

SUEZ Water New York

Calculation of Surcharge and Revenue Requirement Impacts for Activities prior to 2/1/2018

25315 - Reg Liability Tax Law Change

Balance at 6/30/17 Debit/(credit)	2,185,425
Monthly Amortization (\$8,500,000 / 36)	236,111
X 7 months (Jul '17 - Jan '18)	1,652,778
1/12 Impact of RY1 Re-intro of SIT	154,576
Balance at 2/1/18 (Beginning of RY2)	<u>3,992,778</u>

Calculation of Surcharge - RY2

Amortization Expense	998,195
Pre-Tax Rate of Return (16-W-0130)	9.05%
Average After-Tax Unamortized Balance	2,113,523
Return on After-Tax Unamortized Balance	191,274
Amortization + Return	1,189,468
RY2 Sales Revenues	90,760,764
Surcharge %	1.3106%

Calculation of Surcharge - RY3

Amortization Expense	998,195
Pre-Tax Rate of Return (16-W-0130)	9.05%
Average After-Tax Unamortized Balance	1,509,660
Return on After-Tax Unamortized Balance	136,624
Amortization + Return	1,134,819
RY3 Sales Revenues	94,233,394
Surcharge %	1.2043%

Calculation of Surcharge - RY4

Amortization Expense	998,195
Pre-Tax Rate of Return (16-W-0130)	9.05%
Average After-Tax Unamortized Balance	905,796
Return on After-Tax Unamortized Balance	81,975
Amortization + Return	1,080,169
RY3 Sales Revenues	94,233,394
Surcharge %	1.1463%

Calculation of Surcharge - RY5

Amortization Expense	998,195
Pre-Tax Rate of Return (16-W-0130)	9.05%
Average After-Tax Unamortized Balance	301,932
Return on After-Tax Unamortized Balance	27,325
Amortization + Return	1,025,519
RY3 Sales Revenues	94,233,394
Surcharge %	1.0883%

SUEZ Water New York
Calculation of Average Unamortized QNYM Regulatory Asset Balances - RY2, RY3, RY4, RY5

Amortization Exp Calculation

Beginning Balance	3,992,778
Monthly Amortization (4 Years)	83,183
Annual Amortization	998,195

	RY2	RY3	RY4	RY5			
	Unamortized	Unamortized	Unamortized	Unamortized			
	Balance	Balance	Balance	Balance			
Jan-18	3,992,778	Jan-19	2,994,584	Jan-20	1,996,389	Jan-21	998,195
Feb-18	3,909,596	Feb-19	2,911,401	Feb-20	1,913,206	Feb-21	915,012
Mar-18	3,826,413	Mar-19	2,828,218	Mar-20	1,830,023	Mar-21	831,829
Apr-18	3,743,230	Apr-19	2,745,035	Apr-20	1,746,841	Apr-21	748,646
May-18	3,660,047	May-19	2,661,852	May-20	1,663,658	May-21	665,463
Jun-18	3,576,864	Jun-19	2,578,669	Jun-20	1,580,475	Jun-21	582,280
Jul-18	3,493,681	Jul-19	2,495,487	Jul-20	1,497,292	Jul-21	499,097
Aug-18	3,410,498	Aug-19	2,412,304	Aug-20	1,414,109	Aug-21	415,914
Sep-18	3,327,315	Sep-19	2,329,121	Sep-20	1,330,926	Sep-21	332,732
Oct-18	3,244,133	Oct-19	2,245,938	Oct-20	1,247,743	Oct-21	249,549
Nov-18	3,160,950	Nov-19	2,162,755	Nov-20	1,164,560	Nov-21	166,366
Dec-18	3,077,767	Dec-19	2,079,572	Dec-20	1,081,378	Dec-21	83,183
Jan-19	2,994,584	Jan-20	1,996,389	Jan-21	998,195	Jan-22	(0)
1/2 1st Month	1,996,389	1,497,292	998,195	499,097			
Interior	38,430,493	27,450,352	16,470,211	5,490,070			
1/2 last Month	1,497,292	998,195	499,097	(0)			
Total	41,924,174	29,945,839	17,967,503	5,989,168			
Average Unamortized Balance	3,493,681	2,495,487	1,497,292	499,097			
State / Federal Tax Rate	39.50%	39.50%	39.50%	39.50%			
After-Tax Avg. Unamortized Balance	2,113,523	1,509,660	905,796	301,932			

	1
State Income Tax Rate	8.34%
	8.34%
	91.66%
Federal Income Tax Rate	34.00%
	31.16%
State / Federal Composite Rate	39.50%

**SUEZ Water New York
Calculation of Net Operating Loss Balance RY2 & RY3**

NOL Opening Balance (end of RY1)	2,774,191
RY2 Current SIT Expense	<u>1,395,457</u>
NOL Closing Balance (end of RY2)	1,378,734
RY3 Current SIT Expense	<u>1,471,054</u>
NOL Closing Balance (end of RY3)	(92,320)

	RY2	RY3	
Operating Income b/f State Income Taxes	32,156,072	33,837,852	From Exhibit__JCC-2 SIT-Sch 4 RY2 and RY3
Interest Expense	(9,486,090)	(9,964,557)	From Exhibit__JCC-2 SIT-Sch 4 RY2 and RY3
Tax vs. Book Depreciation Differences	<u>(5,937,887)</u>	<u>(6,234,755)</u>	From Exhibit__JCC-2 ADIT Updates
Adjustments for Taxable Income	(15,423,977)	(16,199,312)	
Taxable Income for SIT	16,732,095	17,638,540	
State Income Tax Rate @ 8.34%	1,395,457	1,471,054	
Deferred State Income Taxes	495,220	519,979	
Net State Income Taxes	1,890,676	1,991,033	

SUEZ Water New York
Calculation of Regulatory Liability and SADIT Balance at 1/31/18

Acct #	Account Description	May Balance	QNYM Entry	Provision Entry State	Per Book June Balance	Balance Corrections		Corrected June Balance	
						Def Tax Exp	2014 NOL		
18623000	Deferred AFUDC Equity Gross Up - Federal	2,003,906	0	0	2,003,906		0	2,003,906	2,003,906
18623000	Deferred AFUDC Equity Gross Up - State	0	1,266,459	0	1,266,459		0	1,266,459	
18801000	Regulatory Asset - FAS 109 - Federal	2,348,825	0	0	2,348,825		0	2,348,825	2,348,825
18801000	Regulatory Asset - FAS 109 - State	0	269,217	0	269,217		0	269,217	
19012000	Def State Income Taxes- Other	(0)	(12,671,167)	12,528,835	(142,332)		0	(142,332)	(142,332)
19018000	Def State NOL Tax Benefit	0	3,701,416	0	3,701,416		(927,225)	2,774,191	2,774,191
28350000	Def. SIT- Other	1,382	0	(7,505,602)	(7,504,220)		0	(7,504,220)	(7,504,220)
28353000	Def. SIT - Tank Painting	0	0	(247,238)	(247,238)		0	(247,238)	(247,238)
28354000	Def. SIT-Pensions	0	0	1,470,498	1,470,498		0	1,470,498	1,470,498
28355000	Def. SIT-Post Retrmnt Benefits	0	0	104,812	104,812		0	104,812	104,812
28356000	Def. SIT-AFUDC Equity	0	0	(1,277,349)	(1,277,349)		0	(1,277,349)	(1,277,349)
28357000	Def. SIT-Excess Depreciation	0	0	(4,043,224)	(4,043,224)		0	(4,043,224)	(4,043,224)
28358000	Def. SIT- Cost of Removal	0	0	(848,765)	(848,765)		0	(848,765)	(848,765)
28361000	Def SIT Pensn Reg Asst FAS158	0	0	(732,674)	(732,674)		0	(732,674)	(732,674)
28362000	Def SIT PBOP Reg Asset FAS 158	0	0	371,699	371,699		0	371,699	371,699
28363000	Def. SIT -Shared Services Fees	0	0	129,877	129,877		0	129,877	129,877
28364000	Def. SIT - AFUDC Equity GU (1)	0	0	(695,866)	(695,866)		0	(695,866)	
25315000	Def Reg Liab-Tax Law Changes	(6,711,994)	7,225,197	0	513,202	744,998	927,225	2,185,425	
70200408	Taxes Other than Income Taxes			0	0				
80250410	Deferred-State Income taxes		1,434,969	744,998	2,179,967	(744,998)	0	1,434,969	

(1) Not included in SADIT projection since there is no offsetting Reg Asset in Rate Base

4,352,730 (12,718,916) 2,774,191

Line						
1	Deferred Liability - Rate Case Amount	8,500,000			Add'l SADIT for RY2	(9,944,725)
2	Monthly Amortization	236,111	Line 1 / 36			
3	6 months amortization of Reg Liability (Jul - Dec 2017)	1,416,667	Line 2 x 6			
4	Amortization Jan 2018	236,111	Line 1 / 36			
5	Amortization Jul 17 - Jan 18	1,652,778	Line 3 + Line 4			
6	Rev Requirement Estimate of Jan 2018 SIT inclusion	154,576				
7	June 30 2017 Reg Liability per books Balance	<u>2,185,425</u>				
8	Projected Reg Liability Balance at 1/31/18	3,992,778	Line 5 + Line 6 + Line 7			

Business Unit: 00200
Period Ending: Jul 31, 2017
Run on 08/09/17 at 10:09 AM

		Balance	Balance	Balance	Balance	Balance	Balance		Activity	Balance	2014 NOL	Expense	Corrected		
<i>Changed to Debits / (Credits)</i>		Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017		Jun	Jun 2017	Can't use	Correction	June Balance		
PROVISION PROVISION															
QNYM Entry Entry STATE ENTRY FED															
Total Assets															
Net Utility Plant															
18623000	Deferred AFUDC Equity Gross Up	2,001,742	2,002,853	2,003,906	2,003,906	2,003,906	2,003,906	1,266,459		1,266,666	3,270,572		3,270,572		
18801000	Regulatory Asset - FAS 109	2,393,163	2,393,163	2,393,163	2,348,825	2,348,825	2,348,825	269,217		224,879	2,573,704		2,573,704		
23651000	State Income Tax Accrued	98,902	98,902	98,902	98,902	98,902	98,902		0	98,902			98,902		
Deferred Income Taxes & Credit															
19012000	Def State Income Taxes- Other	(0)	(0)	(0)	(0)	(0)	(0)	(12,671,167)	12,528,835	(142,332)	(142,332)		(142,332)		
19018000	Def State NOL Tax Benefit	0	0	0	0	0	0	3,701,416	3,701,416	3,701,416	(927,225)		2,774,191		
28211000	Def. FIT Benefit on DSIT	98,835	98,835	98,835	98,835	98,835	98,835		3,139,412	3,139,412	3,238,247		3,238,247		
28350000	Def. SIT- Other	1,382	1,382	1,382	1,382	1,382	1,382	(7,505,602)	(7,505,602)	(7,504,220)	(7,504,220)		(7,504,220)		
28353000	Def. SIT - Tank Painting	0	0	0	0	0	0	(247,238)	(247,238)	(247,238)	(247,238)		(247,238)		
28354000	Def. SIT-Pensions	0	0	0	0	0	0	1,470,498	1,470,498	1,470,498	1,470,498		1,470,498		
28355000	Def. SIT-Post Retrmnt Benefits	0	0	0	0	0	0	104,812	104,812	104,812	104,812		104,812		
28356000	Def. SIT-AFUDC Equity	0	0	0	0	0	0	(1,277,349)	(1,277,349)	(1,277,349)	(1,277,349)		(1,277,349)		
28357000	Def. SIT-Excess Depreciation	0	0	0	0	0	0	(4,043,224)	(4,043,224)	(4,043,224)	(4,043,224)		(4,043,224)		
28358000	Def. SIT- Cost of Removal	0	0	0	0	0	0	(848,765)	(848,765)	(848,765)	(848,765)		(848,765)		
28361000	Def SIT Pensn Reg Asst FAS158	0	0	0	0	0	0	(732,674)	(732,674)	(732,674)	(732,674)		(732,674)		
28362000	Def SIT PBOP Reg Asset FAS 158	0	0	0	0	0	0	371,699	371,699	371,699	371,699		371,699		
28363000	Def. SIT -Shared Services Fees	0	0	0	0	0	0	129,877	129,877	129,877	129,877		129,877		
28364000	Def. SIT - AFUDC Equity GU	0	0	0	0	0	0	(695,866)	(695,866)	(695,866)	(695,866)		(695,866)		
28442000	Def SIT-FAS109 Gross Up	(0)	(0)	(0)	(0)	(0)	(0)		0	(0)	(0)		(0)		
25315000	Def Reg Liab-Tax Law Changes	(7,696,883)	(7,656,442)	(7,420,331)	(7,184,216)	(6,948,105)	(6,711,994)	7,225,197		7,461,308	749,313	927,225	744,998	2,421,536	
19010000	Def. Federal Inc Taxes- Other	1,053,831	1,053,831	39,504	1,093,335	1,053,831	1,053,831				(180,303)		(1,234,134)		
23641000	Federal Income Tax Accrued	2,685,252	2,602,787	(1,296,645)	1,522,830	3,053,249	3,330,507		1,640,973		(1,044,279)				
28100000	Def. FIT- Accelerated Amort	972	972	0	972	972	972				(972)				
28203000	Def. FIT-MACRS	43,494,066	43,494,066	674,696	44,168,762	43,522,886	43,522,886		158,243		(42,587,327)				
28207000	Def FIT Pens Reg Asset FAS158	3,074,771	3,074,771	0	3,074,771	3,074,771	3,074,771		256,436		(2,818,335)				
28208000	Def FIT PBOP Reg Asset FAS158	(1,559,888)	(1,559,888)	1	(1,559,887)	(1,559,888)	(1,559,888)		(130,095)		1,429,793				
28300000	Def. FIT-Other	21,382,763	21,312,629	594,647	22,009,243	21,695,733	21,931,532		(3,887,993)		(25,270,756)				
28301000	Def. FIT-Tank Painting	690,878	690,878	67,153	758,031	690,878	690,878		(259,041)		(949,919)				
28302000	Def. FIT-Rate Expenses	667,052	667,052	9,477	676,529	667,052	667,052		60,841		(606,211)				
28303000	Def. FIT-Deferred Charges	(121,634)	(121,634)	239,704	118,070	(121,634)	(121,634)		(2,476,822)		(2,355,188)				
28305000	Def. FIT-M_S Fees	(554,217)	(554,217)	0	(554,217)	(554,217)	(554,217)				(45,458)		508,759		
28306000	Def. FIT-Pensions	(5,746,509)	(5,746,509)	(285,304)	(6,031,813)	(5,746,509)	(5,746,509)		88,440		5,834,949				
28307000	Def. FIT-PEBOP	(647,279)	(647,279)	59,790	(587,489)	(647,279)	(647,279)				(194,040)		453,239		
28308000	Def. FIT-Cost of Removal	3,303,898	3,303,898	114,883	3,418,781	3,303,898	3,303,898		67,301		(3,236,597)				
28310000	Def. FIT-Uncollectibles	(385,574)	(385,574)	0	(385,574)	(385,574)	(385,574)		(32,198)		353,376				
28311000	Def. FIT-Injuries and Damages	(343,378)	(343,378)	0	(343,378)	(343,378)	(343,378)				(28,712)		314,660		
28312000	Def. FIT - AFUDC Equity	3,667,593	3,667,593	2,205	3,669,798	3,667,593	3,667,593		442,662		(3,224,931)				
28313000	Def. FIT - AFUDC Equity GU	2,485,535	2,485,535	(4,250)	2,481,285	2,485,535	2,485,535		(190,520)		(2,676,055)				
28314000	Def. FIT - AFUDC Equity GU-TRF	(1,036,458)	(1,036,458)	(15,786)	(1,052,244)	(1,036,458)	(1,036,458)				230,322				
70200408	Taxes Other than Income Taxes							(1,226,091)							
80250410	Deferred-State Income taxes							1,434,969	744,998			(744,998)			
80100409	Current-federal									(1,640,973)					
80200410	Deferred-Federal Income Taxes									3,211,852					
									0	1	5	2,377,517	(76,662,236)	0	0