

P.S.C. No. 2 – Water
SUEZ Water New York Inc.
Initial Effective Date: February 1, 2022

Leaf No. 87
Revision: 3
Superseding Revision: 2

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

APPLICABLE TO USE OF SERVICE FOR TOWNS OF RAMAPO, HAVERSTRAW, STONYPPOINT, CLARKSTOWN AND ORANGETOWN IN THE COUNTY OF ROCKLAND AND THE TOWNS OF TUXEDO, WARWICK AND MONROE IN THE COUNTY OF ORANGE, NEW YORK, (F/K/A SUEZ WATER NEW YORK).

APPLICABLE TO USE OF SERVICE FOR RESIDENTIAL, COMMERCIAL, AND GENERAL USE CUSTOMERS IN CARMEL, SOUTHEAST, HILLTOP MEADOWS SUBDIVISION, TONETTA LAKE ROAD, NORTH BREWSTER ROAD, TOWN OF SOUTHEAST, DEVELOPMENT OF MISTY HILLS AND TOWN OF PATTERSON, PUTNAM COUNTY AND THE TOWN OF LEWISBORO, WESTCHESTER COUNTY. (F/K/A SUEZ WATER OWEGO-NICHOLS

Applicable to all Metered Customers:

According to the terms and conditions of the Commission's Order issued in Case 19-W-0168, issued and effective July 16, 2020 the existing reconciliation will recommence with the modifications described below. The rates applicable to all metered customer accounts will be subject to automatic adjustment by way of a surcharge or a credit based on the difference between the actual net revenues (operating revenues less production costs) for the preceding rate year and the net revenue target as estimated in the most recent rate case. The then-current Rate Year's net revenue variance plus any prior net revenue variances will be recovered or refunded annually through a percentage surcharge or surcredit to be applied to all metered customers' bills. This surcharge or surcredit 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 succeeding Rate Year.

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 and will be subject to any applicable local taxes.

Production costs will include the cost of sludge removal, power, chemicals and purchased water. If actual costs are less than the target for each year, 100% of the difference will be deferred and refunded through the Reconciliation. If actual costs exceed the target levels shown below, 95% of the difference for power and chemicals and 100% for purchased water and sludge removal will be deferred and recovered through the Reconciliation.

Target levels for Revenue and Production Costs are listed below:

<u>Rate Year Ending</u>	<u>Jan. 31, 2021</u>	<u>Jan. 31, 2022</u>	<u>Jan. 31, 2023</u>	<u>Jan. 31, 2024</u>
Revenue Target	\$78,610,928	\$94,938,447	\$103,308,766	\$109,088,991
Production Cost				
Purchased Power	2,749,841	2,805,755	2,862,805	2,921,015
Chemicals	1,108,085	1,130,616	1,153,606	1,177,062
Sludge Removal	1,157,989	1,181,534	1,205,559	1,230,072
Purchased Water	279,581	298,069	303,952	310,078
Property Taxes	25,329,682	26,282,868	27,279,067	28,320,469

Cancelled by Supplement No. 16 effective 02/23/2023