

23.4 REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION ADJUSTMENT CLAUSE (RRC) – WESTCHESTER (continued)

Target levels for revenues, purchased water, excess purchased water, power, chemicals and property taxes for future years updated to reflect all changes through July 1, 2015 are shown in the table below:

Targets	Rate Year Ending <u>October 31, 2018</u>
Metered Revenues	
Facility and Consumption	\$34,633,009
Purchased Water	<u>15,913,482</u>
Total Reconciled Revenue	\$50,549,491
<u>Purchased Water Costs</u>	
<u>NYCWB</u>	
Purchased Water in MG	6,344
@ \$1,573.61 per MG Eff 7/1/14	
@ \$1,728.99 per MG Eff 7/1/15	
<u>NYCWB</u>	
Excess Per Capita	374
Purchased Water in MG	
@ \$3,372.91 per MG	
Chemicals	\$209,009
Power	\$842,581
Property Tax	\$10,268,251

The amount to be surcharged/credited to metered customers derived from the calculation described above for the Rate Year ended October 31, 2018 is (\$723,060). The net surcharge or credit will be billed to all metered customers or refunded by the Company as a percentage of all metered customer's bills based on the Company's total metered revenues at a rate of (1.430)%.

APPLICABLE TO ALL METERED CUSTOMER IN RATE DISTRICT #2

Commission Opinion in Cases 13-W-0539, 13-W-0564, and 14-W-0006 directed that the rates applicable to all metered Customer accounts (except public and private fire) be subject to automatic adjustment by way of a surcharge, or credit, based on the difference between the actual net revenues from water sales (operating revenues plus the change in unbilled revenue less production costs consisting of purchased water from Westchester Joint Water Works (WJWW) and Aquarion Connecticut (AWC-CT) (entitlement, excess and fixed charges), and purchased power for the preceding year), and the revenue targets shown in the table below. Revenues are based on Customers' bill-rendered base rate revenues plus the change in unbilled revenue at the beginning and at the end of each rate year.

The difference in purchased water costs to include excess per capita costs will be calculated by comparing the actual purchased water from WJWW and AWC-CT in million gallons (MG) in the rate years, grossed up 18% for losses, to the purchased water targets allowed in this proceeding, as shown in the table below. The purchased water targets for WJWW reflect the rates in effect as of July 1, 2014, for both NYCWB rate of \$1,573.61 per MG and WJWW rate of \$450.66 per MG for a total cost of

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