Last Revised 2/15/08

Template for Calculation of Economic Factors
Water Companies

	Company Name	**Suez Water New York**	**Current Year**	**Current Year - 1**	**Current Year - 2**	**Current Year - 3**	**Current Year - 4**	**Current Year - 5**	**5-Year average**
	Rate Base Computation		2015	2014	2013	2012	2011	2010	
	Working Capital								
1	Operating Expenses		25,847,945	23,068,231	23,004,883	22,982,600	20,816,047	19,516,989	
2	Plus: Maintenance Expenses		4,197,910	3,460,835	4,437,486	5,777,017	6,110,203	5,708,453	
3	Less: Purchased Water		231,635	163,522	174,824	172,784	167,206	161,630	
4	Net Operating Expenses		29,814,220	26,365,544	27,267,545	28,586,833	26,759,044	25,063,812	
5	1/7 of Net Operating Expenses		4,259,174	3,766,506	3,895,364	4,083,833	3,822,721	3,580,545	
6	Materials & Supplies		911,321	829,385	1,042,236	974,056	765,928	802,945	
7	Prepayments		7,069,649	7,115,618	6,845,890	5,937,191	5,610,728	5,186,734	
8	Total Working Capital		12,240,144	11,711,509	11,783,490	10,995,080	10,199,377	9,570,224	
9	Add: Net Utility Plant		326,092,126	315,693,522	367,004,115	338,555,170	315,101,545	288,149,977	
10	Rate Base at 12/31		338,332,270	327,405,031	378,787,605	349,550,250	325,300,922	297,720,201	343,875,216
11	Construction Work In Progress - CWIP		4,074,238	1,011,250	63,034,763	56,493,817	47,571,660	35,434,678	
12	Construction Work In Progerss - Minor					0	0	0	
12a	AFUDC		2,562,384	6,735,647	6,385,905	4,925,349	3,790,731	2,585,558	
	AFUDC = Allowance for Funds Used During Construction								
12b	Add back Minor CWIP Projects		0	0	0	0	0	0	
	* If AFUDC equals $0, then "minor profects" = CWIP otherwise Minor CWIP Projects = CWIP Minor								
13	Add: Adjustment to Rate Base (EBCAP)								
14	12/31 Adjusted Rate Base (w/o CWIP)		334,258,032	326,393,781	315,752,842	293,056,433	277,729,262	262,285,523	309,438,070
15	6/30 Rate Base (w/o CWIP)		330,325,907	321,073,311	304,404,637	285,392,847	270,007,392		302,240,819
16	Net Operating Income		18,398,986	19,804,336	17,140,032	16,237,911	15,140,022	11,490,406	17,344,257
17	Achieved Rate of Return		5.5699%	6.1682%	5.6307%	5.6897%	5.6073%		5.7386%

Achieved Rate of Return = Net Operating Income divided by the final Adjusted Rate Base

Template for Calculation of Economic Factors
Water Companies

Company Name **Suez Water New York**

	Embedded Cost Computations	**Current Year** 2015	**Current Year - 1** 2014	**Current Year - 2** 2013	**Current Year - 3** 2012	**Current Year - 4** 2011	**Current Year - 5** 2010	**5-Year average**
1	Preferred Dividends	0	0	0	0	0	0	0
2	Preferred Stock	0	0	0	0	0	0	
3	Add Premium on Preferred Stock	0	0	0	0	0	0	
4	Less Reacquired Preferred Stock	0	0	0	0	0	0	
5	Less Stock Expense Preferred Stock	0	0	0	0	0	0	
6	Add: Paid In Capital, Preferred Stock	0	0	0	0	0	0	
7	Total Cost of Preferred Stock	0	0	0	0	0	0	0
8	6/30 Cost of Preferred Stock	0	0	0	0	0		0
9	6/30 Embedded Cost of Preferred Stock	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		0.0000%
10	Interest on Long Term Debt (L.T.D.)	4,019,604	4,019,604	4,019,604	4,165,241	4,860,600	4,623,600	
11	Less: Preminim on L.T.D.				0	0	0	
12	Plus: Discount & Expense on L.T.D.	138,468	131,077	138,468	169,829	176,268	170,588	
13	Cost of L.T.D.	4,158,072	4,150,681	4,158,072	4,335,070	5,036,868	4,794,188	4,367,753
14	L.T.D. per Balance Sheet	82,000,000	82,000,000	82,000,000	82,000,000	81,000,000	81,000,000	
15	Plus: Premium on L.T.D.			0	0	0	0	
16	Less: Debt Expense	1,828,485	1,966,953	2,098,030	2,236,498	2,116,305	2,276,502	
17	Less: Debt Recquired			0	0	0	0	
18	12/31 Total L.T.D.	80,171,515	80,033,047	79,901,970	79,763,502	78,883,695	78,723,498	79,750,746
19	6/30 Total L.T.D.	80,102,281	79,967,509	79,832,736	79,323,599	78,803,597		79,605,944
20	6/30 Emb. Cost of L.T.D.	5.1910%	5.1905%	5.2085%	5.4650%	6.3917%		5.4867%
21	Common Stock	13,856,490	13,856,490	13,856,490	13,856,490	13,856,490	13,856,490	
22	Add: Premium on Common Stock	6,286,958	6,286,958	6,286,958	6,286,958	6,286,958	6,286,958	
23	Add Retained Earnings	83,695,083	91,382,722	90,629,449	77,455,653	72,581,314	65,448,180	
24	Less: Reacquired Common Stock							
25	Less: Capital Expense							
26	Add: Paid in Capital, Common Stock	141,991,095	127,991,095	92,991,095	92,991,095	77,991,095	57,991,095	
27	12/31 Common Equity	245,829,626	239,517,265	203,763,992	190,590,196	170,715,857	143,582,723	210,083,387
28	6/30 Common Equity	242,673,446	221,640,629	197,177,094	180,653,027	157,149,290		199,858,697
29	% Allowable on Common Equity	9.2000%	10.2000%	10.2000%	10.2000%	10.2000%		
30	6/30 Earnings on Common Equity	22,325,957	22,607,344	20,112,064	18,426,609	16,029,228		19,900,240
	6/30 Avg % Allowable							9.9572%
31	Rate Case Reference	13-W-0295	13-W-0295	09-W-0731	09-W-0731	09-W-0731		
32	Deferred Income Tax	67,911,969	49,368,308	52,165,444	49,816,784	49,535,048	49,177,705	53,759,511
33	6/30 Deferred Income Tax	58,640,139	50,766,876	50,991,114	49,675,916	49,356,377		51,886,084

Template for Calculation of Economic Factors
Water Companies

Company Name **Suez Water New York**

Computation of Required Rate of Return

5-year averages		Capital Structure	% of Total Cap Struc	Avg. Emb. Costs	Req. Rate of return
Long Term Debt		79,605,944	24.0247%	5.4120%	1.3002%
Preferred Stock		0	0.0000%	0.0000%	0.0000%
Common Stock		199,858,697	60.3164%	9.8000%	5.9110%
Deferred Inc. Tax		51,886,084	15.6590%	0.0000%	0.0000%
	Totals	331,350,725	100.0000%		7.2112%

Computation of Factors

1	Required Rate of Return (Usually Modified by 95%)	7.2112%	modified by 95 %	95%	6.8507%
2	Less achieved rate of return				5.7386%
3	Difference (line 1 - line 2)				1.1121%
4	Economic Factor (line 3 divided by line 1)				16.2335%

Suez Water New York
Economic Obsolescence Worksheet
Computation of Adjustments

	2015	2014	2013	2012	2011	2010	
Net Operating Income per Annual Report	17,911,845	24,749,801	15,190,542	13,724,634	13,644,938	11,490,406	Pg 116, line 23
Adjustment to Match the Income tax Expense for AFUDC excluded from the form (Net Gross-Up only). [1]	487,141	(4,945,465)	1,949,490	2,513,277	1,495,084		Balance ties to Lines 22 & 32 on p. 216 of 2015 Annual Report (E 1,499,527 Ties to BS (18623 & 18653)
Adjusted Net Operating Income to Line 16	18,398,986	19,804,336	17,140,032	16,237,911	15,140,022	11,490,406	

	2015	2014	2013	2012	2011	2010	
Deferred Income Tax per Annual Report	69,411,496	50,380,694	58,123,295	53,825,145	51,030,132	49,177,705	(Page 115, Line 47) +(Page 115, Line 50) minus - (pg 114, line 4
Adjustment to Match the Income tax Expense for AFUDC excluded from the form (Net Gross-Up only). [1]	(1,499,527)	(1,012,386)	(5,957,851)	(4,008,361)	(1,495,084)	0	Balance ties to Lines 22 & 32 on p. 216 of 2015 Annual Report (E Balance ties to 2015 Balance Sheet (18623 &18653)
Adjusted Deferred Income Tax	67,911,969	49,368,308	52,165,444	49,816,784	49,535,048	49,177,705	

[1] AFUDC Income is not included in Utility Operating Income on UWNY's Annual Report, however, the tax effect of the AFUDC Equity Gross-Up is included. This adjustment corrects that mismatch.
The tax effect is added to Utility Operating Income and deducted from Accumulated Deferred Income Taxes.

2015, 2014

	13-W-0295 Rate Case Cap Structure			
	Percent	Cost	Weighted Cost	Pre-Tax 60.30%
Long Term Debt	55.91%	5.07%	2.83%	2.83%
Short Term Debt				
Customer Deposits	0.09%	1.25%	0.00%	0.00%
Preferred Stock				
Common Stock	44.00%	9.20%	4.05%	6.71%
			6.88%	9.55%

2013, 2012, 2011

	09-W-0731 Rate Case Cap Structure			
	Percent	Cost	Weighted Cost	Pre-Tax 60.30%
Long Term Debt	55.00%	5.64%	3.10%	3.10%
Short Term Debt				
Customer Deposits				
Preferred Stock				
Common Stock	45.00%	10.20%	4.59%	7.61%
			7.69%	10.71%

	2015	2014	2013	2012	2011
Long Term Debt	55.91%	55.91%	55.00%	55.00%	55.00%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%
Common Stock	44.00%	44.00%	45.00%	45.00%	45.00%
	99.91%	**99.91%**	**100.00%**	**100.00%**	**100.00%**

Weighted Avg.	2015	2014	2013	2012	2011
Long Term Debt	55.96%	55.96%	55.00%	55.00%	55.00%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%
Common Stock	44.04%	44.04%	45.00%	45.00%	45.00%
	100.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Weighted Avg. (Including Deferred Taxes)

	2015	2014	2013	2012	2011	Average
Long Term Debt	47.20%	47.20%	46.39%	46.39%	46.39%	46.71%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Common Stock	37.14%	37.14%	37.95%	37.95%	37.95%	37.63%
	84.34%	**84.34%**	**84.34%**	**84.34%**	**84.34%**	**84.34%**
Deferred Taxes	15.66%	15.66%	15.66%	15.66%	15.66%	15.66%
	100.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

5 Year Avg. Deferred Tax	51,886,084	15.66%	Line 32
5 Year Avg. Capitalizatior	331,350,725		Line 15
Long Term Debt	154,779,104	46.71%	
Preferred Stock	0	0.00%	
Common Stock	124,685,537	37.63%	
Deferred Taxes	51,886,084	15.66%	
	331,350,725	**100.00%**	

Cost	2015	2014	2013	2012	2011	Average
Long Term Debt	5.07%	5.07%	5.64%	5.64%	5.64%	5.41%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Common Stock	9.20%	9.20%	10.20%	10.20%	10.20%	9.80%
Deferred Taxes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Weighted Average Cost

	2015	2014	2013	2012	2011	Average
Long Term Debt	2.39%	2.39%	2.62%	2.62%	2.62%	2.53%
Preferred Stock	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Common Stock	3.42%	3.42%	3.87%	3.87%	3.87%	3.69%
Deferred Taxes	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	5.81%	**5.81%**	**6.49%**	**6.49%**	**6.49%**	**6.22%**