement No. 2

PURCHASED WATER AND EXCESS PER CAPITA ADJUSTMENT SURCHARGE STATEMENT

Applicable to Metered Customers

I. General Description

Purpose: To recover any increases in the cost of water from the New York City Water Board (NYCWB) for both entitlement and excess water and the Westchester Joint Water Works (WJWW) beyond the approved July 1, 2010 rate.

II. Computation of the Purchased Water and Excess Per Capita Adjustment Surcharge

Calculation: As early as possible after notification of an increase in the NYCWB rates or the WJWW rate, the Company shall make a compliance filing to be effective on the same date of the NYCWB or the WJWW rate increase.

Formula for Entitlement Purchased Water:

$$EPW = [MG*(NNYCWB - NYCWB) + (NWJWW - WJWW) + (PYA_PYB)] / RYR$$

<p style="text-align: center;">0.51% = 935.56*(1,213.84 - 1,149.72)+(450.66 - 450.66)+(\$0.00-\$0.00) / \$11,650,855</p>

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Where:

<i>EPW</i>	=	Purchased Water Adjustment Surcharge expressed in percentage of revenue.
<i>MG</i>	=	Estimated Recoverable Purchased Water Volume - Most recent 5 year average of actual annual purchases adjusted to a LUFW of 18% (if actual LUFW during the period is above 18%) – expressed in million gallons. (MG)
<i>NNYCWB</i>	=	New NYCWB rate.
<i>NYCWB</i>	=	NYCWB rate in effect July1, 2010.
<i>NWJWW</i>	=	New WJWW rate
<i>WJWW</i>	=	WJWW rate effective July 2009 (Dispute Settlement)
<i>PYA</i>	=	Prior Year Actual Purchases Amount: (on excess volume purchases, adjusted to avg. LUFW of 18% if actual LUFW is above 18%) plus any balance from previous years.
<i>PYB</i>	=	Prior Year Billed Surcharge Amount.
<i>RYR</i>	=	Rate Year Proposed Revenue for the period the surcharge is in effect. (RY4 revenue to continue until such time new rates are put in effect).

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(continued)

Formula for Excess Per Capita Water:

$$EPC = [MG * (NNYCWB - NYCWB) + (PYA - PYB)] / RYR$$

$0.06\% = [30.13 * (\$3024.13 - \$2,794.13) + (\$0.00 - \$0.00)] / \$11,650,855$
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Where:

- EPC* = Excess Per Capita Adjustment Surcharge expressed in percentage of revenue
- MG* = Most recent 5 year average of actual annual excess purchases: (adjusted to a LUFW of 18% if actual LUFW during period is above 18%) expressed in million gallons (MG).
- NNYCWB* = New Excess Per Capita NYCWB rate (Actual Excess Rate less Entitlement Rate).
- NYCWB* = NYCWB Excess Per Capita rate effective July 1, 2010.
- PYA* = Prior Year Actual Purchases Amount: (on excess volume purchases, adjusted to avg. LUFW of 18% if actual LUFW is above 18%) plus any balance from previous years.
- PYB* = Prior Year Billed Surcharge Amount.
- RYR* = Rate Year Proposed Revenue for the period the surcharge is in effect. (RY4 revenue to continue until such time new rates are put in effect).

Surcharge Amount: The charge will be the net of the EPW (Entitlement Purchased Water) and the EPC (Excess Per Capita Water) and will be expressed as a percentage of revenue and applied to the authorized rate year revenue. This adjustment surcharge is subject to all revenue based taxes.

Surcharge:	EPW	0.51%
	EPC	<u>0.06%</u>

Net: **0.60%**

Issued in compliance with the Commission Order in Case 09-W-0828 dated December 17, 2010.

Issued by: M.J. Pointing, V.P. & Gen. Mgr., 225 Palmer Ave., New Rochelle, NY 10801