

**PSC No. 1 - WATER****COMPANY: LIBERTY UTILITIES (NEW YORK WATER) CORP.****EFFECTIVE DATE: December 1, 2023****STATEMENT TYPE: TAX****STATEMENT NO.: 2****TAX CUTS AND JOBS ACT OF 2017  
RATE REDUCTION**

Pursuant to Commission Order issued August 9, 2018 in Case 17-M-0815, Liberty Utilities Corp. f/k/a New York American Water is required to issue a consumption-based credit to the rates of metered water customers and a percentage credit to the amount billed to public and private fire service customers.

	Credit
Service Area 1 Metered Customers	\$0.0350 per 100 gallons
Service Area 1 Public and Private Fire Customers	3.90%
Service Area 2 Metered Customers	\$0.0198 per 100 gallons
Service Area 2 Public and Private Fire Customers	2.85%

**Annual Sur-Credit Reconciliation**

Because the sur-credit rates are based on normal weather, a variance in customer annual usage from the forecasted normal usage from which the Company's sur-credit rate is established will result in either excessive or insufficient net tax benefits being passed back to customers. Until all aspects of the Tax Act are fully incorporated into base rates and sur-credits are eliminated, the Commission requires an annual sur-credit reconciliation, the results of which are to be included in the next year's annual sur-credit calculation, to adjust for prior year activity overages or shortfalls.

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