

PSC No. 5 - WATER**STATEMENT TYPE: TSA****COMPANY: NEW YORK AMERICAN WATER COMPANY, INC.****STATEMENT NO.: 2****INITIAL EFFECTIVE DATE: JULY 1, 2017**

Issued in compliance with orders in Case 09-M-0311 dated 6/18/14 and 4/17/15

TEMPORARY STATE ASSESSMENT SURCHARGE

The Commission Order in Case 09-M-0311 ("Order"), dated June 18, 2014, directed that electric, gas, steam, and water utilities and jurisdictional municipal corporations, collect a Temporary State Assessment (TSA), effective from July 1, 2014 through June 30, 2017. (PSL §18-a(6)). The TSA imposes a charge of 1% of the gross operating revenues from intrastate utility operations, less the amounts assessed for Department of Public Service costs and expenses (General Assessment) that are authorized in the annual State Budget, and including carrying charges calculated at the Company's authorized pretax rate of return. The Order also directs affected utilities to adjust the TSA for any over-collections or under-collections that may have occurred within the first five years of the TSA's existence.

Based upon the requirements within the Order, the Long Island District is subject to a TSA surcharge of 0.496%, the Merrick District is subject to a TSA surcharge of 0.330%, and the Sea Cliff District is subject to a TSA surcharge of 0.876%. In accordance with the Order, the TSA will be subject to an annual reconciliation, including appropriate adjustments for over- or under-recoveries, as necessary.

Effective July 1, 2017, the Company will recover the TSA through a surcharge equal to 0.496% in the Long Island District, 0.330% in the Merrick District, and 0.876% in the Sea Cliff District.

The revenue-based TSA will be shown as a surcharge on each customer's bill.

This surcharge will be applied to all bills rendered in every service classification.

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