

**New York American Water
Service Area 1
Case 16-W-0259
Statement of Operating Income
For the Rate Years Ending March 31, 2018, 2019, 2020, & 2021**

	Rate Year - 1 Revenue Requirement Per JP	Rate Year - 1 Adjusted for Change in State Income Tax Law	Impact of NY State Income Tax Change	Rate Year -2 Revenue Requirement Per JP	Rate Year - 2 Adjusted for Change in State Income Tax Law	Impact of NY State Income Tax Change	Rate Year -3 Revenue Requirement Per JP	Rate Year -3 Adjusted for Change in State Income Tax Law	Impact of NY State Income Tax Change	Rate Year -4 Revenue Requirement Per JP	Rate Year -4 Adjusted for Change in State Income Tax Law	Impact of NY State Income Tax Change
Base Operating Revenue	\$ 50,836,876	\$ 50,836,876	-	\$ 70,757,298	\$ 71,179,746	-	\$ 73,674,389	\$ 75,144,167	-	\$ 76,201,367	\$ 77,730,139	-
Revenue Requirement Adjustment	20,103,650	20,526,098	-	3,099,402	4,146,732	-	2,708,378	2,767,372	-	4,338,054	4,387,340	-
Revenue Requirement Pro Forma	\$ 70,940,526	\$ 71,362,974	\$ 422,448	\$ 73,856,700	\$ 75,326,478	\$ 1,469,778	\$ 76,382,767	\$ 77,911,539	\$ 1,528,772	\$ 80,539,421	\$ 82,117,479	\$ 1,578,058
Operating & Maintenance Expenses	21,266,907	21,269,660	2,753	21,554,593	21,554,292	(300)	21,790,691	21,790,317	(373)	23,777,525	23,777,093	(432)
Depreciation and Amortization	8,212,021	8,212,021	(0)	8,757,148	8,757,148	(0)	9,221,604	9,221,604	(0)	9,674,735	9,674,735	(0)
Taxes Other Than Income Taxes	22,846,063	22,730,729	(115,334)	23,747,601	23,632,267	(115,335)	24,685,017	24,569,683	(115,334)	25,659,740	25,544,406	(115,334)
Total Operating Expenses	52,324,991	52,212,409	(112,582)	54,059,342	53,943,707	(115,635)	55,697,312	55,581,605	(115,707)	59,112,001	58,996,234	(115,767)
Operating Income Before Income Taxes	18,615,535	19,150,565	535,030	19,797,358	21,382,771	1,585,413	20,685,455	22,329,934	1,644,479	21,427,420	23,121,245	1,693,825
State Income Taxes	-	535,030	535,030	-	1,585,413	1,585,413	-	1,644,478	1,644,478	-	1,693,823	1,693,823
Federal Income Taxes	5,034,996	5,034,996	1	5,337,340	5,337,340	1	5,564,540	5,564,541	1	5,754,355	5,754,356	1
Net Income Available for Return	13,580,539	13,580,538	(1)	14,460,018	14,460,018	(1)	15,120,915	15,120,916	0	15,673,065	15,673,065	0
Rate Base	\$ 207,127,770	\$ 207,127,770	\$ (0)	\$ 220,541,407	\$ 220,541,407	\$ (0)	\$ 230,621,293	\$ 230,621,292	\$ (0)	\$ 239,042,569	\$ 239,042,569	\$ 0
Rate of Return	6.56%	6.56%		6.56%	6.56%		6.56%	6.56%		6.56%	6.56%	
Additional Revenue Requirement- Income Statement			\$ 422,448			\$ 1,469,778			\$ 1,528,772			\$ 1,578,058
Rate Base Impact of Deferred SIT:												
Total State Income Taxes Deferred		\$ 338,506			\$ 639,669			\$ 639,669			\$ 639,669	
Time Pre-Tax Gross-up Factor		11.077%	\$ (37,497)		11.077%	\$ (70,857)		11.077%	\$ (70,857)		11.077%	\$ (70,857)
Amortization of Regulatory Asset	\$ 10,208,347					255,209			255,209			255,209
Total Additional Revenue			\$ 384,952			\$ 1,654,130			\$ 1,713,124			\$ 1,762,410
Total Revenue Per JP			\$ 70,940,526			\$ 73,856,700			\$ 76,382,767			\$ 80,539,421
Surcharge as a percent of JP Revenues			0.542640%			2.239647%			2.242815%			2.188258%
Regulatory Asset Balance at January 1, 2018	\$ 10,208,347											
Regulatory Asset balance at end of Rate Year			\$ 10,208,347			\$ 9,953,138			\$ 9,697,930			\$ 9,442,721

**New York American Water
Service Area 1
Case 16-W-0259
Statement of Operating Income
For the Rate Year Ending March 31, 2018**

	Company Filing	Joint Proposal Adjustments	Joint Proposal As Adjusted	Revenue Requirement Adjustment	As Adjusted Revenue Requirement
Base Operating Revenue, Excl Surcharges (Note 1)	\$ 51,142,128	\$ (305,252)	\$ 50,836,876	\$ 20,526,098	\$ 71,362,974
Operating & Maintenance Expenses	22,587,783	(1,451,945)	21,135,838	133,822	21,269,660
Depreciation and Amortization	8,276,040	(64,019)	8,212,021	-	8,212,021
Taxes Other Than Income Taxes	22,953,227	(222,498)	22,730,729	-	22,730,729
Total Operating Expenses	53,817,050	(1,738,463)	52,078,587	133,822	52,212,409
Operating Income Before Income Taxes	(2,674,922)	1,433,211	(1,241,711)	20,392,276	19,150,565
State Income Taxes	(857,106)	966,957	109,851	425,179	535,030
Federal Income Taxes	(2,071,179)	117,690	(1,953,489)	6,988,485	5,034,996
Net Income Available for Return	253,363	348,564	601,926	12,978,612	13,580,538
Rate Base	\$ 205,849,926	\$ 1,277,844	\$ 207,127,770	-	\$ 207,127,770
Rate of Return	0.12%		0.29%		6.56%

New York American Water
Service Area 1
Case 16-W-0259
Taxes Other Than Income Taxes
For the Rate Year Ending March 31, 2018

	Company Filing	Joint Proposal Adjustments	Joint Proposal As Adjusted	Revenue Requirement Adjustment	As Adjusted Revenue Requirement
Payroll Taxes	\$ 511,044	\$ (6,318)	\$ 504,726		\$ 504,726
Property Tax	22,326,850	(100,847)	22,226,003		22,226,003
Other Taxes	115,333	(115,333)	0		0
Total Taxes Other Than Income Taxes	<u>\$ 22,953,227</u>	<u>\$ (222,498)</u>	<u>\$ 22,730,729</u>	<u>\$ -</u>	<u>\$ 22,730,729</u>

**New York American Water
Service Area 1
Case 16-W-0259
Calculation of Federal Income Tax
For the Rate Year Ending March 31, 2018**

	Company Filing	Joint Proposal Adjustments	Joint Proposal As Adjusted	Revenue Requirement Adjustment	As Adjusted Revenue Requirement
Net Operating Income Before Income Taxes	\$ (2,674,922)	\$ 1,433,211	\$ (1,241,711)	\$ 20,392,276	\$ 19,150,565
Adjustments for Taxable Income					
State Income Tax	(857,106)	966,957	109,851	425,179	535,030
Interest Expense	4,780,174	129,997	4,910,171		4,910,171
Tax vs. Book Depreciation Differences	(2,814,310)	-	(2,814,310)		(2,814,310)
Other Book versus Tax Timing Differences	(259,077)	-	(259,077)		(259,077)
Repairs Expense	7,888,149	-	7,888,149		7,888,149
Total Adjustments For Taxable Income	8,737,830	1,096,954	9,834,784	425,179	10,259,963
Taxable Income	(11,412,752)	336,257	(11,076,495)	19,967,097	8,890,602
Federal Income Tax - Stand Alone @ 35%	(3,994,463)	117,690	(3,876,773)	6,988,484	3,111,710.59
Deferred FIT					
Tax vs. Book Depreciation Differences	(985,009)	-	(985,009)		(985,009)
Other Book Versus Tax Timing Differences	(90,677)	-	(90,677)		(90,677)
Repairs Expense	2,760,852	-	2,760,852		2,760,852
Total Deferred FIT - Current Year	1,685,167	-	1,685,167	-	1,685,167
Amortization of Flow-Through Regulatory Asset	238,118	-	238,118		238,118
Net Federal Income Taxes	\$ (2,071,179)	\$ 117,690	\$ (1,953,489)	\$ 6,988,484	\$ 5,034,995

**New York American Water
Service Area 1
Case 16-W-0259
Calculation of State Income Tax
For the Rate Year Ending March 31, 2018**

	Company Filing	Joint Proposal Adjustments	Joint Proposal As Adjusted	Revenue Requirement Adjustment	As Adjusted Revenue Requirement
Net Operating Income Before Income Taxes	\$ (2,674,922)	\$ 1,433,211	\$ (1,241,711)	\$ 20,392,276	\$ 19,150,565
Adjustments for Taxable Income					
State Income Tax			-	-	-
Interest Expense	4,780,174	129,997	4,910,171		4,910,171
Tax vs. Book Depreciation Differences	(2,814,310)	-	(2,814,310)		(2,814,310)
Other Book versus Tax Timing Differences	(259,077)	-	(259,077)		(259,077)
Repairs Expense	7,888,149	-	7,888,149		7,888,149
Total Adjustments For Taxable Income	9,594,936	129,997	9,724,933	-	9,724,933
Taxable Income	(12,269,858)	1,303,214	(10,966,644)	20,392,276	9,425,632
State Income Tax - @ 8.34%	(255,827)	27,172	(228,655)	425,179	196,524
Deferred SIT					
Tax vs. Book Depreciation Differences	(58,678)	-	(58,678)		(58,678)
Other Book Versus Tax Timing Differences	(5,402)	-	(5,402)	-	(5,402)
Repairs Expense	164,468	-	164,468		164,468
Total Deferred SIT - Current Year	100,388	-	100,388	-	100,388
Amortization of Flow-Through Regulatory Asset	238,118	-	238,118		238,118
Net State Income Taxes	\$ 82,679	\$ 27,172	\$ 109,851	\$ 425,179	\$ 535,030

**New York American Water
Service Area 1
Case 16-W-0259
Rate Base Summary
For the Rate Year Ending March 31, 2018**

	<u>Company Filing</u>	<u>Joint Proposal Adjustments</u>	<u>Joint Proposal As Adjusted</u>	<u>Revenue Requirement Adjustment</u>	<u>As Adjusted Revenue Requirement</u>
Net Utility Plant					
Utility Plant in Service	\$ 313,245,782	\$ 2,281,798	\$ 315,527,580		\$ 315,527,580
Non-interest bearing CWIP	447,295	-	447,295		447,295
Plant Held For Future Use	110,933	-	110,933		110,933
Less: Accumulated Depreciation	(69,968,044)	1,884,770	(68,083,274)		(68,083,274)
Less: Contributions, net of Amortization	(1,702,089)	-	(1,702,089)		(1,702,089)
Total Net Utility Plant	242,133,877	4,166,567	246,300,444	-	246,300,444
Less: Customer Advances for Construction	(594,550)	-	(594,550)		(594,550)
Working Capital:					
Cash Allowance	2,771,106	(87,181)	2,683,925		2,683,925
Materials and Supplies	945,377	(217,520)	727,857		727,857
Prepayments	2,627,778	-	2,627,778		2,627,778
Total Working Capital	6,344,261	(304,701)	6,039,560	-	6,039,560
Regulatory Deferrals:					
Tank Painting, net of taxes	58,287	-	58,287		58,287
Unamortized Long-Term Debt Costs	-	-	-		-
Rate Case Expense, net of taxes	200,689	75,158	275,847		275,847
SIT Liab (included in Accum Def Inc Taxes)	-	-	-		-
Total Regulatory Deferrals	258,976	75,158	334,134	-	334,134
Less: Accumulated Deferred Income Taxes	(38,596,587)	(1,125,972)	(39,722,559)		(39,722,559)
Rate Base - Pre EB Cap Adjustment	209,545,977	2,811,053	212,357,030	-	212,357,030
Earnings Base Cap Adjustment	(3,696,051)	(1,533,209)	(5,229,260)		(5,229,260)
Rate Base	\$ 205,849,926	\$ 1,277,844	\$ 207,127,770	\$ -	\$ 207,127,770

**New York American Water
Service Area 1
Case 16-W-0259
Statement of Operating Income
For the Rate Year Ending March 31, 2019**

	Rate Year Ending March 31, 2018	Joint Proposal Adjustments	Rate Year Ending March 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2019
Base Operating Revenue, Excl Surcharges (Note 1)	\$ 71,362,974	\$ (183,228)	\$ 71,179,746	\$ 4,146,732	\$ 75,326,478
Operating & Maintenance Expenses	21,269,660	257,597	21,527,257	27,035	21,554,292
Depreciation and Amortization	8,212,021	545,127	8,757,148	-	8,757,148
Taxes Other Than Income Taxes	22,730,729	901,538	23,632,267	-	23,632,267
Total Operating Expenses	52,212,409	1,704,263	53,916,672	27,035	53,943,707
Operating Income Before Income Taxes	19,150,565	(1,887,490)	17,263,075	4,119,697	21,382,771
State Income Taxes	535,030	706,800	1,241,830	343,583	1,585,413
Federal Income Taxes	5,034,996	(1,019,296)	4,015,700	1,321,640	5,337,340
Net Income Available for Return	13,580,538	(1,574,994)	12,005,544	2,454,474	14,460,018
Rate Base	\$ 207,127,770	\$ 13,413,637	\$ 220,541,407	\$ -	\$ 220,541,407
Rate of Return	6.56%		5.44%		6.56%

**New York American Water
Service Area 1
Case 16-W-0259
Taxes Other Than Income Taxes
For the Rate Year Ending March 31, 2019**

	Rate Year Ending March 31, 2018	Joint Proposal Adjustments	Rate Year Ending March 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2019
Payroll Taxes	\$ 504,726	\$ 12,498	\$ 517,224		\$ 517,224
Property Tax	22,226,003	889,040	23,115,043		23,115,043
Other Taxes	0	-	0		0
Total Taxes Other Than Income Taxes	<u>\$ 22,730,729</u>	<u>\$ 901,538</u>	<u>\$ 23,632,267</u>	<u>\$ -</u>	<u>\$ 23,632,267</u>

**New York American Water
Service Area 1
Case 16-W-0259
Calculation of Federal Income Tax
For the Rate Year Ending March 31, 2019**

	Rate Year Ending March 31, 2018	Joint Proposal Adjustments	Rate Year Ending March 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2019
Net Operating Income Before Income Taxes	\$ 19,150,565	\$ (1,887,490)	\$ 17,263,075	\$ 4,119,697	\$ 21,382,771
Adjustments for Taxable Income					
State Income Tax	535,030	706,800	1,241,830	343,583	1,585,413
Interest Expense	4,910,171	317,984	5,228,155		5,228,155
Tax vs. Book Depreciation Differences	(2,814,310)	-	(2,814,310)		(2,814,310)
Other Book versus Tax Timing Differences	(259,077)	-	(259,077)		(259,077)
Repairs Expense	7,888,149	-	7,888,149		7,888,149
Total Adjustments For Taxable Income	10,259,963	1,024,784	11,284,747	343,583	11,628,330
Taxable Income	8,890,602	(2,912,274)	5,978,328	3,776,114	9,754,442
Federal Income Tax - Stand Alone @ 35%	3,111,711	(1,019,296)	2,092,415	1,321,640	3,414,054.54
Deferred FIT					
Tax vs. Book Depreciation Differences	(985,009)	-	(985,009)		(985,009)
Other Book Versus Tax Timing Differences	(90,677)	-	(90,677)		(90,677)
Repairs Expense	2,760,852	-	2,760,852		2,760,852
Total Deferred FIT - Current Year	1,685,167	-	1,685,167	-	1,685,167
Amortization of Flow-Through Regulatory Asset	238,118	-	238,118		238,118
Net Federal Income Taxes	\$ 5,034,995	\$ (1,019,296)	\$ 4,015,699	\$ 1,321,640	\$ 5,337,339

**New York American Water
Service Area 1
Case 16-W-0259
Calculation of State Income Tax
For the Rate Year Ending March 31, 2019**

	Rate Year Ending March 31, 2018	Joint Proposal Adjustments	Rate Year Ending March 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2019
Net Operating Income Before Income Taxes	\$ 19,150,565	\$ (1,887,490)	\$ 17,263,075	\$ 4,119,697	\$ 21,382,771
Adjustments for Taxable Income					
State Income Tax	-	-	-	-	-
Interest Expense	4,910,171	317,984	5,228,155	-	5,228,155
Tax vs. Book Depreciation Differences	(2,814,310)	-	(2,814,310)	-	(2,814,310)
Other Book versus Tax Timing Differences	(259,077)	-	(259,077)	-	(259,077)
Repairs Expense	7,888,149	-	7,888,149	-	7,888,149
Total Adjustments For Taxable Income	9,724,933	317,984	10,042,917	-	10,042,917
Taxable Income	9,425,632	(2,205,474)	7,220,158	4,119,697	11,339,855
State Income Tax - @ 8.34%	786,098	(183,937)	602,161	343,583	945,744
Deferred SIT					
Tax vs. Book Depreciation Differences	(234,713)	-	(234,713)	-	(234,713)
Other Book Versus Tax Timing Differences	(21,607)	-	(21,607)	-	(21,607)
Repairs Expense	657,872	-	657,872	-	657,872
Total Deferred SIT - Current Year	401,551	-	401,551	-	401,551
Amortization of Flow-Through Regulatory Asset	238,118	-	238,118	-	238,118
Net State Income Taxes	\$ 1,425,767	\$ (183,937)	\$ 1,241,830	\$ 343,583	\$ 1,585,413

**New York American Water
Service Area 1
Case 16-W-0259
Rate Base Summary
For the Rate Year Ending March 31, 2019**

	Rate Year Ending March 31, 2018	Joint Proposal Adjustments	Rate Year Ending March 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2019
Net Utility Plant					
Utility Plant in Service	\$ 315,527,580	\$ 22,087,901	\$ 337,615,481		\$ 337,615,481
Non-interest bearing CWIP	447,295	-	447,295		447,295
Plant Held For Future Use	110,933	-	110,933		110,933
Less: Accumulated Depreciation	(68,083,274)	(5,700,098)	(73,783,372)		(73,783,372)
Less: Contributions, net of Amortization	(1,702,089)	-	(1,702,089)		(1,702,089)
Total Net Utility Plant	246,300,444	16,387,803	262,688,247	-	262,688,247
Less: Customer Advances for Construction	(594,550)	-	(594,550)		(594,550)
Working Capital:					
Cash Allowance	2,683,925	33,435	2,717,360		2,717,360
Materials and Supplies	727,857	-	727,857		727,857
Prepayments	2,627,778	-	2,627,778		2,627,778
Total Working Capital	6,039,560	33,435	6,072,995	-	6,072,995
Regulatory Deferrals:					
Tank Painting, net of taxes	58,287	(58,287)	-		-
Unamortized Long-Term Debt Costs	-	-	-		-
Rate Case Expense, net of taxes	275,847	(169,677)	106,170		106,170
SIT Liab (included in Accum Def Inc Taxes)	-	-	-		-
Total Regulatory Deferrals	334,134	(227,964)	106,170	-	106,170
Less: Accumulated Deferred Income Taxes	(39,722,559)	(2,779,637)	(42,502,196)		(42,502,196)
Rate Base - Pre EB Cap Adjustment	212,357,030	13,413,637	225,770,667	-	225,770,667
Earnings Base Cap Adjustment	(5,229,260)	-	(5,229,260)		(5,229,260)
Rate Base	\$ 207,127,770	\$ 13,413,637	\$ 220,541,407	\$ -	\$ 220,541,407

**New York American Water
Service Area 1
Case 16-W-0259
Statement of Operating Income
For the Rate Year Ending March 31, 2020**

	Rate Year Ending March 31, 2019	Joint Proposal Adjustments	Rate Year Ending March 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2020
Base Operating Revenue, Excl Surcharges (Note 1)	\$ 75,326,478	\$ (182,311)	\$ 75,144,167	\$ 2,767,372	\$ 77,911,539
Operating & Maintenance Expenses	21,554,292	217,983	21,772,275	18,042	21,790,317
Depreciation and Amortization	8,757,148	464,456	9,221,604	-	9,221,604
Taxes Other Than Income Taxes	23,632,267	937,417	24,569,683	-	24,569,683
Total Operating Expenses	53,943,707	1,619,856	55,563,563	18,042	55,581,605
Operating Income Before Income Taxes	21,382,771	(1,802,167)	19,580,604	2,749,330	22,329,934
State Income Taxes	1,585,413	(170,229)	1,415,184	229,294	1,644,478
Federal Income Taxes	5,337,340	(654,812)	4,682,528	882,013	5,564,541
Net Income Available for Return	14,460,018	(977,126)	13,482,892	1,638,024	15,120,916
Rate Base	\$ 220,541,407	\$ 10,079,885	\$ 230,621,291	\$ -	\$ 230,621,292
Rate of Return	6.56%		5.85%		6.56%

**New York American Water
Service Area 1
Case 16-W-0259
Taxes Other Than Income Taxes
For the Rate Year Ending March 31, 2020**

	Rate Year Ending March 31, 2019	Joint Proposal Adjustments	Rate Year Ending March 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2020
Payroll Taxes	\$ 517,224	\$ 12,815	\$ 530,039		\$ 530,039
Property Tax	23,115,043	924,602	24,039,644		24,039,644
Other Taxes	0	-	0		0
Total Taxes Other Than Income Taxes	<u>\$ 23,632,267</u>	<u>\$ 937,417</u>	<u>\$ 24,569,683</u>	<u>\$ -</u>	<u>\$ 24,569,683</u>

**New York American Water
Service Area 1
Case 16-W-0259
Calculation of Federal Income Tax
For the Rate Year Ending March 31, 2020**

	Rate Year Ending March 31, 2019	Joint Proposal Adjustments	Rate Year Ending March 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2020
Net Operating Income Before Income Taxes	\$ 21,382,771	\$ (1,802,167)	\$ 19,580,604	\$ 2,749,330	\$ 22,329,934
Adjustments for Taxable Income					
State Income Tax	1,585,413	(170,229)	1,415,184	229,294	1,644,478
Interest Expense	5,228,155	238,954	5,467,108		5,467,108
Tax vs. Book Depreciation Differences	(2,814,310)	-	(2,814,310)		(2,814,310)
Other Book versus Tax Timing Differences	(259,077)	-	(259,077)		(259,077)
Repairs Expense	7,888,149	-	7,888,149		7,888,149
Total Adjustments For Taxable Income	11,628,330	68,724	11,697,054	229,294	11,926,348
Taxable Income	9,754,442	(1,870,891)	7,883,550	2,520,036	10,403,586
Federal Income Tax - Stand Alone @ 35%	3,414,055	(654,812)	2,759,243	882,013	3,641,255.22
Deferred FIT					
Tax vs. Book Depreciation Differences	(985,009)	-	(985,009)		(985,009)
Other Book Versus Tax Timing Differences	(90,677)	-	(90,677)		(90,677)
Repairs Expense	2,760,852	-	2,760,852		2,760,852
Total Deferred FIT - Current Year	1,685,167	-	1,685,167	-	1,685,167
Amortization of Flow-Through Regulatory Asset	238,118	-	238,118		238,118
Net Federal Income Taxes	\$ 5,337,339	\$ (654,812)	\$ 4,682,527	\$ 882,013	\$ 5,564,540

**New York American Water
Service Area 1
Case 16-W-0259
Calculation of State Income Tax
For the Rate Year Ending March 31, 2020**

	Rate Year Ending March 31, 2019	Joint Proposal Adjustments	Rate Year Ending March 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2020
Net Operating Income Before Income Taxes	\$ 21,382,771	\$ (1,802,167)	\$ 19,580,604	\$ 2,749,330	\$ 22,329,934
Adjustments for Taxable Income					
State Income Tax	-	-	-	-	-
Interest Expense	5,228,155	238,954	5,467,108	-	5,467,108
Tax vs. Book Depreciation Differences	(2,814,310)	-	(2,814,310)	-	(2,814,310)
Other Book versus Tax Timing Differences	(259,077)	-	(259,077)	-	(259,077)
Repairs Expense	7,888,149	-	7,888,149	-	7,888,149
Total Adjustments For Taxable Income	10,042,917	238,954	10,281,870	-	10,281,870
Taxable Income	11,339,855	(2,041,121)	9,298,734	2,749,330	12,048,064
State Income Tax - @ 8.34%	945,744	(170,229)	775,514	229,294	1,004,809
Deferred SIT					
Tax vs. Book Depreciation Differences	(234,713)	-	(234,713)	-	(234,713)
Other Book Versus Tax Timing Differences	(21,607)	-	(21,607)	-	(21,607)
Repairs Expense	657,872	-	657,872	-	657,872
Total Deferred SIT - Current Year	401,551	-	401,551	-	401,551
Amortization of Flow-Through Regulatory Asset	238,118	-	238,118	-	238,118
Net State Income Taxes	\$ 1,585,413	\$ (170,229)	\$ 1,415,184	\$ 229,294	\$ 1,644,478

**New York American Water
Service Area 1
Case 16-W-0259
Rate Base Summary
For the Rate Year Ending March 31, 2020**

	Rate Year Ending March 31, 2019	Joint Proposal Adjustments	Rate Year Ending March 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2020
Net Utility Plant					
Utility Plant in Service	\$ 337,615,481	\$ 18,754,832	\$ 356,370,313		\$ 356,370,313
Non-interest bearing CWIP	447,295	-	447,295		447,295
Plant Held For Future Use	110,933	-	110,933		110,933
Less: Accumulated Depreciation	(73,783,372)	(6,216,187)	(79,999,559)		(79,999,559)
Less: Contributions, net of Amortization	(1,702,089)	-	(1,702,089)		(1,702,089)
Total Net Utility Plant	262,688,247	12,538,645	275,226,892	-	275,226,892
Less: Customer Advances for Construction	(594,550)	-	(594,550)		(594,550)
Working Capital:					
Cash Allowance	2,717,361	27,304	2,744,665		2,744,665
Materials and Supplies	727,857	-	727,857		727,857
Prepayments	2,627,778	-	2,627,778		2,627,778
Total Working Capital	6,072,996	27,304	6,100,300	-	6,100,300
Regulatory Deferrals:					
Tank Painting, net of taxes	-	-	-		-
Unamortized Long-Term Debt Costs	-	-	-		-
Rate Case Expense, net of taxes	106,170	(106,170)	0		0
SIT Liab (included in Accum Def Inc Taxes)	-	-	-		-
Total Regulatory Deferrals	106,170	(106,170)	0	-	0
Less: Accumulated Deferred Income Taxes	(42,502,196)	(2,379,894)	(44,882,090)		(44,882,090)
Rate Base - Pre EB Cap Adjustment	225,770,668	10,079,885	235,850,552	-	235,850,552
Earnings Base Cap Adjustment	(5,229,260)	-	(5,229,260)		(5,229,260)
Rate Base	\$ 220,541,408	\$ 10,079,885	\$ 230,621,292	\$ -	\$ 230,621,292

**New York American Water
Service Area 1
Case 16-W-0259
Statement of Operating Income
For the Rate Year Ending March 31, 2021**

	Rate Year Ending March 31, 2020	Joint Proposal Adjustments	Rate Year Ending March 31, 2021	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2021
Base Operating Revenue, Excl Surcharges (Note 1)	\$ 77,911,539	\$ (181,400)	\$ 77,730,139	\$ 4,387,340	\$ 82,117,479
Operating & Maintenance Expenses	21,790,317	1,958,172	23,748,489	28,604	23,777,093
Depreciation and Amortization	9,221,604	453,131	9,674,735	-	9,674,735
Taxes Other Than Income Taxes	24,569,683	974,723	25,544,406	-	25,544,406
Total Operating Expenses	55,581,605	3,386,026	58,967,630	28,604	58,996,234
Operating Income Before Income Taxes	22,329,934	(3,567,426)	18,762,509	4,358,736	23,121,245
State Income Taxes	1,644,478	(314,173)	1,330,305	363,519	1,693,823
Federal Income Taxes	5,564,541	(1,208,511)	4,356,030	1,398,326	5,754,356
Net Income Available for Return	15,120,916	(2,044,742)	13,076,174	2,596,891	15,673,065
Rate Base	\$ 230,621,292	\$ 8,421,277	\$ 239,042,569	\$ -	\$ 239,042,569
Rate of Return	6.56%		5.47%		6.56%

**New York American Water
Service Area 1
Case 16-W-0259
Taxes Other Than Income Taxes
For the Rate Year Ending March 31, 2021**

	Rate Year Ending March 31, 2020	Joint Proposal Adjustments	Rate Year Ending March 31, 2021	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2021
Payroll Taxes	\$ 530,039	\$ 13,137	\$ 543,176		\$ 543,176
Property Tax	24,039,644	961,586	25,001,230		25,001,230
Other Taxes	0	-	0		0
Total Taxes Other Than Income Taxes	<u>\$ 24,569,683</u>	<u>\$ 974,723</u>	<u>\$ 25,544,406</u>	<u>\$ -</u>	<u>\$ 25,544,406</u>

**New York American Water
Service Area 1
Case 16-W-0259
Calculation of Federal Income Tax
For the Rate Year Ending March 31, 2021**

	Rate Year Ending March 31, 2020	Joint Proposal Adjustments	Rate Year Ending March 31, 2021	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2021
Net Operating Income Before Income Taxes	\$ 22,329,934	\$ (3,567,426)	\$ 18,762,509	\$ 4,358,736	\$ 23,121,245
<u>Adjustments for Taxable Income</u>					
State Income Tax	1,644,478	(314,173)	1,330,305	363,519	1,693,823
Interest Expense	5,467,108	199,635	5,666,743		5,666,743
Tax vs. Book Depreciation Differences	(2,814,310)	-	(2,814,310)		(2,814,310)
Other Book versus Tax Timing Differences	(259,077)	-	(259,077)		(259,077)
Repairs Expense	7,888,149	-	7,888,149		7,888,149
Total Adjustments For Taxable Income	11,926,348	(114,538)	11,811,810	363,519	12,175,329
Taxable Income	10,403,586	(3,452,888)	6,950,699	3,995,217	10,945,916
Federal Income Tax - Stand Alone @ 35%	3,641,255	(1,208,511)	2,432,745	1,398,326	3,831,070.65
<u>Deferred FIT</u>					
Tax vs. Book Depreciation Differences	(985,009)	-	(985,009)		(985,009)
Other Book Versus Tax Timing Differences	(90,677)	-	(90,677)		(90,677)
Repairs Expense	2,760,852	-	2,760,852		2,760,852
Total Deferred FIT - Current Year	1,685,167	-	1,685,167	-	1,685,167
Amortization of Flow-Through Regulatory Asset	238,118	-	238,118		238,118
Net Federal Income Taxes	\$ 5,564,540	\$ (1,208,511)	\$ 4,356,029	\$ 1,398,326	\$ 5,754,355

**New York American Water
Service Area 1
Case 16-W-0259
Calculation of State Income Tax
For the Rate Year Ending March 31, 2021**

	Rate Year Ending March 31, 2020	Joint Proposal Adjustments	Rate Year Ending March 31, 2021	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2021
Net Operating Income Before Income Taxes	\$ 22,329,934	\$ (3,567,426)	\$ 18,762,509	\$ 4,358,736	\$ 23,121,245
Adjustments for Taxable Income					
State Income Tax	-	-	-	-	-
Interest Expense	5,467,108	199,635	5,666,743	-	5,666,743
Tax vs. Book Depreciation Differences	(2,814,310)	-	(2,814,310)	-	(2,814,310)
Other Book versus Tax Timing Differences	(259,077)	-	(259,077)	-	(259,077)
Repairs Expense	7,888,149	-	7,888,149	-	7,888,149
Total Adjustments For Taxable Income	10,281,870	199,635	10,481,505	-	10,481,505
Taxable Income	12,048,064	(3,767,060)	8,281,004	4,358,736	12,639,740
State Income Tax - @ 8.34%	1,004,809	(314,173)	690,636	363,519	1,054,154
Deferred SIT					
Tax vs. Book Depreciation Differences	(234,713)	-	(234,713)	-	(234,713)
Other Book Versus Tax Timing Differences	(21,607)	-	(21,607)	-	(21,607)
Repairs Expense	657,872	-	657,872	-	657,872
Total Deferred SIT - Current Year	401,551	-	401,551	-	401,551
Amortization of Flow-Through Regulatory Asset	238,118	-	238,118	-	238,118
Net State Income Taxes	\$ 1,644,478	\$ (314,173)	\$ 1,330,305	\$ 363,519	\$ 1,693,823

**New York American Water
Service Area 1
Case 16-W-0259
Rate Base Summary
For the Rate Year Ending March 31, 2021**

	Rate Year Ending March 31, 2020	Joint Proposal Adjustments	Rate Year Ending March 31, 2021	Revenue Requirement Adjustment	As Adjusted Rate Year Ending March 31, 2021
Net Utility Plant					
Utility Plant in Service	\$ 356,370,313	\$ 17,609,157	\$ 373,979,470		\$ 373,979,470
Non-interest bearing CWIP	447,295	-	447,295		447,295
Plant Held For Future Use	110,933	-	110,933		110,933
Less: Accumulated Depreciation	(79,999,559)	(6,669,407)	(86,668,966)		(86,668,966)
Less: Contributions, net of Amortization	(1,702,089)	-	(1,702,089)		(1,702,089)
Total Net Utility Plant	275,226,892	10,939,750	286,166,642	-	286,166,642
Less: Customer Advances for Construction	(594,550)	-	(594,550)		(594,550)
Working Capital:					
Cash Allowance	2,744,665	266,029	3,010,694		3,010,694
Materials and Supplies	727,857	-	727,857		727,857
Prepayments	2,627,778	-	2,627,778		2,627,778
Total Working Capital	6,100,300	266,029	6,366,329	-	6,366,329
Regulatory Deferrals:					
Tank Painting, net of taxes	-	-	-		-
Unamortized Long-Term Debt Costs	-	-	-		-
Rate Case Expense, net of taxes	0	-	0		0
SIT Liab (included in Accum Def Inc Taxes)	-	-	-		-
Total Regulatory Deferrals	0	-	0	-	0
Less: Accumulated Deferred Income Taxes	(44,882,090)	(2,784,502)	(47,666,592)		(47,666,592)
Rate Base - Pre EB Cap Adjustment	235,850,552	8,421,277	244,271,829	-	244,271,829
Earnings Base Cap Adjustment	(5,229,260)	-	(5,229,260)		(5,229,260)
Rate Base	\$ 230,621,292	\$ 8,421,277	\$ 239,042,569	\$ -	\$ 239,042,569