

23.1 CUSTOMER-SIDE LEAD SERVICE LINE REPLACEMENT SURCHARGE -
(CSLSL) – NEW YORK/FOREST PARK (continued)

Formula: The formula for the calculation of the CSLSL Surcharge is as follows:

$$\text{CSLSL Surcharge} = \frac{(\text{CE} - \text{AA} - \text{ADIT}) \times \text{Pre-tax ROR} + \text{A}}{\text{PABR}}$$

Where:

CE = Construction and program costs

AA = Accumulated Amortization

ADIT = Accumulated Deferred Income Taxes

Pre-tax ROR = 8.12%

A = Annual amortization on total program costs

PABR = New York/Forest Park Projected Annual Metered Revenues

Effective with this statement, the Surcharge is X.XX%.

III. Safeguards

Audit/Reconciliation: The CSLSL will be subject to an annual audit. It will also be subject to annual reconciliations between the authorized collections and actual collections and filed with the Commission within sixty (60) days after the end of each rate year. The submitted surcharge will go into effect 60 days after submittal unless Staff submits a letter to the Company indicating that the surcharge should be adjusted. Any over-collections or under-collections will accrue interest at the other customer capital interest rate established by the Commission each year. Adjustments for over and under collections will be reflected in the next CSLSL Surcharge filing.