

**SUEZ Water New York**  
**Impact of change in Qualified Manufacturer Status**  
**Revised Revenue Requirement vs. Order Revenue Requirement - Summary**

	<b>RY2</b>	<b>RY3</b>
Total Operating Revenue - Order	94,477,044	98,097,072
Total Operating Revenue - Revised for QNYM	98,716,650	102,219,587
Change in Revenues after all adjustments	<u>4,239,606</u>	<u>4,122,515</u>
Sales Revenues - Order	90,760,764	94,233,394
Surcharge %	4.7%	4.4%

**Remove Amortization of Deferred Liability Credit**

O&M-Sch 2 RY2

Total Operating Revenue - Order	94,477,044	98,097,072
Total Operating Revenue - Revised for QNYM	97,342,300	100,946,984
Change in Revenues	<u>2,865,256</u>	<u>2,849,912</u>

**Remove Deferred Regulatory Liability from Rate Base**

Rate Base-Sch 6 RY2

Total Operating Revenues before adjustment	97,342,300	100,946,984
Total Operating Revenues after adjustment	97,598,863	101,032,059
Change in Revenues	<u>256,563</u>	<u>85,075</u>

**Increase ADIT for SADIT reclasses**

Rate Base-Sch 6 RY2 & RY3

Total Operating Revenues before adjustment	97,598,863	101,032,059
Total Operating Revenues after adjustment	96,669,718	100,080,576
Change in Revenues	<u>(929,146)</u>	<u>(951,483)</u>

**Include 8.34% SIT Expense**

Staff File RY2 & RY3  
SIT-Sch 4 RY2 & RY3  
ADIT Updates

Total Operating Revenues before adjustment	96,669,718	100,080,576
Total Operating Revenues after adjustment	98,716,650	102,219,587
Change in Revenues	<u>2,046,932</u>	<u>2,139,011</u>

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**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Statement of Operating Income**  
**For the Rate Year Ending January 31, 2019**

	<u>Rate Year Ending Jan 31, 2018</u>	<u>Adj. No.</u>	<u>Joint Proposal Adjustments</u>	<u>Rate Year Ending Jan 31, 2019</u>	<u>Revenue Requirement Adjustment</u>	<u>As Adjusted Rate Year Ending Jan 31, 2019</u>
<b>Operating Revenue</b>						
<b>Sales Revenues</b>	\$ 88,597,943	(1)	\$ 195,099	\$ 88,793,042	\$ 6,152,726	\$ 94,945,768
<b>Interdepartmental (Lake DeForest)</b>	1,983,444	(2)	95,411	2,078,855		2,078,855
<b>Miscellaneous Revenues</b>	1,288,329	(3)	4,511	1,292,840	58,045	1,350,885
<b>Revenue Taxes</b>	318,212	(4)	701	318,913	22,230	341,143
<b>Non-Revenue Water Adjustment</b>	-			-		-
<b>Total Operating Revenue</b>	<u>92,187,928</u>		<u>295,722</u>	<u>92,483,650</u>	<u>6,233,000</u>	<u>98,716,650</u>
<b>Operating &amp; Maintenance Expense</b>	28,239,777	(5)	2,778,796	31,018,573	47,211	31,065,783
<b>Depreciation Expense</b>	11,349,388	(6)	617,144	11,966,532	-	11,966,532
<b>Taxes Other Than Income Taxes</b>	<u>23,217,258</u>	(7)	<u>288,776</u>	<u>23,506,034</u>	<u>22,230</u>	<u>23,528,264</u>
<b>Total Operating Expenses</b>	62,806,423		3,684,715	66,491,138	69,441	66,560,579
<b>Operating Income Before Income Taxes</b>	<u>29,381,505</u>		<u>(3,388,993)</u>	<u>25,992,512</u>	<u>6,163,560</u>	<u>32,156,072</u>
<b>State Income Taxes</b>	-		-	1,376,636	514,041	1,890,677
<b>Federal Income Taxes</b>	6,652,129		(1,541,591)	4,942,163	1,920,836	6,862,999
<b>Net Income Available for Return</b>	<u>22,729,377</u>		<u>(1,847,402)</u>	<u>19,673,713</u>	<u>3,728,682</u>	<u>23,402,396</u>
<b>Rate Base</b>	<u>\$ 331,622,021</u>	(9)	<u>\$ 9,481,532</u>	<u>\$ 341,103,552</u>	<u>\$ -</u>	<u>\$ 341,103,552</u>
<b>Rate of Return</b>	<u>6.85%</u>			<u>5.77%</u>		<u>6.8608%</u>

**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Statement of Operating Income**  
**For the Rate Year Ending January 31, 2020**

	Rate Year Ending Jan 31, 2019	Adj. No.	Joint Proposal Adjustments	Rate Year Ending Jan 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending Jan 31, 2020
<b>Operating Revenue</b>						
<b>Sales Revenues</b>	\$ 94,945,768	(1)	\$ 196,143	\$ 95,141,911	\$ 3,199,876	\$ 98,341,787
<b>Interdepartmental (Lake DeForest)</b>	2,078,855	(2)	95,411	2,174,266		2,174,266
<b>Miscellaneous Revenues</b>	1,350,885	(3)	(30,947)	1,319,938	30,188	1,350,126
<b>Revenue Taxes</b>	341,143	(4)	705	341,848	11,561	353,409
<b>Non-Revenue Water Adjustment</b>	-			-		-
<b>Total Operating Revenue</b>	<u>98,716,650</u>		<u>261,312</u>	<u>98,977,963</u>	<u>3,241,624</u>	<u>102,219,587</u>
<b>Operating &amp; Maintenance Expense</b>	31,065,783	(5)	794,504	31,860,288	24,553	31,884,841
<b>Depreciation Expense</b>	11,966,532	(6)	697,834	12,664,366	-	12,664,366
<b>Taxes Other Than Income Taxes</b>	<u>23,528,264</u>	(7)	<u>292,704</u>	<u>23,820,967</u>	<u>11,561</u>	<u>23,832,528</u>
<b>Total Operating Expenses</b>	66,560,579		1,785,042	68,345,621	36,114	68,381,735
<b>Operating Income Before Income Taxes</b>	<u>32,156,072</u>		<u>(1,523,730)</u>	<u>30,632,342</u>	<u>3,205,510</u>	<u>33,837,852</u>
<b>State Income Taxes</b>	1,890,677		(166,983)	1,723,693	267,340	1,991,033
<b>Federal Income Taxes</b>	6,862,999		(623,973)	6,239,027	998,978	7,238,005
<b>Net Income Available for Return</b>	<u>23,402,396</u>		<u>(732,774)</u>	<u>22,669,622</u>	<u>1,939,193</u>	<u>24,608,815</u>
<b>Rate Base</b>	<u>\$ 341,103,552</u>	(9)	<u>\$ 17,204,874</u>	<u>\$ 358,308,426</u>	<u>\$ -</u>	<u>\$ 358,308,426</u>
<b>Rate of Return</b>	<u>6.86%</u>			<u>6.33%</u>		<u>6.87%</u>

**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Schedule of Operating and Maintenance Expenses**  
**For the Rate Year Ending January 31, 2019**

	Rate Year Ending Jan 31, 2018	Joint Proposal Adjustments	Rate Year Ending Jan 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending Jan 31, 2019
Labor	\$ 6,889,868	\$ 206,696	\$ 7,096,564		\$ 7,096,564
Purchased Water	208,580	1,261	209,841		209,841
Power Purchased for Pumping	3,334,928	(13,567)	3,321,361		3,321,361
Chemicals	796,719	6,687	803,406		803,406
Transportation	869,400	18,257	887,657		887,657
Uncollectible Accounts	495,577	3,059	498,636	33,796	532,432
Customer Information/Billing Costs	658,056	13,819	671,875		671,875
Outside Services Employed	407,132	8,550	415,682		415,682
Property and General Corporate Insurance	-	-	-		-
Worker's Compensation	180,237	3,785	184,022		184,022
Medical & Employee Benefits	1,646,388	34,574	1,680,962		1,680,962
Pensions	2,203,000	-	2,203,000		2,203,000
OPEB	(534,000)	-	(534,000)		(534,000)
Amortization Pension/OPEB	(521,736)	-	(521,736)		(521,736)
M&S Fees	6,194,347	169,106	6,363,453		6,363,453
Amortization of Tank Painting	146,243	27,778	174,021		174,021
Public Service Commission Expense	200,145	-	200,145	13,415	213,560
Amortization of Rate Case Expenses	344,844	-	344,844		344,844
Waste Disposal	1,217,118	(510,317)	706,801		706,801
Fringe Benefit Expense Transferred	(1,379,026)	(210,887)	(1,589,913)		(1,589,913)
Amortization AFUDC Equity Gross Up	58,155	3,290	61,445		61,445
Amortization Def Haverstraw Costs	3,578,531	-	3,578,531		3,578,531
Other	3,294,619	69,187	3,363,806		3,363,806
Conservation Program	877,400	120,000	997,400		997,400
Qual NY Man Reg Lia - Tax Law Change	(2,833,333)	<b>2,833,333</b>	0		0
Productivity	(93,415)	(5,816)	(99,231)		(99,231)
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 28,239,777</b>	<b>\$ 2,778,796</b>	<b>\$ 31,018,573</b>	<b>\$ 47,211</b>	<b>\$ 31,065,783</b>

**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Schedule of Operating and Maintenance Expenses**  
**For the Rate Year Ending January 31, 2020**

	Rate Year Ending Jan 31, 2019	Joint Proposal Adjustments	Rate Year Ending Jan 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending Jan 31, 2020
Labor	\$ 7,096,564	\$ 212,897	\$ 7,309,461		\$ 7,309,461
Purchased Water	209,841	3,258	213,099		213,099
Power Purchased for Pumping	3,321,361	785	3,322,146		3,322,146
Chemicals	803,406	10,159	813,565		813,565
Transportation	887,657	18,641	906,298		906,298
Uncollectible Accounts	532,432	(21,646)	510,786	17,576	528,362
Customer Information/Billing Costs	671,875	14,109	685,985		685,985
Outside Services Employed	415,682	8,729	424,411		424,411
Property and General Corporate Insurance	-	-	-		-
Worker's Compensation	184,022	3,864	187,886		187,886
Medical & Employee Benefits	1,680,962	35,300	1,716,262		1,716,262
Pensions	2,203,000		2,203,000		2,203,000
OPEB	(534,000)		(534,000)		(534,000)
Amortization Pension/OPEB	(521,736)		(521,736)		(521,736)
M&S Fees	6,363,453	173,722	6,537,175		6,537,175
Amortization of Tank Painting	174,021	33,334	207,355		207,355
Public Service Commission Expense	213,560	-	213,560	6,977	220,537
Amortization of Rate Case Expenses	344,844	-	344,844		344,844
Waste Disposal	706,801	4,485	711,286		711,286
Fringe Benefit Expense Transferred	(1,589,913)	(23,630)	(1,613,542)		(1,613,542)
Amortization AFUDC Equity Gross Up	61,445	2,404	63,849		63,849
Amortization Def Haverstraw Costs	3,578,531	-	3,578,531		3,578,531
Other	3,363,806	70,640	3,434,446		3,434,446
Conservation Program	997,400	250,000	1,247,400		1,247,400
Qual NY Man Reg Lia - Tax Law Change	<b>0</b>		<b>0</b>		0
Productivity	(99,231)	(2,549)	(101,780)		(101,780)
<b>Total Operating &amp; Maintenance Expenses</b>	<b>\$ 31,065,783</b>	<b>\$ 794,504</b>	<b>\$ 31,860,288</b>	<b>\$ 24,553</b>	<b>\$ 31,884,841</b>

**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Calculation of State Income Taxes**  
**For the Rate Year Ending January 31, 2019**

	Rate Year Ending Jan 31, 2018	Joint Proposal Adjustments	Rate Year Ending Jan 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending Jan 31, 2019
<b>Operating Income Before State Income Taxes</b>	\$ 29,381,505	\$ (3,388,993)	\$ 25,992,512	\$ 6,163,560	\$ 32,156,072
<b><u>Adjustments for Taxable Income</u></b>					
<b>Interest Expense</b>	(9,222,408)	(263,682)	(9,486,090)		(9,486,090)
<b>Tax vs. Book Depreciation Differences</b>	-		(5,937,887)		(5,937,887)
<b>Cost of Removal</b>	-		-		-
<b>Total Adjustment for Taxable Income</b>	(9,222,408)	(263,682)	(15,423,977)	-	(15,423,977)
<b>Taxable Income For SIT</b>	20,159,097	(3,652,675)	10,568,535	6,163,560	16,732,095
<b>State Income Tax @ 8.34%</b>			<b>881,416</b>	<b>514,041</b>	<b>1,395,457</b>
<b>State Income Tax - Current</b>	1,681,269	881,416	881,416	514,041	1,395,457
<b><u>Deferred State Income Tax</u></b>					
<b>Tax vs. Book Depreciation Differences</b>	-	-	495,220	-	495,220
<b>Total Provision for Deferred SIT</b>	-	-	495,220	-	495,220
<b>Net State Income Taxes</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,376,636</b>	<b>\$ 514,041</b>	<b>\$ 1,890,676</b>

**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Calculation of State Income Taxes**  
**For the Rate Year Ending January 31, 2020**

	Rate Year Ending Jan 31, 2019	Joint Proposal Adjustments	Rate Year Ending Jan 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending Jan 31, 2020
<b>Operating Income Before State Income Taxes</b>	\$ 32,156,072	\$ (1,523,730)	\$ 30,632,342	\$ 3,205,510	\$ 33,837,852
<b><u>Adjustments for Taxable Income</u></b>					
<b>Interest Expense</b>	(9,486,090)	(478,467)	(9,964,557)		(9,964,557)
<b>Tax vs. Book Depreciation Differences</b>	(5,937,887)	(296,868)	(6,234,755)		(6,234,755)
<b>Cost of Removal</b>	-		-		-
<b>Total Adjustment for Taxable Income</b>	(15,423,977)	(775,335)	(16,199,312)	-	(16,199,312)
<b>Taxable Income For SIT</b>	16,732,095	(2,299,065)	14,433,030	3,205,510	17,638,540
<b>State Income Tax @ 8.34%</b>	<b>1,395,457</b>	<b>(191,742)</b>	<b>1,203,715</b>	<b>267,340</b>	<b>1,471,054</b>
<b>State Income Tax - Current</b>	1,395,457	(191,742)	1,245,570	267,340	1,471,054
<b><u>Deferred State Income Tax</u></b>					
<b>Tax vs. Book Depreciation Differences</b>	495,220	24,759	519,979	-	519,979
<b>Cost of Removal (net)</b>	-	-	-	-	-
<b>Amortization of Rate Case Expense</b>	-		0	-	0
<b>Amortization of Tank Painting Costs</b>	-		0	-	0
<b>Amortization of Medicare Part D Subsidy</b>	-	-	0	-	0
<b>Amortization of Over-Accrued Depreciation</b>	-		0	-	0
<b>Total Provision for Deferred SIT</b>	495,220	24,759	519,979	-	519,979
<b>Net State Income Taxes</b>	<b>\$ 1,890,676</b>	<b>\$ (166,983)</b>	<b>\$ 1,723,693</b>	<b>\$ 267,340</b>	<b>\$ 1,991,033</b>

**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Calculation of Federal Income Tax**  
**For the Rate Year Ending January 31, 2019**

	Rate Year Ending Jan 31, 2018	Joint Proposal Adjustments	Rate Year Ending Jan 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending Jan 31, 2019
<b>Net Operating Income Before Income Taxes</b>	\$ 29,381,505	\$ (3,388,993)	\$ 25,992,512	\$ 6,163,560	\$ 32,156,072
<b><u>Adjustments for Taxable Income</u></b>					
State Income Tax	-		<b>(881,416)</b>	<b>(514,041)</b>	<b>(1,395,457)</b>
Interest Expense	(9,222,408)	(263,682)	(9,486,090)		(9,486,090)
Tax vs. Book Depreciation Differences	(3,438,535)	(1,462,357)	(4,900,892)		(4,900,892)
Cost of Removal	-		-		-
Domestic Production Deduction	(517,672)		(517,672)		(517,672)
<b>Total Adjustments For Taxable Income</b>	<b>(13,178,615)</b>	<b>(1,726,039)</b>	<b>(15,786,070)</b>	<b>(514,041)</b>	<b>(16,300,111)</b>
<b>Taxable Income</b>	<b>16,202,890</b>	<b>(5,115,032)</b>	<b>10,206,442</b>	<b>5,649,519</b>	<b>15,855,961</b>
<b>Federal Income Tax - Stand Alone @ 34%</b>	<b>5,508,983</b>	<b>(2,038,792)</b>	<b>3,470,190</b>	<b>1,920,836</b>	<b>5,391,027</b>
<b><u>Deferred FIT- Current Year</u></b>					
Tax vs. Book Depreciation Differences	1,169,102	497,201	1,666,303		1,666,303
Deferred State Income Taxes	-		<b>(168,375)</b>		<b>(168,375)</b>
<b>Total Deferred FIT - Current Year</b>	<b>1,169,102</b>	<b>497,201</b>	<b>1,497,929</b>	<b>-</b>	<b>1,497,929</b>
<b><u>Deferred FIT-Prior Years</u></b>					
Cost of Removal	-		-		-
Excess Deferred FIT	-		-		-
<b>Total Deferred FIT - Prior Years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Amortization of Investment Tax Credits</b>	<b>(25,956)</b>		<b>(25,956)</b>		<b>(25,956)</b>
<b>Net Federal Income Taxes</b>	<b>\$ 6,652,129</b>	<b>\$ (1,541,591)</b>	<b>\$ 4,942,163</b>	<b>\$ 1,920,836</b>	<b>\$ 6,862,999</b>



**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Calculation of Federal Income Tax**  
**For the Rate Year Ending January 31, 2020**

	Rate Year Ending Jan 31, 2019	Joint Proposal Adjustments	Rate Year Ending Jan 31, 2020	Revenue Requirement Adjustment	As Adjusted Rate Year Ending Jan 31, 2020
<b>Net Operating Income Before Income Taxes</b>	\$ 32,156,072	\$ (1,523,730)	\$ 30,632,342	\$ 3,205,510	\$ 33,837,852
<b><u>Adjustments for Taxable Income</u></b>					
State Income Tax	(1,395,457)	191,742	(1,203,715)	(267,340)	(1,471,054)
Interest Expense	(9,486,090)	(478,467)	(9,964,557)		(9,964,557)
Tax vs. Book Depreciation Differences	(4,900,892)	(297,905)	(5,198,797)		(5,198,797)
Cost of Removal	-		-		-
Domestic Production Deduction	(517,672)		(517,672)		(517,672)
<b>Total Adjustments For Taxable Income</b>	(16,300,111)	(584,630)	(16,884,741)	(267,340)	(17,152,080)
<b>Taxable Income</b>	15,855,961	(2,108,360)	13,747,601	2,938,171	16,685,772
<b>Federal Income Tax - Stand Alone @ 34%</b>	5,391,027	(716,842)	4,674,184	998,978	5,673,162
<b><u>Deferred FIT- Current Year</u></b>					
Tax vs. Book Depreciation Differences	1,666,303	101,288	1,767,591		1,767,591
Deferred State Income Taxes	(168,375)	(8,418)	(176,793)		(176,793)
<b>Total Deferred FIT - Current Year</b>	1,497,929	92,870	1,590,798	-	1,590,798
<b><u>Deferred FIT-Prior Years</u></b>					
Cost of Removal	-		-		-
Excess Deferred FIT	-		-		-
<b>Total Deferred FIT - Prior Years</b>	-	-	-	-	-
<b>Amortization of Investment Tax Credits</b>	(25,956)		(25,956)		(25,956)
<b>Net Federal Income Taxes</b>	\$ 6,862,999	\$ (623,973)	\$ 6,239,027	\$ 998,978	\$ 7,238,005

**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Rate Base Summary**  
**For the Rate Year Ending January 31, 2019**

	Rate Year Ending Jan 31, 2018	Joint Proposal Adjustments	Rate Year Ending Jan 31, 2019	Revenue Requirement Adjustment	As Adjusted Rate Year Ending Jan 31, 2019
<b><u>Net Utility Plant</u></b>					
Water Plant in Service	\$ 452,806,462	\$ 27,171,399	\$ 479,977,861		\$ 479,977,861
Non-interest bearing CWIP	2,408,176	50,572	2,458,748		2,458,748
Plant Held For Future Use	8,794,537		8,794,537		8,794,537
Less Accumulated Depreciation	(122,969,568)	(10,047,235)	(133,016,803)		(133,016,803)
<b>Total Net Utility Plant</b>	<b>341,039,607</b>	<b>17,174,736</b>	<b>358,214,343</b>	-	<b>358,214,343</b>
<b>Customer Advances for Construction</b>	<b>(3,014,652)</b>	<b>56,900</b>	<b>(2,957,752)</b>		<b>(2,957,752)</b>
<b><u>Working Capital:</u></b>					
Cash Allowance	3,145,184	(9,263)	3,135,921		3,135,921
Materials and Supplies	906,892	19,045	925,937		925,937
Prepayments	7,791,316	93,496	7,884,812		7,884,812
<b>Total Working Capital</b>	<b>11,843,392</b>	<b>103,278</b>	<b>11,946,670</b>	-	<b>11,946,670</b>
Deferred Tank Painting Expense (net of tax)	1,537,525	59,313	1,596,838		1,596,838
Deferred Rate Case Expense (net of tax)	499,848	(158,452)	341,396		341,396
Accumulated Deferred Income Taxes	(51,187,623)	<b>(10,067,413)</b>	(61,255,036)		(61,255,036)
Def AFUDC (gross up method)	1,352,383	-	1,352,383		1,352,383
Def Haverstraw Costs (Net of Tax)	34,246,541	(2,361,830)	31,884,711		31,884,711
Customer Deposits	(20,000)	-	(20,000)		(20,000)
Def Reg Lia - Tax Law Changes	(4,675,000)	<b>4,675,000</b>	-		-
<b>Rate Base</b>	<b>\$ 331,622,021</b>	<b>\$ 9,481,532</b>	<b>\$ 341,103,552</b>	<b>\$ -</b>	<b>\$ 341,103,552</b>

**Suez Water New York Inc.**  
**Case 16-W-0130**  
**Rate Base Summary**  
**For the Rate Year Ending January 31, 2020**

	<u>Rate Year Ending Jan 31, 2019</u>	<u>Joint Proposal Adjustments</u>	<u>Rate Year Ending Jan 31, 2020</u>	<u>Revenue Requirement Adjustment</u>	<u>As Adjusted Rate Year Ending Jan 31, 2020</u>
<b><u>Net Utility Plant</u></b>					
Water Plant in Service	\$ 479,977,861	\$ 31,958,952	\$ 511,936,813		\$ 511,936,813
Non-interest bearing CWIP	2,458,748	51,634	2,510,382		2,510,382
Plant Held For Future Use	8,794,537		8,794,537		8,794,537
Less Accumulated Depreciation	(133,016,803)	(10,681,173)	(143,697,976)		(143,697,976)
<b>Total Net Utility Plant</b>	<b>358,214,343</b>	<b>21,329,413</b>	<b>379,543,756</b>	<b>-</b>	<b>379,543,756</b>
<b>Customer Advances for Construction</b>	<b>(2,957,752)</b>	<b>58,850</b>	<b>(2,898,902)</b>		<b>(2,898,902)</b>
<b><u>Working Capital:</u></b>					
Cash Allowance	3,135,921	98,821	3,234,742		3,234,742
Materials and Supplies	925,937	19,444	945,381		945,381
Prepayments	7,884,812	94,618	7,979,430		7,979,430
<b>Total Working Capital</b>	<b>11,946,670</b>	<b>212,883</b>	<b>12,159,553</b>	<b>-</b>	<b>12,159,553</b>
Deferred Tank Painting Expense (net of tax)	1,596,838	237,146	1,833,984		1,833,984
Deferred Rate Case Expense (net of tax)	341,396	(227,597)	113,799		113,799
Accumulated Deferred Income Taxes	(61,255,036)	<b>(2,043,991)</b>	(63,299,027)		(63,299,027)
Def AFUDC (gross up method)	1,352,383	-	1,352,383		1,352,383
Def Haverstraw Costs (Net of Tax)	31,884,711	(2,361,830)	29,522,881		29,522,881
Customer Deposits	(20,000)	-	(20,000)		(20,000)
Def Reg Lia - Tax Law Changes	0	-	-		-
<b>Rate Base</b>	<b>\$ 341,103,552</b>	<b>\$ 17,204,874</b>	<b>\$ 358,308,426</b>	<b>\$ -</b>	<b>\$ 358,308,426</b>

**Suez Water New York Inc.**  
**Capital Structure per Commission**  
**For the Rate Year Ending January 31, 2019**

	<u>Amount</u>	<u>Percent</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>	<u>Pre-Tax Return 34.00%</u>
<b>Long-Term Debt</b>	166,978,174	48.95%	5.15%	2.5210%	2.5210%
<b>LTD Supporting HWSP</b>	17,217,744	5.05%	5.15%	0.2600%	0.2600%
<b>Customer Deposits</b>	0			0.0000%	0.0000%
<b>Cost of Debt</b>	<u>184,195,918</u>	<u>54.00%</u>		<u>2.7810%</u>	<u>2.7810%</u>
<b>Common Equity</b>	142,240,667	41.70%	9.00%	3.753%	5.69%
<b>Common Equity Supporting HWSP</b>	14,666,967	4.30%	7.60%	0.327%	0.50%
<b>Cost of Equity</b>	<u>156,907,634</u>	<u>46.00%</u>		<u>4.080%</u>	<u>6.18%</u>
<b>Totals</b>	<u><u>\$ 341,103,552</u></u>	<u><u>100.00%</u></u>		<u><u>6.86%</u></u>	<u><u>8.96%</u></u>

**Suez Water New York Inc.**  
**Capital Structure per Commission**  
**For the Rate Year Ending January 31, 2020**

	<u>Amount</u>	<u>Percent</u>	<u>Cost Rate</u>	<u>Weighted Cost</u>	<u>Pre-Tax Return 34.00%</u>
<b>Long-Term Debt</b>	177,544,194	49.55%	5.15%	2.5519%	2.5519%
<b>LTD Supporting HWSP</b>	15,942,356	4.45%	5.15%	0.2291%	0.2291%
<b>Customer Deposits</b>	0			0.0000%	0.0000%
<b>Cost of Debt</b>	<u>193,486,550</u>	<u>54.00%</u>		<u>2.7810%</u>	<u>2.7810%</u>
<b>Common Equity</b>	151,241,351	42.21%	9.00%	3.799%	5.76%
<b>Common Equity Supporting HWSP</b>	13,580,525	3.79%	7.60%	0.288%	0.44%
<b>Cost of Equity</b>	<u>164,821,876</u>	<u>46.00%</u>		<u>4.087%</u>	<u>6.193%</u>
<b>Totals</b>	<u><u>\$ 358,308,426</u></u>	<u><u>100.00%</u></u>		<u><u>6.87%</u></u>	<u><u>8.97%</u></u>

**Suez Water New York Inc.  
Computation of Water Revenue Requirement  
For the Rate Year Ending January 31, 2019**

	<u>Per Company</u>	<u>Per Joint Proposal</u>
Average Rate Base	\$ 341,103,552	341,103,552
Rate of Return on Rate Base	7.24%	6.8608%
Required Net Income	24,695,897	23,402,396
Net Income Before Revenue Requirement	22,729,377	19,673,713
Earnings Deficiency (Surplus)	1,966,520	3,728,682
Retention ("Gross-Up") Factor (from below)	65.177%	60.3839%
Revenue Increase (Decrease)	<u>\$ 3,017,200</u>	<u>\$ 6,174,956</u>

	<u>Per Company</u>		<u>Per Joint Proposal</u>	
	<u>Percentages</u>	<u>Revenue Requirement</u>	<u>Percentages</u>	<u>Revenue Requirement</u>
<b>Calculation of Retention Factor:</b>				
Sales Revenues	100.00%	\$ 3,017,200	100.00%	\$ 6,174,956
Late Payment Charges	0.00%	-	0.94%	58,045
Uncollectibles	0.6353%	19,168	0.547%	33,796
PSC Assessment	0.2172%	6,555	0.2172%	13,415
Village Tax	0.36%	10,862	0.36%	22,230
Retention Factor Before Income Tax	98.7875%	2,980,615	99.82%	6,163,560
State Income Tax Plus MTA surcharge @ 0.0349%	0.03%	1,039	<b>8.32%</b>	514,041
	34.00%		34.00%	
Federal Income Tax @ 34%	33.58%	1,013,056	31.11%	1,920,836
Retention Factor	<u>65.177%</u>	<u>\$ 1,966,520</u>	<u>60.38%</u>	<u>\$ 4,242,723</u>

**Suez Water New York Inc.  
Computation of Water Revenue Requirement  
For the Rate Year Ending January 31, 2020**

	<u>Per Company</u>	<u>Per Joint Proposal</u>
Average Rate Base	\$ 358,308,426	358,308,426
Rate of Return on Rate Base	7.24%	6.8681%
Required Net Income	25,941,530	24,608,814
Net Income Before Revenue Requirement	23,402,396	22,669,622
Earnings Deficiency (Surplus)	2,539,134	1,939,192
Retention ("Gross-Up") Factor (from below)	65.177%	60.3839%
Revenue Increase (Decrease)	<u>\$ 3,895,752</u>	<u>\$ 3,211,437</u>

	<u>Per Company</u>		<u>Per Joint Proposal</u>	
	<u>Percentages</u>	<u>Revenue Requirement</u>	<u>Percentages</u>	<u>Revenue Requirement</u>
<b>Calculation of Retention Factor:</b>				
Sales Revenues	100.00%	\$ 3,895,752	100.00%	\$ 3,211,437
Late Payment Charges	0.00%	-	0.94%	30,188
Uncollectibles	0.6353%	24,749	0.547%	17,576
PSC Assessment	0.2172%	8,463	0.2172%	6,977
Village Tax	0.36%	14,025	0.36%	11,561
Retention Factor Before Income Tax	<u>98.7875%</u>	<u>3,848,515</u>	<u>99.82%</u>	<u>3,205,510</u>
State Income Tax Plus MTA surcharge @ 0.0349%	0.03%	1,342	<b>8.32%</b>	267,340
	34.00%		34.00%	
Federal Income Tax @ 34%	33.58%	1,308,039	31.11%	998,978
Retention Factor	<u>65.177%</u>	<u>\$ 2,539,134</u>	<u>60.38%</u>	<u>\$ 2,206,532</u>

**Suez Water New York Inc.  
Summary of Cash Working Capital Allowance  
For the Rate Year Ending January 31, 2019**

	<u>Rate Year Ending Jan 31, 2018</u>	<u>Joint Proposal Adjustments</u>	<u>Rate Year Ending Jan 31, 2019</u>
<b>Total Operating &amp; Maintenance Expense</b>	\$28,239,777	\$2,778,796	\$31,018,573
<b>Adjustments:</b>			
<b>Purchased Water</b>	(227,206)	(1,261)	(228,467)
<b>Uncollectible Accounts</b>	(495,577)	(3,059)	(498,636)
<b>Pensions/OPEBS</b>	(1,045,264)	0	(1,045,264)
<b>Amortization of Rate Case Expense</b>	(344,844)	0	(344,844)
<b>Amortization of Tank Painting</b>	(146,243)	(27,778)	(174,021)
<b>Amortization of AFUDC</b>	(58,155)	(3,290)	(61,445)
<b>Amortization of Reg. Lia. Tax Rate Change</b>	2,833,333	(2,833,333)	(0)
<b>Amort Def Haverstraw Costs</b>	(3,578,531)	0	(3,578,531)
<b>Other</b>	-	-	-
<b>Total Adjustments</b>	<u>(3,062,487)</u>	<u>(2,868,721)</u>	<u>(5,931,208)</u>
<b>Total Expense for CWC allowance</b>	<u>25,177,290</u>	<u>(89,925)</u>	<u>25,087,365</u>
<b>Cash Working Capital Allowance %</b>	12.50%	12.50%	12.50%
<b>Cash Working Capital Allowance</b>	<u><u>\$3,147,161</u></u>	<u><u>(\$11,241)</u></u>	<u><u>\$3,135,921</u></u>



**Suez Water New York Inc.**  
**Summary of Cash Working Capital Allowance**  
**For the Rate Year Ending January 31, 2020**

	<u>Rate Year Ending Jan 31, 2019</u>	<u>Joint Proposal Adjustments</u>	<u>Rate Year Ending Jan 31, 2020</u>
<b>Total Operating &amp; Maintenance Expense</b>	\$31,065,783	\$794,504	\$31,860,288
<b><u>Adjustments:</u></b>			
<b>Purchased Water</b>	(228,467)	(3,258)	(231,725)
<b>Uncollectible Accounts</b>	(532,432)	21,646	(510,786)
<b>Pensions/OPEBS</b>	(1,045,264)	0	(1,045,264)
<b>Amortization of Rate Case Expense</b>	(344,844)	0	(344,844)
<b>Amortization of Tank Painting</b>	(174,021)	(33,334)	(207,355)
<b>Amortization of AFUDC</b>	(61,445)	(2,404)	(63,849)
<b>Amortization of Reg. Lia. Tax Rate Change</b>	(0)	0	(0)
<b>Amort Def Haverstraw Costs</b>	(3,578,531)	0	(3,578,531)
<b>Other</b>	-	-	-
<b>Total Adjustments</b>	<u>(5,965,003)</u>	<u>(17,351)</u>	<u>(5,982,354)</u>
<b>Total Expense for CWC allowance</b>	<u>25,100,780</u>	<u>777,154</u>	<u>25,877,933</u>
<b>Cash Working Capital Allowance %</b>	12.50%	12.50%	12.50%
<b>Cash Working Capital Allowance</b>	<u><u>\$3,137,597</u></u>	<u><u>\$97,144</u></u>	<u><u>\$3,234,742</u></u>

**Suez Water New York Inc.  
Summary of Interest Expense Deduction  
For the Rate Year Ending Jan 31, 2019**

	<u>Rate Year Ending Jan 31, 2018</u>	<u>Joint Proposal Adjustments</u>	<u>Rate Year Ending Jan 31, 2019</u>
Rate Base	\$ 331,622,021	\$ 9,481,532	\$ 341,103,552
Interest Bearing CWIP	-		-
Dividends Declared	-		-
Earnings Base	331,622,021	9,481,532	341,103,552.39
Embedded Cost of Debt	<u>2.7810%</u>		<u>2.7810%</u>
Total Income tax deduction	<u>\$ 9,222,408</u>	<u>\$ 263,682</u>	<u>\$ 9,486,090</u>

**Suez Water New York Inc.  
Summary of Interest Expense Deduction  
For the Rate Year Ending Jan 31, 2020**

	<u>Rate Year Ending Jan 31, 2019</u>	<u>Joint Proposal Adjustments</u>	<u>Rate Year Ending Jan 31, 2020</u>
Rate Base	\$ 341,103,552	\$ 17,204,874	\$ 358,308,426
Interest Bearing CWIP	-		-
Dividends Declared	-		-
Earnings Base	341,103,552	17,204,874	358,308,426.35
Embedded Cost of Debt	<u>2.7810%</u>		<u>2.7810%</u>
Total Income tax deduction	<u>\$ 9,486,090</u>	<u>\$ 478,467</u>	<u>\$ 9,964,557</u>

**SUEZ Water New York Inc.  
Accumulated Deferred Income Tax Balance**

Line No.	Description	Balance at 9/30/2015	Bridge Period 10/15 - 1/17	Rate Year 1 2/17 - 1/18	Rate Year 2 2/18 - 1/19	Rate Year 3 2/19 - 1/20
1	Annual Book Depreciation		\$ 12,981,176	\$ 11,351,308	\$ 11,989,459	\$ 12,688,330
2	Annual Tax Depreciation (State)				17,927,346	18,923,085
3	Difference			(11,351,308)	5,937,887	6,234,755
4	State Tax Rate				8.34%	8.34%
5	Deferred State Income Tax		\$ -	\$ -	\$ 495,220	\$ 519,979
6	Annual Book Depreciation		\$ 12,981,176	\$ 11,351,308	\$ 11,989,459	\$ 12,688,330
7	Annual Tax Depreciation (Federal)		17,520,744	14,789,843	16,867,424	17,863,163
8	Difference		4,539,568	3,438,535	4,877,965	5,174,833
9	Less: Deferred State Income Tax		-	-	495,220	519,979
10	Difference		4,539,568	3,438,535	4,382,745	4,654,854
11	Federal Tax Rate		34.00%	34.00%	34.00%	34.00%
12	Deferred Federal Income Tax	\$49,059,619	\$ 1,543,453	\$ 1,169,102	\$ 1,490,133	\$ 1,582,651
14	<b>DFIT Impact of eliminated Reg Liab.</b>			<b>\$ 1,926,667</b>		
15	<b>DFIT Benefit of \$9.9M DSIT Reintroduction</b>			<b>\$ (3,381,207)</b>		
16	Deferred State Income Tax		-	-	495,220	519,979
17	Deferred Federal Income Tax		1,543,453	(285,438)	1,490,133	1,582,651
18	Period Total		\$ 1,543,453	\$ (285,438)	\$ 1,985,353	\$ 2,102,629
19	<b>RY 1 Ending Balance Adjustment for NYQM</b>			<b>\$ 9,944,725</b>		
20	Projected Balance	\$49,059,619	\$ 50,603,072	\$ 60,262,359	\$ 62,247,712	\$ 64,350,341
21	Average Balance			<b>\$ 55,432,716</b>	<b>\$ 61,255,036</b>	<b>\$ 63,299,027</b>
	RY1 Reg Liability Beginning Balance	8,500,000			RY2 Order ADIT 52,605,978	
	12 Months Amortization	2,833,333			Revised ADIT 61,255,036	
	RY1 Reg Liability Ending Balance	5,666,667			Adjustment Needed 8,649,058	
	DFIT Impact of eliminating Regulatory Liability	<b>1,926,667</b>	Increase ADIT			
	Reintroduction of Deferred SIT	9,944,725				
	DFIT Benefit (34%)	<b>(3,381,207)</b>	Decrease ADIT			