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October 16, 2024

VIA ELECTRONIC TARIFF FILING

Honorable Michelle L. Phillips
Secretary to the Commission
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Veolia Water New York Inc.

**Re: Veolia Water New York Inc.
Case No. 23-W-0111
Westchester Rate District
Purchased Water Adjustment Effective October 23, 2024**

Dear Secretary Phillips:

Pursuant to paragraph XV of the Joint Proposal and page 33 of the Commission Order issued and effective May 16, 2024, in the above captioned case, please find the Company's submission for an increase to the Purchased Water Cost from Aquarion Water Company of Connecticut (AWC-CT). The purpose of this filing is to update current Purchased Water Charges to reflect actual supplier costs.

Aquarion Water Company of Connecticut (AWC-CT) was issued a decision by the Public Utilities Regulatory Authority (PURA) under Docket No. 22-07-01RE01 on July 31, 2024, thereby amending their rates. AWC-CT's volumetric charge decreased from \$1,782.96 to \$1,766.02 per MG, and their demand charge increased from \$657,453 to \$1,579,899 annually.

As a result, Veolia Water New York Inc., Westchester Rate District, is reflecting an increase in the Purchased Water Charge of Service Classification No. 1, Service Classification No. 6 and Service Classification No. 7 – from \$3.1543 to \$3.2558 for the remainder of Rate Year 1. Updates to Service Classification No. 1, Service Classification No. 6 and Service Classification No. 7 of the current tariff will be transmitted electronically via the tariff filing system.

In compliance with paragraph XV of the Joint Proposal to the Commission Order addressed above, Veolia Water New York Inc., submits these increases to both the revenue and production cost targets for the Revenue, Production Cost and Property Tax Reconciliation authorized in the above case. The draft future Revenue, Production Cost and Property Tax Reconciliation Adjustment Clause (RRC) for the Westchester Rate District is enclosed.



The Company has also attached a copy of the decision to Docket No. 22-07-01RE01 as well as the schedule of approved rates issued and effective July 31, 2024.

A complete set of work papers and supporting documentation is available for review upon request.

Please contact me at (201) 767-2888 or via email at Lino.Bucci@veolia.com for any questions or further information relating to the filing.

Very truly yours,

/s/ Lino Bucci

Lino Bucci
Senior Regulatory Specialist

Enclosures

cc: J. Cagle (w/enc.)
C. Graziano (w/enc.)
T. Michaelson (w/enc.)
J. Cheng (w/enc.)
E. Goldfarb (w/enc.)
J. Bosland (w/enc.)
T. Kaplan (w/enc.)
P. Colon (w/enc.)
D. Njuguna (w/enc.)
J. Gonyea-NYSPSC (w/enc.)
M. Chakraborti-NYSPSC (w/enc.)

Veolia Water New York, Inc.

Westchester Rate District

Purchased Water Adjustment Attachments

- 1) Purchased Water Adjustment Calculation.
- 2) Purchased Water Adjustment Target Calculation.
- 3) Docket No. 22-07-01RE01 Decision Issued July 31, 2024.
- 4) AWC-CT Schedule of Approved Rates Issued and Effective July 31, 2024.
- 5) Draft Tariff- Updated Purchased Water Rate , Purchased Water Targets ,
Reconciled Revenue Targets , and RRC Statement Effective Date.

**VEOLIA WATER NEW YORK-WESTCHESTER RATE DISTRICT
COST OF WATER TARGETS UPDATED FOR AQCT INCREASE ON 07/31/2024**

RY	Total
Production	
Power	
RY1	\$ 1,129,458
RY2	1,153,177
RY3	1,177,393
RY4	1,203,296
Chemicals	
RY1	\$ 640,367
RY2	653,815
RY3	667,545
RY4	682,231
Purchased Water RD#1	
NYCWB Purchased Water (billed mg /82 * \$2.08348)	
RY1	\$ 11,675,739
RY2	11,675,739
RY3	11,675,739
RY4	11,675,739
NYCWB Purchased Water Increase July 2023 @ \$ 140.84	
RY1	\$ 789,262
RY2	792,157
RY3	793,055
RY4	793,961
NYCWB Purchased Water Increase July 2024 @ \$ 40.48	
RY1	\$ 226,848
RY2	227,680
RY3	227,939
RY4	228,199
Excess Purchased Water (282 mg * \$3,533.98)	
RY1	\$ 996,207
RY2	996,207
RY3	996,207
RY4	996,207
Excess Purchased Water Increase July 2023 (282 mg * \$107.45)	
RY1	\$ 30,289
RY2	30,289
RY3	30,289
RY4	30,289
Excess Purchased Water Increase July 2024 (282 mg * \$458.11)	
RY1	\$ 129,138
RY2	129,138
RY3	129,138
RY4	129,138
Total NYCWB	
RY1	\$ 13,847,483
RY2	13,851,210
RY3	13,852,367
RY4	13,853,533
Purchased Water RD#2	
Production Targets AQ CT	
AQ CT Purchased Water - 1,601 mg @ \$1,782.96	
RY1	\$ 2,854,753
RY2	2,854,753
RY3	2,854,753
RY4	2,854,753
AQ CT Purchased Water Decrease @ \$ 16.94	
RY1	\$ (27,123)
RY2	(27,223)
RY3	(27,254)
RY4	(27,285)
AQCT Fixed Charges	
RY1	\$ 751,823
RY2	751,823
RY3	751,823
RY4	751,823

**VEOLIA WATER NEW YORK-WESTCHESTER RATE DISTRICT
COST OF WATER TARGETS UPDATED FOR AQCT INCREASE ON 07/31/2024**

RY	Total
AQCT Fixed Charges Increase @ \$922,446 Annually	
RY1	\$ 922,446
RY2	922,446
RY3	922,446
RY4	922,446
WRA Surcharge	
RY1	\$ (10,459)
RY2	(10,459)
RY3	(10,459)
RY4	(10,459)
WRA Surcharge Updated 7.31.24	
RY1	\$ (2,596)
RY2	(2,596)
RY3	(2,596)
RY4	(2,596)
Total AQCT:	
RY1	\$ 4,488,843
RY2	4,488,743
RY3	4,488,712
RY4	4,488,681
Production Targets WJWW	
RY	Total
WJWW Purchased Water - 801 mg @ \$4,193.90	
RY1	\$ 3,357,494
RY2	3,357,494
RY3	3,357,494
RY4	3,357,494
WJWW Purchased Water Increase July 1 2023 @ \$ 140.84	
RY1	\$ 112,752
RY2	113,165
RY3	113,294
RY4	113,423
WJWW Purchased Water Increase January 1 2024 @ \$ 208.75	
RY1	\$ 167,118
RY2	167,731
RY3	167,921
RY4	168,113
WJWW Purchased Water Increase July 1 2024 @ \$ 40.48	
RY1	\$ 32,407
RY2	32,526
RY3	32,563
RY4	32,600
WJWW Excess PW - 21 mg @ \$3,533.98	
RY1	\$ 72,777
RY2	72,777
RY3	72,777
RY4	72,777
WJWW Excess PW Increase July 2023 - 21 mg @ \$107.45	
RY1	\$ 2,213
RY2	2,213
RY3	2,213
RY4	2,213

**VEOLIA WATER NEW YORK-WESTCHESTER RATE DISTRICT
COST OF WATER TARGETS UPDATED FOR AQCT INCREASE ON 07/31/2024**

RY	Total
WJWW Excess PW Increase July 2024 - 21 mg @ \$458.11	
RY1	\$ 9,434
RY2	9,434
RY3	9,434
RY4	9,434
WJWW Fixed Charges	
RY1	\$ 40,016
RY2	40,016
RY3	40,016
RY4	40,016
Total For WJWW:	
RY1	\$ 3,794,210
RY2	3,795,356
RY3	3,795,711
RY4	3,796,069
Total Consolidated Purchased Water Costs	
RY1	\$ 22,130,536
RY2	22,135,309
RY3	22,136,790
RY4	22,138,284
Total Consolidated Power Costs	
RY1	\$ 1,129,458
RY2	1,153,177
RY3	1,177,393
RY4	1,203,296
Total Consolidated Chemical Costs	
RY1	\$ 640,367
RY2	653,815
RY3	667,545
RY4	682,231
Total Consolidated Depreciation Costs	
RY1	\$ 930,803
RY2	956,944
RY3	1,010,921
RY4	1,012,514
Total Consolidated Pre-Tax Return on Rate Base	
RY1	\$ 3,814,951
RY2	3,877,976
RY3	4,093,059
RY4	4,008,641
Total Consolidated Cost of Water	
RY1	\$ 28,646,115
RY2	28,777,221
RY3	29,085,707
RY4	29,044,966
Consumption in CCF	
RY1	8,798,549
RY2	8,808,446
RY3	8,818,433
RY4	8,828,510
Cost of Water (Purchased Water Rate) per CCF	
RY1	\$ 3.2558
RY2	3.2670
RY3	3.2983
RY4	3.2899
Rate District 1 Sale for Resale (Applicable to Westchester Joint Water Works purchasing water under special agreements at the option of the Company.)	
RY1	\$ 2.9765
RY2	3.3589
RY3	3.7357
RY4	4.1038

**VEOLIA WATER NEW YORK-WESTCHESTER RATE DISTRICT
COST OF WATER TARGETS UPDATED FOR AQCT INCREASE ON 07/31/2024**

RY	February	March	April	May	June	July	August	September	October	November	December	January	
Production (Calendarization per JP Appendix 6)													
Power	6.44%	6.34%	6.41%	6.87%	8.35%	10.27%	11.22%	11.16%	10.25%	8.74%	7.19%	6.76%	100.0%
RY1	\$ 72,754	\$ 71,600	\$ 72,380	\$ 77,567	\$ 94,270	\$ 115,941	\$ 126,731	\$ 126,038	\$ 115,815	\$ 98,746	\$ 81,227	\$ 76,390	\$ 1,129,458
RY2	74,282	73,104	73,900	79,196	96,250	118,376	129,392	128,685	118,247	100,819	82,932	77,994	1,153,177
RY3	75,842	74,639	75,452	80,859	98,271	120,862	132,109	131,387	120,730	102,936	84,674	79,632	1,177,393
RY4	77,510	76,281	77,112	82,638	100,433	123,521	135,016	134,277	123,386	105,201	86,537	81,384	1,203,296
Chemicals	6.44%	6.34%	6.41%	6.87%	8.35%	10.27%	11.22%	11.16%	10.25%	8.74%	7.19%	6.76%	100.0%
RY1	\$ 41,249	\$ 40,595	\$ 41,037	\$ 43,978	\$ 53,448	\$ 65,735	\$ 71,852	\$ 71,459	\$ 65,663	\$ 55,986	\$ 46,053	\$ 43,311	\$ 640,367
RY2	42,115	41,448	41,899	44,902	54,571	67,115	73,361	72,960	67,042	57,161	47,020	44,220	653,815
RY3	43,000	42,318	42,779	45,844	55,717	68,525	74,902	74,492	68,450	58,362	48,007	45,149	667,545
RY4	43,946	43,249	43,720	46,853	56,942	70,032	76,550	76,131	69,956	59,646	49,064	46,142	682,231
Purchased Water RD#1													
NYCWB Purchased Water (billed mg / 82 * \$2.08348)	6.44%	6.34%	6.41%	6.87%	8.35%	10.27%	11.22%	11.16%	10.25%	8.74%	7.19%	6.76%	100.0%
RY1	\$ 752,091	\$ 740,164	\$ 748,226	\$ 801,846	\$ 974,517	\$ 1,198,536	\$ 1,310,077	\$ 1,302,911	\$ 1,197,234	\$ 1,020,779	\$ 839,677	\$ 789,680	\$ 11,675,739
RY2	752,091	740,164	748,226	801,846	974,517	1,198,536	1,310,077	1,302,911	1,197,234	1,020,779	839,677	789,680	11,675,739
RY3	752,091	740,164	748,226	801,846	974,517	1,198,536	1,310,077	1,302,911	1,197,234	1,020,779	839,677	789,680	11,675,739
RY4	752,091	740,164	748,226	801,846	974,517	1,198,536	1,310,077	1,302,911	1,197,234	1,020,779	839,677	789,680	11,675,739
NYCWB Purchased Water Increase July 2023 @ \$140.84	6.44%	6.34%	6.41%	6.87%	8.35%	10.27%	11.22%	11.16%	10.25%	8.74%	7.19%	6.76%	100.0%
RY1	\$ 50,840	\$ 50,034	\$ 50,579	\$ 54,204	\$ 65,876	\$ 81,019	\$ 88,559	\$ 88,075	\$ 80,931	\$ 69,003	\$ 56,761	\$ 53,381	\$ 789,262
RY2	51,027	50,217	50,764	54,402	66,117	81,316	88,884	88,398	81,228	69,256	56,969	53,577	792,157
RY3	51,085	50,274	50,822	54,464	66,192	81,409	88,985	88,498	81,320	69,335	57,034	53,638	793,055
RY4	51,143	50,332	50,880	54,526	66,268	81,502	89,066	88,579	81,413	69,414	57,099	53,699	793,961
NYCWB Purchased Water Increase July 2024 @ \$40.48	6.44%	6.34%	6.41%	6.87%	8.35%	10.27%	11.22%	11.16%	10.25%	8.74%	7.19%	6.76%	100.0%
RY1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,286	\$ 25,454	\$ 25,314	\$ 23,261	\$ 19,833	\$ 16,314	\$ 15,343	\$ 148,805
RY2	14,666	14,433	14,591	15,636	19,003	23,372	25,547	25,407	23,346	19,905	16,374	15,399	227,680
RY3	14,683	14,450	14,607	15,654	19,025	23,398	25,576	25,436	23,373	19,928	16,393	15,416	227,939
RY4	14,699	14,466	14,624	15,672	19,047	23,425	25,605	25,465	23,400	19,951	16,411	15,434	228,199
Excess Purchased Water (282 mg * \$3,533.98)	0.00%	0.00%	0.00%	11.82%	14.36%	17.66%	19.31%	19.20%	17.64%	0.00%	0.00%	0.00%	100.0%
RY1	\$ -	\$ -	\$ -	\$ 117,729	\$ 143,081	\$ 175,972	\$ 192,348	\$ 191,296	\$ 175,781	\$ -	\$ -	\$ -	\$ 996,207
RY2	-	-	-	117,729	143,081	175,972	192,348	191,296	175,781	-	-	-	996,207
RY3	-	-	-	117,729	143,081	175,972	192,348	191,296	175,781	-	-	-	996,207
RY4	-	-	-	117,729	143,081	175,972	192,348	191,296	175,781	-	-	-	996,207
Excess Purchased Water Increase July 2023 (282 mg * \$107.45)	0.00%	0.00%	0.00%	11.82%	14.36%	17.66%	19.31%	19.20%	17.64%	0.00%	0.00%	0.00%	100.0%
RY1	\$ -	\$ -	\$ -	\$ 3,580	\$ 4,350	\$ 5,350	\$ 5,848	\$ 5,816	\$ 5,345	\$ -	\$ -	\$ -	\$ 30,289
RY2	-	-	-	3,580	4,350	5,350	5,848	5,816	5,345	-	-	-	30,289
RY3	-	-	-	3,580	4,350	5,350	5,848	5,816	5,345	-	-	-	30,289
RY4	-	-	-	3,580	4,350	5,350	5,848	5,816	5,345	-	-	-	30,289
Excess Purchased Water Increase July 2024 (282 mg * \$458.11)	0.00%	0.00%	0.00%	11.82%	14.36%	17.66%	19.31%	19.20%	17.64%	0.00%	0.00%	0.00%	100.0%
RY1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,811	\$ 24,934	\$ 24,798	\$ 22,786	\$ -	\$ -	\$ -	\$ 95,330
RY2	-	-	-	15,261	18,548	22,811	24,934	24,798	22,786	-	-	-	129,138
RY3	-	-	-	15,261	18,548	22,811	24,934	24,798	22,786	-	-	-	129,138
RY4	-	-	-	15,261	18,548	22,811	24,934	24,798	22,786	-	-	-	129,138
Total NYCWB													
RY1	\$ 802,931	\$ 790,198	\$ 798,805	\$ 977,358	\$ 1,187,823	\$ 1,506,975	\$ 1,647,220	\$ 1,638,210	\$ 1,505,338	\$ 1,109,615	\$ 912,752	\$ 858,404	\$ 13,735,631
RY2	817,784	804,815	813,582	1,008,454	1,225,616	1,507,358	1,647,638	1,638,626	1,505,721	1,109,941	913,020	858,656	13,851,210
RY3	817,858	804,888	813,656	1,008,533	1,225,712	1,507,477	1,647,768	1,638,755	1,505,839	1,110,042	913,103	858,735	13,852,367
RY4	817,933	804,962	813,730	1,008,613	1,225,810	1,507,597	1,647,899	1,638,885	1,505,959	1,110,144	913,187	858,814	13,853,533
Purchased Water RD#2													
Production Targets AQ CT													
AQ CT Purchased Water - 1,601 mg @ \$1,782.96													
RY1	\$ 183,888	\$ 180,972	\$ 182,944	\$ 196,054	\$ 238,272	\$ 293,046	\$ 320,318	\$ 318,566	\$ 292,727	\$ 249,584	\$ 205,304	\$ 193,079	\$ 2,854,753
RY2	183,888	180,972	182,944	196,054	238,272	293,046	320,318	318,566	292,727	249,584	205,304	193,079	2,854,753
RY3	183,888	180,972	182,944	196,054	238,272	293,046	320,318	318,566	292,727	249,584	205,304	193,079	2,854,753
RY4	183,888	180,972	182,944	196,054	238,272	293,046	320,318	318,566	292,727	249,584	205,304	193,079	2,854,753
AQ CT Purchased Water Decrease @ \$16.94													
RY1	\$ (1,754)	\$ (1,726)	\$ (1,745)	\$ (1,870)	\$ (2,272)	\$ (2,794)	\$ (3,043)	\$ (3,027)	\$ (2,781)	\$ (2,371)	\$ (1,951)	\$ (1,834)	\$ (15,008)
RY2	(1,754)	(1,726)	(1,745)	(1,870)	(2,272)	(2,794)	(3,043)	(3,027)	(2,781)	(2,380)	(1,958)	(1,841)	(27,223)
RY3	(1,756)	(1,728)	(1,747)	(1,872)	(2,275)	(2,798)	(3,058)	(3,041)	(2,795)	(2,383)	(1,960)	(1,843)	(27,254)
RY4	(1,758)	(1,730)	(1,749)	(1,874)	(2,277)	(2,801)	(3,061)	(3,045)	(2,798)	(2,385)	(1,962)	(1,845)	(27,285)
AQCT Fixed Charges													
RY1	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 62,652	\$ 751,823
RY2	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	751,823
RY3	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	751,823
RY4	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	62,652	751,823
AQCT Fixed Charges Increase @ \$922,446 Annually													
RY1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,871	\$ 76,871	\$ 76,871	\$ 76,871	\$ 76,871	\$ 76,871	\$ 461,223
RY2	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	922,446
RY3	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	922,446
RY4	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	76,871	922,446
WRA Surcharge													
RY1	\$ (3,462)	\$ (3,407)	\$ (670)	\$ (718)	\$ (873)	\$ (1,074)	\$ (1,174)	\$ (1,167)	\$ (1,072)	\$ (914)	\$ (752)	\$ (707)	\$ (15,990)
RY2	(674)	(663)	(670)	(718)	(873)	(1,074)	(1,174)	(1,167)	(1,072)	(914)	(752)	(707)	(10,459)
RY3	(674)	(663)	(670)	(718)	(873)	(1,074)	(1,174)	(1,167)	(1,072)	(914)	(752)	(707)	(10,459)
RY4	(674)	(663)	(670)	(718)	(873)	(1,074)	(1,174)	(1,167)	(1,072)	(914)	(752)	(707)	(10,459)
WRA Surcharge Updated 7.31.24													
RY1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (145)	\$ (144)	\$ (133)	\$ (113)	\$ (93)	\$ (88)	\$ (716)
RY2	(167)	(165)	(166)	(178)	(217)	(266)	(291)	(290)	(266)	(227)	(187)	(176)	(2,596)
RY3	(167)	(165)	(166)	(178)	(217)	(266)	(291)	(290)	(266)	(227)	(187)	(176)	(2,596)
RY4	(167)	(165)	(166)	(178)	(217)	(266)	(291)	(290)	(266)	(227)	(187)	(176)	(2,596)

**VEOLIA WATER NEW YORK-WESTCHESTER RATE DISTRICT
COST OF WATER TARGETS UPDATED FOR AQCT INCREASE ON 07/31/2024**

	February	March	April	May	June	July	August	September	October	November	December	January	
RY RY4													1,012,514
Total Consolidated Pre-Tax Return on Rate Base													
RY1													\$ 3,814,951
RY2													3,877,976
RY3													4,093,059
RY4													4,008,641
Total Consolidated Cost of Water													
RY1													\$ 28,067,109
RY2													28,777,222
RY3													29,085,707
RY4													29,044,966
Consumption in CCF													
RY1													8,798,549
RY2													8,808,446
RY3													8,818,433
RY4													8,828,510
Cost of Water (Purchased Water Rate) per CCF													
RY1													RY 1 PWC per CCF
RY2													RY 2 PWC per CCF
RY3													RY 3 PWC per CCF
RY4													RY 4 PWC per CCF
Total Production Cost:													
RY1	\$ 1,402,478	\$ 1,381,284	\$ 1,398,384	\$ 1,615,175	\$ 1,948,780	\$ 2,431,985	\$ 2,725,855	\$ 2,711,727	\$ 2,503,371	\$ 1,981,607	\$ 1,655,384	\$ 1,565,324	\$ 23,321,356
RY2	1,500,231	1,478,706	1,493,257	1,726,598	2,067,644	2,510,110	2,730,415	2,716,262	2,507,538	1,985,160	1,658,307	1,568,073	23,942,301
RY3	1,502,771	1,481,205	1,495,783	1,729,306	2,070,935	2,514,157	2,734,839	2,720,661	2,511,581	1,988,607	1,661,142	1,570,740	23,981,728
RY4	1,505,482	1,483,873	1,498,480	1,732,196	2,074,447	2,518,477	2,739,561	2,725,357	2,515,896	1,992,286	1,664,169	1,573,586	24,023,811
Revenue (Calendarization per JP Appendix 6)													
Cost of Water Revenues (Calendarization based on JP Appendix 6)													
	February	March	April	May	June	July	August	September	October	November	December	January	Total
	6.16%	6.31%	6.40%	6.81%	8.41%	10.40%	11.39%	11.35%	10.41%	8.73%	7.22%	6.40%	100.00%
RY1	\$ 1,681,856	\$ 1,724,390	\$ 1,748,306	\$ 1,860,241	\$ 2,297,785	\$ 2,887,497	\$ 3,263,840	\$ 3,250,096	\$ 2,981,449	\$ 2,502,045	\$ 2,067,219	\$ 1,833,718	\$ 28,098,442
RY2	1,772,065	1,816,880	1,842,080	1,960,018	2,421,031	2,994,018	3,278,778	3,264,971	2,995,094	2,513,496	2,076,680	1,842,111	28,777,221
RY3	1,791,061	1,836,357	1,861,826	1,981,029	2,446,984	3,026,114	3,313,926	3,299,971	3,027,201	2,540,440	2,098,942	1,861,858	29,085,707
RY4	1,788,553	1,833,784	1,859,218	1,978,254	2,443,556	3,021,875	3,309,284	3,295,348	3,022,961	2,536,882	2,096,002	1,859,250	29,044,966



STATE OF CONNECTICUT

**PUBLIC UTILITIES REGULATORY AUTHORITY
TEN FRANKLIN SQUARE
NEW BRITAIN, CT 06051**

**DOCKET NO. 22-07-01RE01 APPLICATION OF AQUARION WATER COMPANY
OF CONNECTICUT TO AMEND ITS RATE
SCHEDULE - REMAND**

July 31, 2024

By the following Commissioners:

Marissa P. Gillett
John W. Betkoski, III
Michael A. Caron

DECISION

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DECISION

I. INTRODUCTION

A. SUMMARY

In this Decision, the Public Utilities Regulatory Authority (Authority or PURA) addresses the Superior Court's remand of three issues to the Authority for further proceedings. The Aquarion Water Company of Connecticut (Aquarion or Company) filed a twelve-count appeal of the Authority's final decision with respect to the Company's rate amendment application. The Superior Court dismissed nine of the counts in whole and another in part. The remaining counts were remanded back to the Authority pursuant to General Statutes § 4-183(j).

As a result of the remand and the Authority's further review of the administrative record, the Authority increases the Company's approved revenue requirement by \$96,748 for a total approved revenue requirement of \$195,658,438. This increase accounts for adjustments for state and federal taxes, rate case expenses, and the Company's treatment of deferred income taxes.

B. BACKGROUND AND CONDUCT OF THE PROCEEDING

On August 26, 2022, Aquarion filed an application to amend its existing rate schedules (Application). See Docket No. 22-07-01, Application of Aquarion Water Company of Connecticut to Amend Its Rate Schedule. On March 15, 2023, the Authority issued its final decision (Final Decision). Aquarion subsequently filed an administrative appeal of the Final Decision with the Superior Court for the Judicial District of New Britain on March 30, 2023 (Superior Court), raising twelve counts of alleged errors. See Aquarion Water Company of Connecticut v. Public Utilities Regulatory Authority, Superior Court, Judicial District of New Britain, Docket No. HHB-CV-23-6078177-S (March 25, 2024).

On March 25, 2024, the Superior Court issued a Memorandum of Decision on the appeal, dismissing nine of Aquarion's counts in their entirety and a portion of the twelfth count, and remanding the remainder to the Authority. See Memorandum of Decision, Aquarion v. PURA, Docket No. HHB-CV-23-6078177-S at *2 (Memorandum of Decision). Specifically, the Superior Court remanded: (1) the fourth count, for recalculation of Aquarion's federal and state tax expenses; (2) the ninth count, for consideration of Aquarion's recovery of rate case expenses according to the standards set forth in General Statutes § 16-19e; and (3) portions of the twelfth count, for further explanation of the Authority's requirement that certain excess accumulated deferred income taxes funds accrue carrying charges at the weighted average cost of capital until the funds are returned to customers. Id., pp. 23, 27–28, 34.

The Authority reopened the proceeding to address the issues remanded by the Superior Court. Notice of Proceeding, Apr. 18, 2024.

Parties and intervenors to the rate case were notified of this reopening and given the opportunity to participate. Docket No. 22-07-01, Notice of Reopening, Apr. 25, 2024.

C. PARTIES AND INTERVENORS

The Authority recognized the following as Parties to this proceeding: Aquarion; the Office of Consumer Counsel, Ten Franklin Square, New Britain, CT 06051; and the Commissioner of the Department of Energy and Environmental Protection, 79 Elm Street, Hartford, CT 06106.

II. STANDARD OF REVIEW

Pursuant to General Statutes § 16-19, the Authority is statutorily charged with regulating the rates of Connecticut's public service companies. Companies "shall file any proposed amendment of its existing rates with the [A]uthority in such form and in accordance with such reasonable regulations as the [A]uthority may prescribe." General Statutes § 16-19(a).¹ Once a proposed amendment has been filed, the Authority "shall make such investigation of such proposed amendment of rates as is necessary to determine whether such rates conform to the principles and guidelines set forth in section 16-19e, or are unreasonably discriminatory or more or less than just, reasonable and adequate, or that the service furnished by such company is inadequate to or in excess of public necessity and convenience . . ." *Id.*²

In relevant part, General Statutes § 16-19e(a) provides that the Authority shall examine proposed rates in accordance with the following principles:

- (4) that the level and structure of rates be sufficient, but no more than sufficient, to allow public service companies to cover their operating costs including, but not limited to, appropriate staffing levels, and capital costs, to attract needed capital and to maintain their financial integrity, and yet provide appropriate protection to the relevant public interests, both existing and foreseeable . . . ;
- (5) that the level and structure of rates charged customers shall reflect prudent and efficient management of the franchise operation.

The statutory prerogative to establish just, reasonable, and sufficient utility rates is based upon principles established in two landmark United State Supreme Court cases. See Conn. Light & Power Co. v. Dep't of Pub. Util. Control, 216 Conn. 627, 635 (1990). Specifically, a regulated utility is entitled to an opportunity to recover prudent operating expenses as well as capital costs, including a fair and reasonable rate of return on capital investments. Fed. Power Comm'n v. Hope Nat. Gas Co., 320 U.S. 591, 603 (1944); Bluefield Waterworks & Imp. Co. v. Pub. Serv. Comm'n of W. Va., 262 U.S. 679, 690 (1923); see also Duquesne Light Co. v. Barasch, 488 U.S. 299, 310 (1989).

Ultimately, however, rate setting requires "a balancing of the investor and the consumer interests." In re Permian Basin Area Rate Cases, 390 U.S. 747, 770 (1968) (citing Hope, 320 U.S. at 603). Further, the Authority "is not bound to the use of any single formula or combination of formulae in determining rates. Its rate-making function

¹ Conn. Agencies Regs. §§ 16-1-53 *et seq.* apply to rate amendment applications.

² General Statutes § 16-19(a) also permits the Authority to "(A) evaluate the reasonableness and adequacy of the performance or service of the public service company using any applicable metrics or standards adopted by the authority pursuant to section 1 of Sept. Sp. Sess., Public Act 20-5, and (B) determine the reasonableness of the allowed rate of return of the public service company based on such performance evaluation." However, this authority is not implicated in the present application.

. . . involves the making of ‘pragmatic adjustments.’” Hope, 320 U.S. at 603 (citing Fed. Power Comm'n v. Nat. Gas Pipeline Co. of Am., 315 U.S. 575, 586 (1942)).

Within this legal framework, the public service company “has the burden of proving the proposed rate under consideration is just and reasonable.” General Statutes § 16-22.

III. AUTHORITY ANALYSIS

A. COMPUTATION OF STATE AND FEDERAL TAX EXPENSE

1. Approved State and Federal Tax

In determining the Company’s revenue requirement, the Authority made a number of adjustments to, among other things, the Company’s cost of capital, depreciation, and operating expenses. Some of these adjustments had an effect on the Company’s projected state and federal tax burden and, as such, are referred to as tax impacted adjustments. Final Decision, p. 104. In total, the Authority made \$8,145,310 of tax impacted adjustments, which increased the Company’s projected tax liability by \$2,241,386. Accounting for disallowed revenue, the Authority calculated a total state and federal tax liability of \$2,977,243. Id.

In Count Four of its appeal, the Company asserted that the Authority had understated the tax impacted adjustments, resulting in a deficiency of \$2,467,012 for state and federal taxes. The Authority did not contest this count, and the Court remanded the matter for the Authority to recalculate state and federal taxes. Hr’g Tr., Jan. 11, 2024, p. 35.

2. Revised Tax Calculations

a. Summary

The Authority’s calculation of \$8,145,310 of tax impacted adjustments did not fully reflect the appropriate amount of tax impacted adjustments. Specifically, the Authority did not incorporate \$6,745,696 in disallowed depreciation expense or \$209,416 of payroll taxes. Further, additional tax impacted adjustments are required for rate case expenses and the treatment of excess accumulated deferred income taxes (EADIT) made in this Decision. As summarized in the table below, the Authority will make five tax impacted adjustments to account for depreciation, payroll taxes, rate case expenses, EADIT treatment, and additional revenue. These additional adjustments increase the total tax impacted adjustments by \$9,595,574, to \$17,740,884. This revised adjustment results in a revenue requirement increase for state and federal taxes of \$2,640,462.

Table 1: Annual Tax Impacted Adjustments

Description of Adjustment	As Approved	As Revised	Change
Operations and Maintenance	\$10,723,437	\$10,723,437	-
Taxable Revenue (Late Fees)	(\$546,925)	(\$546,925)	-
Acquisition	\$111,089	\$111,089	-
Interest	\$458,555	\$458,555	-
EADIT	(\$2,600,846)	-	\$2,600,846
Rate Case Expense	-	(\$57,132)	(\$57,132)
Depreciation/Other Tax	-	\$6,745,696	\$6,745,696
Payroll Tax	-	\$209,416	\$209,416
Additional Revenue (Remand)	-	\$96,748	\$96,748
Tax Impacted Adjustments	\$8,145,310	\$17,740,884	\$9,595,574
State	\$671,988	\$1,463,623	\$791,635
Federal	\$1,569,398	\$3,418,225	\$1,848,827
Total Tax and Adjustment	\$2,241,386	\$4,881,848	\$2,640,462

b. Depreciation and Payroll Taxes

The Authority made several modifications to the Company’s proposed expenses, which in turn increased the Company’s revenues and associated taxes. Specifically, the Authority removed \$6,745,696 of depreciation expense and \$209,416 for payroll taxes but did not make a corresponding adjustment for tax purposes. Final Decision, pp. 95-96, 104. This was an error, and the Authority has recalculated the tax impacted adjustments to include these expense reductions. See Table 1 above.

c. Rate Case Costs

The Final Decision adjusted downwards the Company’s proposed annual amortization for rate case costs. Final Decision, p. 83. Here, the Authority has allowed the Company to recover more of its claimed rate case costs, as discussed in detail in Section III.B, Recovery of Rate Case Costs. This increases the Company’s allowed revenue requirement by \$57,132, i.e., the amount of the increased annual amortization for rate case costs, and decreases its taxable income by an identical amount.

d. EADIT

As discussed below in Section III.C, Excess Accumulated Deferred Income Tax, the Authority is permitting Aquarion to return EADIT to customers as originally proposed by the Company in its rate case application. As a result, the Authority will reverse the (\$2,600,846) adjustment taken in the Final Decision.

e. Additional Revenue

The total allowed revenue requirement for the Company has increased due to the adjustments to the Company’s tax (\$2,640,462), EADIT (\$2,600,846), and rate case costs (\$57,132) in this Decision. The cumulative impact of these adjustments on the allowed revenue requirements is \$96,748, which requires a corresponding tax impact adjustment. The amount is designated as “Additional Revenue (Remand)” in Table 1, above.

B. RECOVERY OF RATE CASE COSTS

1. Legal Standard

The Authority disallowed the Company's recovery of certain rate case expenses. Final Decision, p. 83. Specifically, the Company sought recovery of \$1,050,320 in rate case costs, and the Authority allowed recovery of \$364,500. Id.; see also Final Late Filed Ex. 1, Sch. WPC-3.12. In denying portions of Aquarion's recoupment of rate case expenses, the Authority stated that "[i]n cases of expenditures that inure to the benefit of both ratepayers and shareholders the Company must demonstrate that the cost sought to be recovered were incurred for the benefit of ratepayers." The Superior Court rejected this approach as the "sole legal standard" and directed the Authority to "balance the interests of ratepayers and utility companies in setting rates pursuant to the factors set forth in § 16-19e." Memorandum of Decision, p. 29.

The Authority endeavors to do so here. In determining whether the proposed rate case costs are recoverable, the Authority conducts a two-step analysis. First, the Authority must determine whether the costs are reflective of prudent and efficient management by the Company. General Statutes § 16-19e(a)(5). Importantly, the Company carries the burden of proving that its rates and, as such, its expenditures, are just and reasonable. To make this determination, the Authority examines the record evidence provided by the Company to support the rate case costs. Such evidence might include whether the Company engaged in a competitive solicitation process and compared law firms' and consultants' hourly rates and the projected number of hours to be spent on the rate case proceeding. The Authority could also consider whether the requested expenses are consistent with past rate case cost requests or with the rate case costs in other jurisdictions or industry averages. There is no brightline rule; however, the Company must provide sufficient evidence that its incurred costs were prudent.

Next, after determining the total amount of prudently incurred costs, the Authority must balance the interests of ratepayers and the Company in determining just and reasonable rates. Notably, in establishing "the level and structure of rates," the Authority must consider the principles articulated in General Statutes § 16-19e(a), including whether "there is a clear public need for the service", whether costs are necessary "to cover [the Company's] operating costs", and whether the costs "reflect prudent and efficient management of the franchise operation." General Statutes §§ 16-19e(a)(1), (4), and (5). To aid in its balancing analysis, the Authority may consider its past practices or practices in other jurisdictions.

2. Company's Proposed Legal Standard

The Company objects to the Authority's methodology. Written Exception, pp. 3-6. First, the Company asserts the Authority developed "a new two-part test" by undertaking the prudency review of costs as the initial step in establishing just and reasonable rates. Id., p. 3. However, logic dictates that, to properly balance stakeholder interests and to establish just and reasonable rates, the Authority must first establish the realm of prudently incurred costs. Shareholders have no legitimate interest in recovering imprudent costs nor do ratepayers have any interest in paying for such costs. Consequently, the initial step of excluding imprudent costs is a necessary part of ensuring "just and reasonable" rates. Notably, the Company does not explain or offer any legal

citation as to why the Authority should include imprudently incurred costs in its consideration of rates.

Second, the Company asserts that prudence is the exclusive prerequisite for cost recovery and that “this purported balancing test lack[s] any proper basis in law” *Id.*, pp. 4-6, fn. 4 (“this ‘balancing of interests’ . . . is an arbitrary overlay that PURA is adding to defeat costs that are otherwise prudently incurred.”). In support of its argument, the Company cites to Connecticut Light & Power Co. v. Department of Public Utility Control, 216 Conn. 627 (1990). In that case, the Supreme Court affirmed the Department of Public Utility Control’s finding that Connecticut Light & Power’s capacity sales “reflected managerial imprudence” and sustained the exclusion of \$17.5 million from rates. *Id.* at 646-647. The Company appears to argue that, because the Authority properly disallowed costs on the basis of prudence in that case, the inverse must also be true — that the Authority must allow recovery of any and all prudently-incurred costs irrespective of other factors or considerations. The Company does not cite any legal precedent to support this corollary principle.

There is no question that prudence is the polestar of utility cost recovery. Notably, one of the six enumerated principles in General Statutes § 16-19e(a) states “that the level and structure of rates charged customers shall reflect prudent and efficient management of the franchise operation.” General Statutes § 16-19e(a)(5). However, the Company’s position that prudence is the exclusive and determinative factor in setting rates is contradicted by almost a century of binding legal precedent and the plain language of Connecticut statutes. See Hope 320 U.S. at 603 (“the fixing of ‘just and reasonable’ rates, involves a balancing of the investor and the consumer interests.”); General Statutes § 16-22 (the utility carries the “burden of proving that said rate under consideration is just and reasonable”) (emphasis added); General Statutes § 16-19 (the Authority must “determine whether such rates conform to the principles and guidelines set forth in section 16-19e, or are unreasonably discriminatory or more or less than just, reasonable and adequate,”). Within this well-settled legal framework, prudence is an important but not exclusive factor in setting rates. The Authority is bound by this law, which the Superior Court referenced repeatedly in its Memorandum of Decision remanding this matter back to the Authority.

The Authority examined the Connecticut Light & Power case cited by the Company in support for the Company’s position that a prudence review under General Statutes § 16-19e(a)(5) is dispositive as to cost recovery. However, rather than support the Company’s view, the case expressly contradicts the Company’s statements regarding the applicable law. Notably, the Company ignores the entire first part of the decision in which the Supreme Court states that “§ 16–19e(a)(4), in identifying the various factors that the DPUC must consider when it establishes rates for public service companies, uses language that tracks, almost verbatim, the language that the United States Supreme Court used in *Hope* when it interpreted the ‘just and reasonable’ requirement” Connecticut Light & Power, 216 Conn. at 635 (emphasis added). As such, the Supreme Court recognized that there are “various factors” separate and distinct from the prudence requirement of General Statutes § 16-19e(a)(5) that the Authority “must consider when it establishes rates.” *Id.* The Company made no effort to address this portion of the Court’s decision.

Further, the Connecticut Light & Power case directly contradicts the Company's stated position that "this purported balancing test lack[s] any proper basis in law." Written Exceptions, p. 6. Specifically, the Supreme Court noted that "[w]hile the court may not substitute its own balance of regulatory considerations for the balance undertaken by the agency, it must independently assure itself that the DPUC has given 'reasoned consideration' to each of the guiding factors expressed in § 16-19e(a)(4)." Connecticut Light & Power, 216 Conn. at 638. In doing so, the Court recognizes that the Authority must conduct a balancing of regulatory considerations and, equally important, that the Court is not permitted to substitute that balancing process with its own. Given the Court's express recognition of the balancing test in rate proceedings, the Company's assertion that the "purported balancing test lack[s] any proper basis in law" is suspect.³

3. Prudence of Rate Case Costs

As noted above, the first step in establishing just and reasonable rates is to determine whether the Company has demonstrated that an expense is prudent and subject to recovery. In its Final Decision, the Authority determined, in part, that the Company had failed to demonstrate the prudence of its rate case costs. To claim expenses exceeding a million dollars, the Company provided only conclusory documents itemizing claimed expenses without supporting documentation such as invoices or billing statements. See, e.g., Final Late Filed Ex. 1, Sch. WPC-3.12 in Docket No. 22-07-01, Application of Aquarion Water Company of Connecticut to Amend Its Rate Schedule. The Company did not provide a detailed explanation or narrative of the rate case expenses, nor did it provide evidence that it took steps to competitively solicit outside services or to manage the costs prudently, nor did it provide any comparable data with respect to rate cases from other jurisdictions. In short, the Authority was presented with a dearth of evidence upon which to make a prudence determination, rendering the record insufficient for the Authority to find that the Company's rate case expenses are prudent and reasonable. This deficiency is glaring as the Company was directly ordered to support its rate case expenses with "a detailed explanation for each of the identified expenses to include the source of the expenditure, the parties involved, whether the amounts are actual contractual commitments or estimates, and *how the amounts were derived*" along with any "additional details as appropriate." Interrog. EOE-51 in Docket No. 22-07-01, Application of Aquarion Water Company of Connecticut to Amend Its Rate Schedule (emphasis added). No such evidence was supplied, even for comparatively

³ Notably, in the main, the Authority allows recovery of prudently incurred expenses and infrastructure investments. However, this rate case offers an example of why the determination of "just and reasonable" rates is not confined solely to a prudence review. In the Final Decision, the Authority noted with concern that the Company's "rapidly increasing level of capital investment may not be sustainable." Final Decision, p. 27. The Authority stated "[a]t some level, individual projects may be prudent, but the aggregation of even prudent projects within a short time period may not be prudent, particularly when evaluated in the context of the parameters outlined in Conn. Gen. Stat. § 16-19e." *Id.* (emphasis added). Following the Company's logic, it could nonetheless triple its planned investments over 5 years from approximately \$900 million to \$2.7 billion, and the Authority would be required to approve recovery provided each project was prudent. The result would be rates that were neither just nor reasonable. The balancing of "various factors," "regulatory considerations," and "interests" is a long-standing and essential guardrail in the legal framework for regulating monopoly utilities which are, in many ways, exempt from free market forces that might otherwise constrain costs and investments.

straightforward expenses such as the cost of transcripts that could have been substantiated with a vendor invoice or the equivalent.⁴

The absence of evidence related to the prudence of the Company's rate case costs is particularly concerning given that there is no intrinsic motivation for the Company to curtail such expenses if the Company and its outside lawyers and consultants assume such costs will be fully recovered from ratepayers. By contrast, test year expenses have an indicia of reliability because the Company is incentivized to make prudent expenditures given that its allowed revenue is fixed during that period. Rate case expenses are not subject to the same cost restraints. In a typical attorney-client or consultant arrangement, the client is incentivized to monitor the attorney's or consultant's fees and work product to avoid inefficient or unnecessary costs. At the same time, the attorney or consultant is similarly incentivized to provide efficient services to avoid the risk that billed work will be rejected by the client. However, if full cost recovery is assumed, the incentive structure has no inherent cost containment measure. As such, the requirement that the Company produce evidence in support of the prudence of the requested rate case costs is essential to ensure just and reasonable rates.⁵

4. Balancing of Interests

Notwithstanding the lack of evidence to support a prudence determination, the Authority recognizes that the Company incurred certain costs to initiate and prosecute its rate amendment application. As such, to properly balance the interest of ratepayers and the Company, the Authority will permit the Company to recover a portion of such incurred costs, as summarized in Table 2, below.

⁴ The Company provided citations to the record to suggest that the Authority "ignored the substantial evidence entered into the record on the prudence of rate case costs." Written Exceptions, pp. 7-9. The Authority reviewed each cited item carefully. As the Company seems to acknowledge, this "evidence" is an amalgamation of bald statements by Company witnesses that professional services were solicited in a competitive process. See, e.g., Interrog. Resps. OCC-171 (stating without support that its outside legal counsel was obtained "through a competitive bidding process"); RRU-352 (stating similarly that "[t]he Company sent out requests for proposals for outside legal service, depreciation, cost of service and return on equity consultants"); and RRU-411 (claiming without supporting evidence that the Company considered two bids for cost of capital consultants on a variety of factors). Merely stating that a cost was incurred via a competitive process is not substantial evidence of prudence. See Connecticut Nat. Gas Corp. v. Pub. Utilities Comm'n, 29 Conn. Supp. 379, 394 (1971) ("There is no sacrosanctity about the testimony of any company officer regardless of his position which gives such testimony any godlike fiat that must be accepted out of hand by the PUC.").

⁵ The Company states that "[f]or the first time, the PFD provides guidance as to which specific types of evidence PURA considers to be probative in adjudicating prudence of rate case costs . . ." Written Exceptions, p. 7. The Company then complains that the Authority did not provide this "preference in a prior rate case decision or in an interrogatory . . ." Id. That such obvious guidance, including "invoices or billing statements," "a detailed explanation or narrative of the rate case expenses," and "evidence that [Aquarion] took steps to competitively solicit outside services or to manage the costs prudently," was even necessary to articulate underscores the complete lack of substantial evidence in the record. The Company cannot avoid its burden of proof by claiming it does not know what evidence is "probative."

Table 2: Approved Rate Case Expenses

Description of Expense	Requested	Approved
PURA and OCC Consultants	\$250,000	\$250,000
Company Consultant and Legal Fees		
Legal Fees	\$390,000	\$195,000
Cost of Equity Consultant	\$104,360	\$52,180
Depreciation Consultant	\$76,960	\$38,480
Cost of Service/Rate Design	\$69,000	\$34,500
Clerical Costs		
Administrative Costs	\$125,000	\$62,500
Transcript Preparation	\$35,000	\$17,500
Total	\$1,050,320	\$650,160

In the following sections, the Authority explains its balancing of factors and interests for the requested rate case expenses.

a. Third Party Consultant Fees

The \$250,000 incurred by the Company for PURA and OCC consultant fees is a proper business expense and is, therefore, recoverable. See General Statutes § 16-18a(a). As such, recovery of these expenses was fully allowed in the Final Decision, a ruling that the Authority does not disturb in this remand proceeding.

b. Consultant and Legal Expenses

In its Final Decision, the Authority disallowed the Company’s request for \$390,000 in legal expenses and consultant costs of \$104,360 for cost of equity, \$76,960 for depreciation, and \$69,000 for rate design costs. In this remand proceeding, the Authority revises this decision to permit recovery of fifty percent of the incurred fees, amounting to \$195,000 for legal expenses, \$52,180 for the cost of equity consultant, \$38,480 for the depreciation consultant, and \$34,500 for the rate design consultant.

As previously discussed, the Authority is unable to make a prudency determination based on the evidentiary record before it. However, the Authority weighs the interests of the Company and ratepayers to determine whether the Company should recover any of its incurred rate case expenses. Rate case expenses implicate both shareholder and ratepayer interests. Unlike conventional operating expenses, rate case expenses are connected to an adversarial process in which the Company’s lawyers and experts advocate for a rate case outcome that best serves the Company’s shareholders, rather than ratepayers. For instance, in the current proceeding, the Company both requested an ROE that was higher than that which was advocated for by other parties and sought recovery for compensation expenses related to director and officer salaries and incentive compensation. Final Decision, p. 5. As such, not all rate case expenses are necessary for supplying utility service to customers. Therefore, to a certain extent, a portion of rate case expenses do not meet “a clear public need,” are not necessary “to cover [the Company’s] operating costs,” and are not reflective of “the franchise operation.” General Statutes §§ 16-19e(a)(1), (4), and (5).

Further, the Company determines how frequently to file rate applications, what issues to pursue in the proceeding, which consultants and attorneys to retain to advocate on its behalf, and whether to leverage internal resources or to utilize outside counsel or consultants to advocate on its behalf. Allocating a portion of rate case expense to shareholders would properly incentivize the Company to control its rate case expenses through improved management and cost control mechanisms.

Accordingly, in balancing the interests of ratepayers and the Company pursuant to the factors set forth in General Statutes § 16-19e, the Authority concludes that it is reasonable for the Company to recover fifty percent of its expenses for its legal representation and consultants.⁶

c. Administrative Costs

The Company requested \$35,000 for transcript preparation and \$125,000 for administrative costs. In the Final Decision, the Authority allowed recovery of fifty percent of these costs. Final Decision, p. 83. For the same reasons stated above with respect to legal fees and consultant costs, the Company may recover fifty percent of these expenses, as summarized in Table 2, above. As the entity that controls when rate cases occur and the Company resources that are utilized in a rate case, allocating a portion of these expenses to the Company incentivizes it to control costs and to utilize improved and more efficient management practices.

d. Amortization of Allowed Expenses

In the Final Decision, the Authority permitted an annual amortization of \$72,900 for rate case expenses, reflecting a five-year amortization period for the total allowed recovery (\$364,500 / 5 years) and a reduction of \$137,164 from the Company's requested annual amortization of \$210,064. Final Decision, p. 83. In this remand, the Authority allows an annual amortization of \$130,032 for rate case expenses, reflecting a five-year amortization period for the total allowed recovery (\$650,160 / 5 years), an annual reduction of \$80,032 from the Company's request. Consequently, the tax impacted adjustment for rate case costs is now \$80,032, a \$57,132 decrease from the \$137,164 calculated in the Final Decision. *Id.*, pp. 60, 83. Because this impacts the Company's taxable income, a corresponding modification was made to the recalculation of the Company's state and federal tax obligations. See Section III.A.2.c, Rate Case Costs.

C. EXCESS ACCUMULATED DEFERRED INCOME TAX

In its Final Decision, the Authority ordered the Company to accrue carrying charges at the Weighted Average Cost of Capital (WACC) for the unrefunded balance of EADIT funds. Final Decision, p. 107. EADIT funds are a category of deferred taxes overcollected from ratepayers due to a reduction in the corporate tax rate subsequent to collection. As explained in its Final Decision, IRS normalization procedures restrict how quickly these overcollected taxes may be refunded to ratepayers. *Id.*, p. 105. In its Memorandum of Decision, the Court remanded for further explanation the Authority's order that EADIT funds accrue carrying charges. Memorandum of Decision, p. 34.

⁶ Notably, other jurisdictions have similarly divided rate case expenses in this manner. See, e.g., Docket No. ER-2019-0374, In the Matter of The Empire District Electric Company's Request for Authority to File Tariffs Increasing Rates for Electric Service Provided to Customers in its Missouri Service Area, Mo. P.S.C. (2020), p. 5; Docket No. WR05121022, In re Aqua, New Jersey, Inc., N.J.B.P.U., (Jan. 17, 2007).

In Order No. 25 of the Final Decision, the Authority required the Company to hire an independent third-party accounting firm to perform a review of the Company’s quantification and categorization of its claimed EADIT funds, and to submit the results to the Authority for review. Final Decision, p. 151. The Company subsequently complied with the order, and on April 17, 2024, the Authority ruled that the independent audit satisfies Order No. 25. Motion No. 52 Ruling, Apr. 17, 2024, Docket No. 22-07-01, Application of Aquarion Water Company of Connecticut to Amend Its Rate Schedule.

Due to the satisfactory resolution of Order No. 25, the Authority finds that EADIT funds may be returned to customers as originally proposed by the Company in its rate case application. Consequently, no carrying charges are necessary, and the specific issue remanded to the Authority is now moot. Unamortized EADIT shall be returned to customers in accordance with the Company’s proposed amortization schedule. Application, Sch. WPC-3.16, Docket No. 22-07-01, Application of Aquarion Water Company of Connecticut to Amend Its Rate Schedule.

IV. CONCLUSION

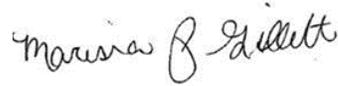
Based on the foregoing adjustments and recalculations, the Company’s approved revenue requirement is increased by \$96,748, for a total revised revenue requirement of \$195,658,438, as summarized in Table 3, below.

Table 3: Revised Revenue Requirement, Docket No. 22-07-01RE01

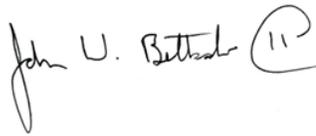
Count	Revenue Requirement	Modification
4	State and Federal Tax	\$2,640,462
9	Rate Case Expense	\$57,132
12	EADIT Amortization	(\$2,600,846)
	Total	\$96,748
	Approved Revenue Requirement	\$195,561,690
	Revised Revenue Requirement	\$195,658,438

**DOCKET NO. 22-07-01RE01 APPLICATION OF AQUARION WATER COMPANY
OF CONNECTICUT TO AMEND ITS RATE
SCHEDULE - REMAND**

This Decision is adopted by the following Commissioners:



Marissa P. Gillett



John W. Betkoski, III



Michael A. Caron

CERTIFICATE OF SERVICE

The foregoing is a true and correct copy of the Decision issued by the Public Utilities Regulatory Authority, State of Connecticut, and was forwarded by Certified Mail to all parties of record in this proceeding on the date indicated.



Jeffrey R. Gaudiosi, Esq.
Executive Secretary
Public Utilities Regulatory Authority

July 31, 2024

Date



Schedule of Approved Rates (issued and effective July 31, 2024, Docket No. 22-07-01RE01)

General Service - All Divisions, <u>excluding</u> Eastern Division Tyler-Indian Spring & Clearview, Northern Division and Valley Division			
<u>Minimum Service Charge</u>			
<u>Meter Size</u>		<u>Monthly</u>	
5/8"		\$	12.89
3/4"		\$	19.34
1"		\$	32.22
1 1/2"		\$	64.46
2"		\$	103.13
3"		\$	193.37
4"		\$	322.30
6"		\$	644.60
8"		\$	1,031.37
10"		\$	1,482.58
12"		\$	2,771.79
16"		\$	3,674.22
<u>Water Consumption Charge</u>			
	<u>Per 100 Cubic Feet (CCF)</u>		<u>Per 1000 Gallons (TG)</u>
Residential Single Family			
First 9 CCF	\$ 4.335	First 7 TG	\$ 5.795
Next 11 CCF	\$ 5.202	Next 8 TG	\$ 6.954
Over 20 CCF	\$ 6.242	Over 15 TG	\$ 8.344
Residential Multi Family			
All usage	\$ 4.142	All usage	\$ 5.537
Commercial			
All usage	\$ 3.528	All usage	\$ 4.716
Industrial			
All usage	\$ 2.593	All usage	\$ 3.466
Public Authority			
All usage	\$ 3.403	All usage	\$ 4.549



Schedule of Approved Rates (issued and effective July 31, 2024, Docket No. 22-07-01RE01)

General Service - Eastern Division Tyler-Indian Spring & Clearview

Minimum Service Charge

<u>Meter Size</u>	<u>Monthly</u>
5/8"	\$ 12.89
3/4"	\$ 19.34
1"	\$ 32.22
1 1/2"	\$ 64.46
2"	\$ 103.13
3"	\$ 193.37
4"	\$ 322.30
6"	\$ 644.60
8"	\$ 1,031.37
10"	\$ 1,482.58
12"	\$ 2,771.79
16"	\$ 3,674.22

Water Consumption Charge

<u>Per 100 Cubic Feet (CCF)</u>		<u>Per 1000 Gallons (TG)</u>	
Residential Single Family			
First 9 CCF	\$ 3.594	First 7 TG	\$ 4.804
Next 11 CCF	\$ 4.313	Next 8 TG	\$ 5.766
Over 20 CCF	\$ 5.176	Over 15 TG	\$ 6.919
Residential Multi Family			
All usage	\$ 4.142	All usage	\$ 5.537
Commercial			
All usage	\$ 3.528	All usage	\$ 4.716
Industrial			
All usage	\$ 2.593	All usage	\$ 3.466
Public Authority			
All usage	\$ 3.403	All usage	\$ 4.549



Schedule of Approved Rates (issued and effective July 31, 2024, Docket No. 22-07-01RE01)

General Service - Northern Division					
<u>Minimum Service Charge</u>					
<u>Meter Size</u>		<u>Monthly</u>			
5/8"		\$	12.89		
3/4"		\$	19.34		
1"		\$	32.22		
1 1/2"		\$	64.46		
2"		\$	103.13		
3"		\$	193.37		
4"		\$	322.30		
6"		\$	644.60		
8"		\$	1,031.37		
10"		\$	1,482.58		
12"		\$	2,771.79		
16"		\$	3,674.22		
<u>Water Consumption Charge</u>					
<u>Per 100 Cubic Feet (CCF)</u>		<u>Per 1000 Gallons (TG)</u>			
Residential Single Family					
First 9 CCF	\$	3.285	First 7 TG	\$	4.391
Next 11 CCF	\$	3.942	Next 8 TG	\$	5.270
Over 20 CCF	\$	4.730	Over 15 TG	\$	6.323
Residential Multi Family					
All usage	\$	3.139	All usage	\$	4.196
Commercial					
All usage	\$	3.361	All usage	\$	4.493
Industrial					
All usage	\$	2.593	All usage	\$	3.466
Public Authority					
All usage	\$	3.403	All usage	\$	4.549



Schedule of Approved Rates (issued and effective July 31, 2024, Docket No. 22-07-01RE01)

General Service - Valley Division			
<u>Minimum Service Charge</u>			
<u>Meter Size</u>		<u>Monthly</u>	
5/8"		\$	15.41
3/4"		\$	16.95
1"		\$	18.49
1 1/2"		\$	23.11
2"		\$	32.35
3"		\$	106.30
4"		\$	132.49
6"		\$	195.65
8"		\$	268.06
<u>Water Consumption Charge</u>			
	<u>Per 100 Cubic Feet (CCF)</u>		<u>Per 1000 Gallons (TG)</u>
Residential Single Family			
All usage	\$ 3.021	All usage	\$ 4.038
Residential Multi Family			
All usage	\$ 3.021	All usage	\$ 4.038
Commercial			
All usage	\$ 2.343	All usage	\$ 3.132
Industrial			
All usage	\$ 2.118	All usage	\$ 2.831
Public Authority			
All usage	\$ 2.340	All usage	\$ 3.128



Schedule of Approved Rates (issued and effective July 31, 2024, Docket No. 22-07-01RE01)

Private Fire			
<u>Private Fire Annual Charges</u>			
		<u>Eastern Division</u> (Rural and Brookfield Water)	
<u>Service Size</u>	<u>Standard</u>		<u>Valley Division</u>
2"	\$ 152.25	\$ 118.95	\$ 692.28
4"	\$ 597.35	\$ 466.69	\$ 692.28
6"	\$ 1,441.62	\$ 1,126.29	\$ 1,454.04
8"	\$ 2,536.69	\$ 1,981.83	\$ 2,520.60
10"	\$ 4,020.37	\$ 3,140.97	\$ 3,892.08
12"	\$ 5,754.84	\$ 4,496.05	\$ 5,568.12
Private Hydrant excluding Southern Division - Greenwich System and Valley Division			\$ 1,209.69
Private Hydrant Southern Division - Greenwich System			\$ 871.83
Public Fire			
<u>Public Fire Annual Charges</u>			
Annual Charge per Company Owned Hydrant			
All Towns, <u>excluding</u> Valley Division			\$ 181.04
Annual Charge per Inch Foot of Mains, <u>Excluding</u> Valley Division			
Standard Rate <u>Excluding</u> the Towns Listed Separately Below			\$ 0.09927
Rates for the Following Towns:			
Bethel			\$ 0.08361
Bridgeport			\$ 0.09559
Darien			\$ 0.08633
East Granby			\$ 0.04588
Greenwich			\$ 0.08405
New Milford			\$ 0.07875
Newtown			\$ 0.08700
Simsbury			\$ 0.04588
Woodbury			\$ 0.08016
Annual Charge Per Linear Foot for Valley Division			\$ 1.98480



Schedule of Approved Rates (issued and effective July 31, 2024, Docket No. 22-07-01RE01)

Flat Rate Service	
<u>Quarterly Minimum Charge</u>	
Includes one sink, one water closet, one bathtub or stall shower, and one wash bowl.	<u>Monthly</u> \$ 31.83
<u>Additional Fixtures</u>	
Sink or Dishwasher	\$ 7.37
Water Closet	\$ 7.54
Bathtub	\$ 4.49
Stall Shower	\$ 4.49
Wash Bowl	\$ 2.19
Laundry Tray	\$ 4.12
Washer	\$ 7.54
<u>Outside Fixtures</u>	
First faucet, sillcock, or yard hydrant; on lots 50' in frontage or less	\$ 8.08
For lots in excess of 50' frontage for each additional 10' or part thereof	\$ 1.30
For each additional faucet, sillcock, or yard hydrant	\$ 1.79
<u>Standard Flat Rate</u>	\$ 54.28
<u>Surcharges</u>	
Greenridge Tax District - 20 Year Capital Expenditure (DN 12-03-07), expires Sept. 2032	<u>Monthly</u> \$ 25.00
Bedrock - 25 Year Capital Surcharge (DN 10-03-18), expires Sept. 2039	\$ 50.00
Interlaken - 40 Year Capital Surcharge (DN 14-04-22), expires Jul. 2059	\$ 69.33
Hillside - 6 years and 10 months (82 months) Net Cost of Service (DN 18-12-32), expires Oct. 202	\$ 36.14
Canaan - 11 Year Capital Surcharge (DN 20-06-21), expires Mar. 2032	\$ 21.75



Schedule of Approved Rates (issued and effective July 31, 2024, Docket No. 22-07-01RE01)

Miscellaneous Charges (All Divisions)	
<u>Tap Shut-Off</u>	\$ 4,000.00
<u>Service Calls</u>	
Normal Hours - 1 hour minimum	\$ 87.00
Normal Hours - ea.1/2 hr after	\$ 50.00
Outside Normal Hours - time & 1/2 -1 hour minimum	\$ 129.00
Outside Normal Hours - time & 1/2 - ea.1/2 hr after	\$ 69.00
Outside Normal Hours - dbl time -1 hour minimum	\$ 142.00
Outside Normal Hours - dbl time - ea.1/2 hr after	\$ 77.00
<u>Turning on Service at Curb Box</u>	
Normal Hours	\$ 70.21
Outside Normal Hours	\$ 125.79
<u>Turning on Service at Main by Excavation</u>	
(which had been terminated due to non-payment of water services)	
Cost of labor, material and equipment with damage claim additives applied.	
<u>Fire Flow Test</u>	
Normal Hours	\$ 377.00
Outside Normal Hours	\$ 493.00
<u>Backflow Prevention Device Test</u>	
Fee	\$ 60.00
<u>Repair or Replacement of Company Meters</u>	
(due to customer negligence)	
Cost of labor, equipment and materials used with appropriate overheads applied.	
<u>Return Check Charge</u>	
Collections at Customer Premise	\$ 25.00
Assessor's Fee	\$ 45.00
Onsite Inspection	\$ 25.00
Letter Series	\$ 25.00
Lien Filing/Release	\$ 10.00
Late Payment Fee	Actual Cost
Manual Meter Reading Fee	\$ 25.00
	1.5% per month on the outstanding balance
<u>Missed Appointment Fee</u>	
	\$ 57.00
<u>Theft of Service Fee</u>	
	\$ 500.00
<u>Testing and repairing fire meters</u>	
Cost of labor, equipment and material used with appropriate overheads applied.	
<u>Service of company employees, inspectors, etc. (on non-company work)</u>	
Cost of labor, equipment and material used with appropriate overheads applied.	
Outside Normal Hours	
<u>Material purchases</u>	
Material cost with appropriate overheads applied.	
<u>Repair/cleaning of curb box (due to customer negligence)</u>	
Cost of labor, equipment and material used with appropriate overheads applied.	



Schedule of Approved Rates (issued and effective July 31, 2024, Docket No. 22-07-01RE01)

Sales for Resale	
<u>Sales for Resale to Veolia Water New York, Inc.</u>	
Volumetric Charge	\$ 1,766.02 per MG
Demand Charge	\$ 1,579,899 Annually the lesser of \$1,579,899 or the reduced demand charge resulting from the additional revenue collected as a result of a volumetric rate from Veolia in excess of \$1,766.02 per MG.
Service Charge	
<u>Size of Meter</u>	<u>Service Charge Per Month</u>
6"	\$ 644.60
8"	\$ 1,031.37
10"	\$ 1,482.58
16"	\$ 3,674.22

P.S.C. No. 1 – Water

Leaf No. 84

Veolia Water New York Inc.

Revision: ~~34~~

Initial Effective Date: ~~July 1XX XX~~, 2024

Superseding Revision: ~~23~~

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

SERVICE CLASSIFICATION NO. 1 – WESTCHESTER RATE DISTRICT NO. 1

APPLICABLE FOR USE OF SERVICE FOR CITY OF NEW ROCHELLE, VILLAGE OF BRONXVILLE, VILLAGE OF TUCKAHOE, VILLAGE OF PELHAM MANOR, VILLAGE OF PELHAM, VILLAGE OF ARDSLEY, VILLAGE OF DOBBS FERRY, VILLAGE OF HASTINGS-ON-HUDSON, TOWN OF MAMARONECK, TOWN OF GREENBURGH, TOWN OF MOUNT PLEASANT AND TOWN OF EASTCHESTER IN WESTCHESTER COUNTY, NEW YORK.

Residential Service to single family homes and all other individual dwelling units that are separately metered and billed.

Character of Service:

Continuous except as limited by “Standard Terms & Conditions.”

Rate per Month:

<u>Meter Size Per month</u>	<u>Facility Charge Effective 06/01/2024</u>	<u>Fire Hydrant Charge Effective 06/01/2024</u>
1/2"	\$17.00	\$8.86
5/8"	17.00	7.47
3/4"	24.87	11.52
1"	41.53	14.85
1 1/4"	41.53	50.97
1 1/2"	82.95	50.97
2"	132.81	105.05
3"	265.50	187.59
4"	414.96	371.24
6"	830.03	560.32
8"	1,244.99	209.46

Cost of Water (PWC) Effective ~~07/01XX/XX/2024~~

Per Hundred Cubic Feet (ccf) ~~\$3.15433.2558~~

Consumption Charges

Per Hundred Cubic Feet (ccf)

	<u>Effective 06/01/2024</u>
First 5 ccf	\$4.1611
Next 7 ccf	4.6854
Over 12 ccf	5.5943

P.S.C. No. 1 – Water

Leaf No. 86

Veolia Water New York Inc.

Revision: ~~34~~

Initial Effective Date: ~~July 1^{XX} XX~~, 2024

Superseding Revision: ~~2-3~~

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

SERVICE CLASSIFICATION NO. 1 – WESTCHESTER RATE DISTRICT NO. 2

APPLICABLE FOR USE OF SERVICE FOR VILLAGE OF PORT CHESTER, VILLAGE OF RYE BROOK AND THE CITY OF RYE IN WESTCHESTER COUNTY, NEW YORK.

Residential Service to single family homes and all other individual dwelling units that are separately metered and billed.

Character of Service:

Continuous except as limited by “Standard Terms & Conditions.”

Rate per Month:

<u>Meter Size Per month</u>	<u>Facility Charge Effective 06/01/2024</u>	<u>Fire Hydrant Charge Effective 06/01/2024</u>
1/2" & 5/8"	\$17.00	\$6.54
3/4"	24.87	8.54
1" & 1 1/4"	41.53	13.06
1 1/2"	82.95	32.46
2"	132.81	73.78
3"	265.50	163.61
4"	414.96	261.74
6"	830.03	450.07
8"	1,244.99	295.13

<u>Cost of Water (PWC)</u>	Effective <u>07/01^{XX}/^{XX}/2024</u>
Per Hundred Cubic Feet (ccf)	\$3. 1543 <u>2558</u>

P.S.C. No. 1 – Water

Leaf No. 101

Veolia Water New York Inc.

Revision: ~~4~~5

Initial Effective Date: ~~July 1XX XX~~, 2024

Superseding Revision: ~~3-4~~

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

SERVICE CLASSIFICATION NO. 6 - WESTCHESTER RATE DISTRICT NO. 1

APPLICABLE FOR USE OF SERVICE FOR CITY OF NEW ROCHELLE, VILLAGE OF BRONXVILLE, VILLAGE OF TUCKAHOE, VILLAGE OF PELHAM MANOR, VILLAGE OF PELHAM, VILLAGE OF ARDSLEY, VILLAGE OF DOBBS FERRY, VILLAGE OF HASTINGS-ON-HUDSON, TOWN OF MAMARONECK, TOWN OF GREENBURGH, TOWN OF MOUNT PLEASANT AND TOWN OF EASTCHESTER IN WESTCHESTER COUNTY, NEW YORK.

Multi-Family Residential Service to those apartment, co-operative or condominium developments, two-family dwellings, multiple dwellings or similar developments or dwellings, where each individual dwelling unit is not separately metered and billed.

Character of Service:

Continuous except as limited by "Standard Terms & Conditions."

Rate per Month:

<u>Meter Size Per month</u>	<u>Facility Charge Effective 06/01/2024</u>	<u>Fire Hydrant Charge Effective 06/01/2024</u>
1/2"	\$17.00	\$8.86
5/8"	17.00	7.47
3/4"	24.87	11.52
1"	41.53	14.85
1 1/4"	41.53	50.97
1 1/2"	82.95	50.97
2"	132.81	105.05
3"	265.50	187.59
4"	414.96	371.24
6"	830.03	560.32
8"	1,244.99	209.46

<u>Cost of Water (PWC)</u>	Effective 07/01XX/XX/2024
Per Hundred Cubic Feet (ccf)	\$3. 1543 <u>2558</u>

P.S.C. No. 1 – Water

Leaf No. 103

Veolia Water New York Inc.

Revision: ~~34~~

Initial Effective Date: ~~July 1XX XX~~, 2024

Superseding Revision: ~~2-3~~

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

SERVICE CLASSIFICATION NO. 6 - WESTCHESTER RATE DISTRICT NO. 2

APPLICABLE FOR USE OF SERVICE FOR VILLAGE OF PORT CHESTER, VILLAGE OF RYE BROOK AND THE CITY OF RYE IN WESTCHESTER COUNTY, NEW YORK.

Multi-Family Residential Service to those apartment, co-operative or condominium developments, two-family dwellings, multiple dwellings or similar developments or dwellings, where each individual dwelling unit is not separately metered and billed.

Character of Service:

Continuous except as limited by "Standard Terms & Conditions."

Rate per Month:

<u>Meter Size</u> <u>Per month</u>	<u>Facility Charge</u> <u>Effective</u> <u>06/01/2024</u>	<u>Fire Hydrant Charge</u> <u>Effective</u> <u>06/01/2024</u>
½" & 5/8"	\$17.00	\$6.54
¾"	24.87	8.54
1" & 1 ¼"	41.53	13.06
1 ½"	82.95	32.46
2"	132.81	73.78
3"	265.50	163.61
4"	414.96	261.74
6"	830.03	450.07
8"	1,244.99	295.13

Cost of Water (PWC)

Effective
~~07/01XX/XX/2024~~

Per Hundred Cubic Feet (ccf)

\$~~3.1543~~2558

P.S.C. No. 1 – Water

Leaf No. 107

Veolia Water New York Inc.

Revision: ~~45~~

Initial Effective Date: ~~July 1XX XX~~, 2024

Superseding Revision: ~~34~~

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

SERVICE CLASSIFICATION NO. 7 - WESTCHESTER RATE DISTRICT NO. 1

APPLICABLE FOR USE OF SERVICE FOR CITY OF NEW ROCHELLE, VILLAGE OF BRONXVILLE, VILLAGE OF TUCKAHOE, VILLAGE OF PELHAM MANOR, VILLAGE OF PELHAM, VILLAGE OF ARDSLEY, VILLAGE OF DOBBS FERRY, VILLAGE OF HASTINGS-ON-HUDSON, TOWN OF MAMARONECK, TOWN OF GREENBURGH, TOWN OF MOUNT PLEASANT AND TOWN OF EASTCHESTER IN WESTCHESTER COUNTY, NEW YORK.

All Non-Residential Customers

Character of Service:

Continuous except as limited by "Standard Terms & Conditions."

Rate per Month:

Meter Size Per Month	Facility Charge Effective 06/01/2024	Fire Hydrant Charge Effective 06/01/2024
1/2"	\$17.00	\$8.86
5/8"	17.00	7.47
3/4"	24.87	11.52
1"	41.53	14.85
1 1/4"	41.53	50.97
1 1/2"	82.95	50.97
2"	132.81	105.05
3"	265.50	187.59
4"	414.96	371.24
6"	830.03	560.32
8"	1,244.99	209.46

Cost of Water (PWC) Effective ~~07/01XX/XX~~/2024

Per Hundred Cubic Feet (ccf) \$3.~~1543~~2558

Consumption Charges

Per Hundred Cubic Feet (ccf)	Effective 06/01/2024
First 900 ccf	\$5.9360
Over 900 ccf	6.4211

Terms Of Payment:

Bills are due and payable when rendered. If the bill is not paid within twenty days after presentation, service may be discontinued after proper notice as required by law.

A late payment charge to be computed at the rate of 1.5% per month, compounded monthly, may be applied to all unpaid balances no sooner than 23 days from the mailing of the bill.

Bills rendered at the above rates are subject to surcharges, surcredits and adjustment clauses as contained elsewhere in this tariff.

P.S.C. No. 1 – Water

Leaf No. 108

Veolia Water New York Inc.

Revision: ~~34~~

Initial Effective Date: ~~July 1XX XX~~, 2024

Superseding Revision: ~~23~~

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

SERVICE CLASSIFICATION NO. 7 - WESTCHESTER RATE DISTRICT NO. 2

APPLICABLE FOR USE OF SERVICE FOR VILLAGE OF PORT CHESTER, VILLAGE OF RYE BROOK AND THE CITY OF RYE IN WESTCHESTER COUNTY, NEW YORK.

All Non-Residential Customers

Character of Service:

Continuous except as limited by "Standard Terms & Conditions."

Rate per Month:

<u>Meter Size Per Month</u>	<u>Facility Charge Effective 06/01/2024</u>	<u>Fire Hydrant Charge Effective 06/01/2024</u>
1/2" & 5/8"	\$17.00	\$6.54
3/4"	24.87	8.54
1"	41.53	13.06
1 1/4"	41.53	13.06
1 1/2"	82.95	32.46
2"	132.81	73.78
3"	265.50	163.61
4"	414.96	261.74
6"	830.03	450.07
8"	1,244.99	295.13

Cost of Water (PWC)

Effective
~~07/01XX/XX/2024~~

Per Hundred Cubic Feet (ccf)

\$3.~~4543~~2558

Consumption Charges

Effective
06/01/2024

Per Hundred Cubic Feet (ccf)

First 900 ccf

\$2.1735

Over 900 ccf

2.3208

Terms Of Payment:

Bills are due and payable when rendered. If the bill is not paid within twenty days after presentation, service may be discontinued after proper notice as required by law.

A late payment charge to be computed at the rate of 1.5% per month, compounded monthly, may be applied to all unpaid balances no sooner than 23 days from the mailing of the bill.

Bills rendered at the above rates are subject to surcharges, surcredits and adjustment clauses as contained elsewhere in this tariff.

APPLICABLE TO SERVICE CLASSIFICATION NO. 9

NEW YORK RATE DISTRICT

Rate per Month:

Facility Charge

Meter Size Per Month

Effective 06/01/2024

6"

\$429.63

Cost of Water

Effective 06/01/2024

Per Hundred Cubic Feet (ccf)

\$1.8975

Per Thousand Gallons (mgl)

\$2.5368

Consumption Charges

Per Hundred Cubic Feet (ccf)/Per Thousand Gallons (mgl)

CCF Effective 06/01/2024

MGL Effective 06/01/2024

First 900 ccf/673.2 mgl

\$4.2138

\$5.6335

Over 900 ccf/673.2 mgl

5.0566

6.7602

All Usage-Hillburn

2.4364

3.2573

WESTCHESTER RATE DISTRICT NO. 1

Rate per Month:

Facility Charge

Meter Size Per Month

Effective 06/01/2024

2"

\$117.17

4'

732.29

Consumption Charges

Per Hundred Cubic Feet (ccf)

Effective 06/01/2024

All Usage

\$2.9765

Cost of Water (PWC)

Effective ~~07/01-XX/XX~~/2024

Per Hundred Cubic Feet (ccf)

~~\$3.1543~~2558

OWEGO-NICHOLS

Rate per Month:

Facility Charge

Meter Size Per Month

Effective 06/01/2024

2"

\$117.17

6"

732.29

Cost of Water

Effective 06/01/2024

Per Hundred Cubic Feet (ccf)

\$1.8975

Per Thousand Gallons (mgl)

\$2.5368

Consumption Charges

Per Hundred Cubic Feet (ccf)

Effective 06/01/2024

All Usage

\$2.0508

Consumption Charges

Per Hundred Cubic Feet (ccf)

Effective 06/01/2024

All Usage-Repumped

\$0.2987

Fire Hydrant Charges: (Applicable to Customers in the Village of Owego)

Meter Size Per Month

Effective 06/01/2024

5/8"

\$5.14

3/4"

8.78

1"

8.63

1 1/2"

21.13

2"

63.31

3"

64.90

6"

586.47

Veolia Water New York Inc.

Initial Effective Date: ~~October 8XX XX~~, 2024

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

**REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION ADJUSTMENT
CLAUSE (RRC)**

NEW YORK RATE DISTRICT

APPLICABLE TO USE OF SERVICE FOR TOWNS OF RAMAPO, HAVERSTRAW, STONYPPOINT, CLARKSTOWN AND ORANGETOWN IN THE COUNTY OF ROCKLAND AND THE TOWNS OF TUXEDO, WARWICK AND MONROE IN THE COUNTY OF ORANGE, NEW YORK.

APPLICABLE TO USE OF SERVICE FOR RESIDENTIAL, COMMERCIAL, AND GENERAL USE CUSTOMERS IN CARMEL, SOUTHEAST, HILLTOP MEADOWS SUBDIVISION, TONETTA LAKE ROAD, NORTH BREWSTER ROAD, TOWN OF SOUTHEAST, DEVELOPMENT OF MISTY HILLS AND TOWN OF PATTERSON, PUTNAM COUNTY AND THE TOWN OF LEWISBORO, WESTCHESTER COUNTY.

APPLICABLE TO USE OF SERVICE FOR RESIDENTIAL AND NON-RESIDENTIAL USE CUSTOMERS IN THE TOWN OF SOMERS IN THE COUNTY OF WESTCHESTER, NEW YORK.

APPLICABLE FOR USE OF SERVICE FOR OWEGO AND THE VILLAGE AND PARTS OF THE TOWN OF NICHOLS, TIOGA COUNTY, NEW YORK.

Applicable to all Metered Customers (Single Family Residential, Multi-Family Residential, Non-Residential & Service to Other Water Supply Systems)

Effective with this statement, the Surcharge for NEW YORK metered customers is 0.74%.

Effective with this statement, the Surcharge for FOREST PARK customers is 0.74%.

Effective with this statement, the Surcharge for HERITAGE HILLS customers is 0.00%.

Effective with this statement, the Surcharge for OWEGO-NICHOLS customers is 18.227%.

According to the terms and conditions of the Commission's Order issued in Case 23-W-0111, issued and effective May 16, 2024 the existing reconciliation will recommence with the modifications described below. The rates applicable to all metered customer accounts will be subject to automatic adjustment by way of a surcharge or a credit based on the difference between the actual net metered water revenues (operating revenues plus the change in unbilled revenue) less production costs, property taxes and Water Affordability Program bill discount for the preceding rate year and the net revenue, property tax and Water Affordability Program bill discounts targets shown in the table below. The then-current Rate Year's net revenue, property tax and Water Affordability Program bill discount variance plus any prior net revenue variances will be recovered or refunded annually through a percentage surcharge or surcredit to be applied to all metered customers' bills. This surcharge or surcredit will be based on the projected revenues from metered water sales for the next succeeding Rate Year and will be recovered or refunded during the succeeding Rate Year.

The accumulated net revenue, property tax and Water Affordability Program bill discount variance will accrue interest net of income tax from the end of each Rate Year at the Other Customer Capital Rate then in effect and will be subject to any applicable local taxes.

P.S.C. No. 1 – Water
Veolia Water New York Inc.
Initial Effective Date: ~~October 8XX XX~~, 2024
Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

Statement Type: RRC
Statement No. ~~4011~~

REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION ADJUSTMENT
CLAUSE (RRC) (Continued)

NEW YORK RATE DISTRICT (continued)

Production costs will include the cost of sludge removal, power, chemicals and purchased water. If actual costs are less than the target for each year, 100% of the difference will be deferred and refunded through the Reconciliation. If actual costs exceed the target levels shown below, 95% of the difference for power and chemicals and 100% for purchased water and sludge removal will be deferred and recovered through the Reconciliation.

Target levels for Revenue and Production Costs, Property Taxes and Water Affordability Program bill discounts are listed below:

	<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>	<u>Rate Year 4</u>	<u>Beyond</u> <u>Rate Year 4</u>
Revenue Target	116,902,393	125,439,613	134,410,827	132,828,381	137,788,264
Production Cost					
Purchased Power	4,688,053	4,786,502	4,887,019	4,578,322	4,994,533
Chemicals	5,971,942	6,097,352	6,225,397	5,832,159	6,362,355
Sludge Removal	1,506,271	1,537,902	1,570,198	1,471,014	1,604,743
Purchased Water	297,631	303,881	310,262	290,664	317,088
Property Taxes	26,438,341	27,061,078	27,706,156	26,009,886	28,374,421
Water Affordability Bill Discounts	448,188	896,376	1,344,768	1,232,704	1,344,768

In accordance with the property tax mechanism set forth in the Joint Proposal approved by the Commission in Case 23-W-0111, the PSC has permitted the Company to reconcile property taxes each year. If actual property taxes exceed the specified target levels, 90% of the variance will be recovered from ratepayers. If actual property taxes fall below the target levels, ratepayers will receive 100% of the benefit, unless the Company can demonstrate it took action to obtain the lower taxes, in which case the Company can retain 10% of the difference.

In accordance with the terms set forth in Section VI of the Joint Proposal approved by the Commission in Case 23-W-0111, the Company is required to defer any actual revenues above the estimated antenna site rental revenues included in the Company's revenue requirement. The amount netted to the Revenue and Production Cost Surcharge for the RY ended XX/XX/XXXX is (\$XX).

In accordance with the Water Affordability Program mechanism set forth in the Joint Proposal approved by the Commission in Case 23-W-0111, the PSC has permitted the Company to reconcile the Bill Discounts associated with the program, once \$1.5 million of shareholder funding for program costs and discounts has been utilized.

A net surcharge/surcredit of X.XX% which is based on the Company's total metered sales revenues will be billed/refunded to all metered customers over the 12 month period following the effective date of the surcharge.

P.S.C. No. 1 – Water
Veolia Water New York Inc.
Initial Effective Date: ~~October 8XX XX~~, 2024

Statement Type: RRC
Statement No. ~~40~~11

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION ADJUSTMENT
CLAUSE (RRC) (Continued)

NEW YORK RATE DISTRICT (continued)

In the event of any disagreement over the proper net surcharge or surcredit amounts between the Company and Staff, Staff's calculated surcharge or surcredit will be temporarily placed in effect. The differences will be resolved through the Dispute Resolution Process.

If the Dispute Resolution Process results in an amount ultimately resolved in the Company's favor, then the Company will be allowed to recover carrying charges on the determined net of tax amount. Carrying charges will be applied at the then-current Other Customer Capital rate.

The reconciliation will be submitted to the Director of the Office of Electric, Gas and Water within 60 days after the end of the term of each Rate Year. The then-current Rate Year's net revenue variance will be recovered or refunded annually through a percentage surcharge or credit applied to all metered customers' bills. The surcharge or credit will be based on the projected revenues from metered water sales for the next succeeding Rate Year, and will be recovered or refunded during the next succeeding Rate Year. The surcharge or credit will be subject to the local municipal tax, if applicable. At the end of Year four, any remaining balances will be reconciled in a similar manner as described above. In addition, reconciliation amounts from prior rate plans will be recovered or refunded in the manner described above. If a new rate plan does not immediately begin upon the completion of the final rate year of this rate plan, the Company will use the "Beyond Rate Year Four "revenue and production cost targets" to do a pro-rated revenue and production cost reconciliation. Monthly revenue and production cost targets will be calculated as shown in Appendix 6 in the event of a partial rate year.

P.S.C. No. 1 – Water
Veolia Water New York Inc.
Initial Effective Date: ~~October 8XX XX~~, 2024
Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in
Case 23-W-0111 issued May 16, 2024

Statement Type: RRC
Statement No. ~~4011~~

**REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION ADJUSTMENT
CLAUSE (RRC)**

WESTCHESTER RATE DISTRICTS 1 AND 2

APPLICABLE FOR USE OF SERVICE FOR CITY OF NEW ROCHELLE, VILLAGE OF BRONXVILLE, VILLAGE OF TUCKAHOE, VILLAGE OF PELHAM MANOR, VILLAGE OF PELHAM, VILLAGE OF ARDSLEY, VILLAGE OF DOBBS FERRY, VILLAGE OF HASTINGS-ON-HUDSON, TOWN OF MAMARONECK, TOWN OF GREENBURGH, TOWN OF MOUNT PLEASANT AND TOWN OF EASTCHESTER IN WESTCHESTER COUNTY, NEW YORK.

APPLICABLE FOR USE OF SERVICE FOR VILLAGE OF PORT CHESTER, VILLAGE OF RYE BROOK AND THE CITY OF RYE IN WESTCHESTER COUNTY, NEW YORK.

Applicable to all Metered Customers (Single Family Residential, Multi-Family Residential, Non-Residential & Service to Other Water Supply Systems)

Effective with this statement, the Surcharge for the Westchester Rate Districts metered customers is 0.991%

According to the terms and conditions of the Commission's Order issued in Case 23-W-0111, issued and effective May 16, 2024, the existing reconciliation will recommence with the modifications described below.

The rates applicable to all metered Customer accounts will be subject to automatic adjustment by way of a surcharge, or credit, based on the difference between the actual net metered water revenues (operating revenues plus the change in unbilled revenue) less production costs, consisting of purchased water from the New York City Water Board (NYCWB), additional cost for excess purchased water (entitlement and excess), purchased water from Westchester Joint Water Works (WJWW) and Aquarion Connecticut (AWC-CT) (entitlement, excess and fixed charges, and purchased power and chemicals) for the preceding year, and the revenue targets shown in the table below. The then-current Rate Year's net revenue variance plus any prior net revenue variances will be recovered or refunded annually through a percentage surcharge or surcredit to be applied to all metered customers' bills. Metered revenues are based on metered Customers' bill-rendered base rate revenue plus the change in unbilled revenue at the beginning and at the end of each rate year.

The difference in purchased water costs to include excess per capita costs will be calculated by comparing the actual purchased water from NYCWB, WJWW and AWC-CT in million gallons (MG) in the rate years, grossed up 18% for losses, to the purchased water targets allowed in this proceeding, as shown in the table below. The purchased water targets reflects the NYCWB purchased water rate of \$2,264.80 per MG and the NYCWB Excess per Capita rate of \$4,099.54 per MG, both effective July 1, 2024. The purchased water targets for WJWW reflect the rate in effect as of July 1, 2024, for NYCWB of \$2,264.80 per MG and WJWW rate of \$2,319.17 per MG effective January 1, 2024 for a total cost of \$4,583.97 per MG, and the Excess per Capita rate of \$4,099.54 per MG in effect as of July 1, 2024. The AWC purchased water target reflects the estimated rate of ~~\$1,782.96~~1,766.02 per MG that took effect July ~~131, 2014~~2024.

P.S.C. No. 1 – Water
Veolia Water New York Inc.

Statement Type: RRC
Statement No. ~~10~~11

Initial Effective Date: ~~October 8XX XX~~, 2024

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION ADJUSTMENT
CLAUSE (RRC) 9 (Continued)

WESTCHESTER RATE DISTRICTS 1 AND 2

The difference in purchased power and chemical costs will be calculated by comparing the actual purchased power and chemical costs to the purchased power and chemical costs allowed in this proceeding, as shown in the table below, under the following terms: if production costs exceed their respective targets, recovery of purchased water costs will be at 100% of the excess amount, whereas purchased power and chemical costs will be recovered at 95% of their excess amounts, with the 5% difference to be absorbed by the Company. If actual costs are less than the target for each rate year, 100% of the difference will be deferred and refunded through the reconciliation. The net revenue differential will be added or subtracted, as the case may be, to any existing Adjustment Clause balance. The balance shall be recovered or refunded during the following twelve months period from all metered customers.

In accordance with the property tax mechanism set forth in the Joint Proposal approved by the Commission in Case 23-W-0111, the PSC has permitted the Company to reconcile property taxes each year. If actual property taxes exceed the specified target levels, 90% of the variance will be recovered from ratepayers. If actual property taxes fall below the target levels, ratepayers will receive 100% of the benefit, unless the Company can demonstrate it took action to obtain the lower taxes, in which case the Company can retain 10% of the difference.

In accordance with the Water Affordability Program mechanism set forth in the Joint Proposal approved by the Commission in Case 23-W-0111, the PSC has permitted the Company to reconcile the Bill Discounts associated with the program, once \$1.5 million of shareholder funding for program costs and discounts have been utilized.

Target levels for Revenue, Production Costs Property Taxes and Water Affordability Program are listed below:

	<u>Rate Year 1</u>	<u>Rate Year 2</u>	<u>Rate Year 3</u>	<u>Rate Year 4</u>	<u>Beyond</u> <u>Rate Year 4</u>
Revenue	78,951,995 <u>79,447,451</u>	84,163,453 <u>85,056,080</u>	89,204,510 <u>90,097,106</u>	86,967,035 <u>87,785,220</u>	93,376,872 <u>94,269,437</u>
Purchased Power	1,129,458	1,153,177	1,177,393	1,103,021	1,203,296
Chemicals	640,367	653,815	667,545	625,378	682,231
	-21,106,031	-21,242,682	-21,244,194	-19,475,242	-21,245,719
Purchased Water	<u>21,551,531</u>	<u>22,135,309</u>	<u>22,136,790</u>	<u>20,293,427</u>	<u>22,138,284</u>
Property Taxes	12,251,316	12,428,815	12,633,510	11,792,948	12,865,034
Water Affordability					
Bill Discounts	66,447	132,687	132,687	121,630	132,687

A net surcharge/surcredit of X.XX% which is based on the Company's total metered sales revenues will be billed/refunded to all metered customers over the 12 month period following the effective date of the surcharge.

In the event of any disagreement over the proper net surcharge or surcredit amounts between the Company and Staff, Staff's calculated surcharge or surcredit will be temporarily placed in effect. The differences will be resolved through the Dispute Resolution Process.

P.S.C. No. 1 – Water
Veolia Water New York Inc.
Initial Effective Date: ~~October 8XX XX~~, 2024

Statement Type: RRC
Statement No. ~~4011~~

Issued in compliance with Appendix 3 of the Joint Proposal, Adopted by Commission Order in Case 23-W-0111 issued May 16, 2024

**REVENUE, PRODUCTION COST AND PROPERTY TAX RECONCILIATION ADJUSTMENT
CLAUSE (RRC)**

WESTCHESTER (continued)

If the Dispute Resolution Process results in an amount ultimately resolved in the Company's favor, then the Company will be allowed to recover carrying charges on the determined net of tax amount. Carrying charges will be applied at the then-current Other Customer Capital rate.

The reconciliation will be submitted to the Director of the Office of Electric, Gas and Water within 60 days after the end of the term of each Rate Year. The then-current Rate Year's net revenue variance will be recovered or refunded annually through a percentage surcharge or credit applied to all metered customers' bills. The surcharge or credit will be based on the projected revenues from metered water sales for the next succeeding Rate Year, and will be recovered or refunded during the next succeeding Rate Year. The surcharge or credit will be subject to the local municipal tax, if applicable. At the end of Year four, any remaining balances will be reconciled in a similar manner as described above. In addition, reconciliation amounts from prior rate plans will be recovered or refunded in the manner described above. If a new rate plan does not immediately begin upon the completion of the final rate year of this rate plan, the Company will use the "Beyond Rate Year Four" revenue and production cost targets to do a pro-rated revenue and production cost reconciliation. Monthly revenue and production cost targets will be calculated as shown in Appendix 6 in the event of a partial rate year.