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**Market Cost Comparison of Service Company Charges to  
Long Island American Water Company  
12-Months Ended December 31, 2010**

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**Long Island American Water Company  
Market Cost Comparison of Service Company Charges  
12-Months Ended December 31, 2010**

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## I – Introduction

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### Purpose of This Study

This study was undertaken to answer four questions concerning the services provided by American Water Works Service Company, Inc. (Service Company) to Long Island American Water Company (LIAW):

1. Are the Service Company's charges to LIAW during 2010 reasonable?
2. Was LIAW charged the lower of cost or market for managerial and professional services provided by the Service Company during 2010?
3. Were 2010 costs of the Service Company's customer accounts services, including those of the National Call Centers, comparable to those of other utilities?
4. Are the services LIAW receives from Service Company necessary?

### Study Results

Concerning question 1, the following conclusion was reached:

- The Service Company's 2010 cost per LIAW customer was reasonable compared to cost per customer for electric and combination electric/gas service companies. During 2010, LIAW was charged \$55 per customer for administrative and general (A&G)-related services provided by the Service Company. This compares to an average of \$95 per customer for service companies reporting to the Federal Energy Regulatory Commission (FERC). Only 2 of the 24 comparison group utility service companies filed a FERC Form 60 for 2009 had a lower per customer A&G cost than LIAW's charges from the Service Company.

Concerning question 2, the following conclusions were drawn from this study:

- LIAW was charged the lower of cost or market for managerial and professional services during 2010.
- On average, the hourly rates for outside service providers are 54% higher than the Service Company's hourly rates.
- The managerial and professional services provided by the Service Company are vital and could not be procured externally by LIAW without careful supervision on the part of LIAW. If these services were contracted entirely to outside providers, LIAW would have to add at least one position to manage activities of outside firms. This position would be necessary to ensure the quality and timeliness of services provided.
- If all the managerial and professional services now provided by the Service Company had been outsourced during 2010, LIAW and its ratepayers would have incurred more than \$2,500,000 in additional expenses. This amount includes the higher cost of outside providers and the cost of one LIAW position needed to direct the outsourced work.
- This study's hourly rate comparison actually understates the cost advantages that accrue to LIAW from its use of the Service Company. Outside service providers generally bill for every hour worked. Service Company exempt personnel, on the other hand, charge a maximum of 8 hours per day even when they work more hours. If all overtime hours of Service Company personnel were factored into the hourly rate calculation, the Service

## I – Introduction

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Company would have had an even greater annual dollar advantage than the \$2,500,000 cited above.

- It would be difficult for LIAW to find local service providers with the same specialized water industry expertise as that possessed by the Service Company staff. Service Company personnel spend substantially all their time serving operating water companies. This specialization brings with it a unique knowledge of water utility operations and regulation that is most likely unavailable from local service providers.
- Service Company fees do not include any profit markup. Only its actual cost of service is being recovered from LIAW ratepayers.

Concerning question 3, the following conclusion was reached:

- The cost of the Service Company's customer accounts services, including those provided by the National Call Center, is below the range of the average of the neighboring electric utility comparison group. As will be explained further herein, this group of companies provides a reasonable proxy group for comparison to a regulated utility of the size and scope of the Service Company and LIAW. During 2010, the customer accounts cost for LIAW customers was \$24.96 compared to the 2009 average of \$45.57 for neighboring electric utilities. The highest comparison group per customer cost was \$94.95 and the lowest \$12.90.

Concerning question 4, the following conclusions were drawn:

- The services that the Service Company provides are necessary and would be required even if LIAW were a stand-alone water utility.
- Furthermore, there is no redundancy or overlap in the services provided by the Service Company to LIAW. For all of the services listed in Exhibit 12, there was only one entity primarily responsible for the service.



## II – Background

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### Overview of American Water Works Service Company

American Water's Service Company exists to provide certain shared services to American Water subsidiaries. It follows a service company model used by many utility holding companies that own multiple regulated utilities. By consolidating executive and professional services into a single service company, utility holding companies are able to realize the following benefits for ratepayers:

- **Purchasing Economies** – Common expenses (e.g., insurance, chemicals, piping) can be procured on a much larger scale thereby providing greater bargaining power for the combined entity compared to individual utility operating companies. A service company facilitates corporate-wide purchasing programs through its procurement and contract administration functions.
- **Operating Economies of Scale** – A service company is able to deliver services more efficiently because workloads can be balanced across more persons and facilities. For instance, American Water's Service Company is able to maintain one principal data center for the entire corporation. This is much more cost-efficient than each operating utility funding their own data center with its large fixed hardware, software and staffing costs.
- **Continuity of Service** – Centralizing service company personnel who perform similar services facilitates job cross-training and sharing of knowledge and expertise. This makes it easier to deal with staff turnover and absences and to sustain high levels of service to operating utilities. An individual operating utility might experience considerable disruption if a key professional left and it was necessary to hire outside to fill the vacancy.
- **Maintenance of Corporate-Wide Standards** – Personnel in American Water's Service Company establish standards for many functions (e.g., engineering designs, operating procedures and maintenance practices). It is easier to ensure these standards are followed by every operating utility because their implementation is overseen by the Service Company.
- **Improved Governance** – American Water's Service Company provides another dimension of management and financial oversight that supplements local operating utility management. The Service Company facilitates standard planning and reporting that help ensure operating utilities meet the requirements of their customers in a cost effective manner.
- **Retention of Personnel** – A service company organization provides operating utility personnel with another career path beyond what may be available on a local level. These opportunities tend to improve employee retention.

American Water follows the model for other utility service companies in another important regard. Its services are provided to affiliate operating utilities, like LIAW, at cost. American Water's Service Company is not a profit-making entity. It assigns only its actual expenses to the American Water subsidiaries it services.

The Service Company provides services to American Water operating companies from the following locations:



## II – Background

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- Corporate Office – Includes American Water's executive management and personnel from the various corporate support services. American Water's corporate office is located in Voorhees, New Jersey.
- National Call Centers – Perform customer service functions, including: customer call processing, service order processing, correspondence processing, credit and collections. American Water maintains two call centers. One in Alton, Illinois that went into operation in 2001 and a second in Pensacola, Florida that went into operation in 2005. Prior to the establishment of these national call centers, customer service functions were performed by employees of LIAW, which incurred the expense on its books.
- National Shared Services Center – The Shared Services Center, located in Cherry Hill, New Jersey, provides various financial, accounting and treasury functions that had been performed by individual operating companies. This arrangement has improved and streamlined the Company's financial processes and allowed operating companies to focus on providing utility service.
- Divisional Offices – Divisional offices provide operating companies with certain support services that can be performed more effectively on a divisional basis because individual operating company/center workloads are not sufficient to warrant a full-time staff for these activities. At the same time, these services require closer proximity to operating companies served so they are not provided by the National Shared Services Center. Examples of divisional office services include rates and revenues, engineering, operations and field resource coordination.
- Belleville Lab – The national trace substance laboratory is located in Belleville, Illinois and performs testing for all American Water operating companies.
- Information Technology Service Centers – American Water's principal data center, located in Hershey, Pennsylvania, supports the IT infrastructure required to run corporate and operating company business applications and the communications systems. IT personnel rotate, as needed, throughout the divisional offices and operating companies.

### Service Company Expense Categories

The Service Company renders a monthly bill to operating companies. Charges are broken down into the following expense categories:

- Labor – base pay (salaries) of managerial and professional employees
- Labor-Related Overheads - employee benefit costs (payroll taxes, medical coverage, pensions, disability insurance) and other general expenses
- Support - wages and salaries of office support personnel, including secretaries, clerical personnel, telephone operators and mail clerks
- Office Expenses - office rent, equipment leases, telephone, electric, office supplies, property taxes, office maintenance
- Vouchers/Journal Entries – (1) travel expenses incurred by Service Company personnel, (2) other items submitted for reimbursement by employees, including professional association dues, (3) outside service contracts for such things as actuarial

II – Background

services, and (4) various other expenditures, including data center expenses for software licenses and hardware maintenance.

Service Company expenses are either assigned directly or allocated to operating companies, as shown in the table below.

Expense Category	Direct Charged	Allocated	Comments
Labor	X	X	Professional personnel working for one or several operating companies
Labor-Related Overheads	X	X	These are primarily employee benefit costs that relate directly to labor
Support		X	Administrative personnel support the professional staff, thus support costs are allocated on the basis of professional labor
Office Expense		X	Are all allocated on the basis of professional labor
Vouchers/Journals	X	X	May be either directly in support of one operating company (e.g., an engineer traveling from the Corporate Office to the operating company) or allocated to several operating companies

A direct charge occurs when Service Company work or expenses are incurred in support of only one operating company. Direct charge examples include work in support of an operating company’s rate case, engineering design work on an operating company’s project and the preparation of an operating company’s financial statements.

Service Company expenses are allocated when more than one operating company benefits from the underlying work. Examples include assessments of new Federal water quality regulations, development of the company-wide materials procurement contracts and creation of company-wide engineering design standards.

**Charging and Assignment Of Service Company Time and Expenses**

Service Company transactions are assigned with the following information so there is a proper accounting and eventual charging to an operating company:

- Operating company
- Formula number
- Work order (where applicable)
- Authorization number (where applicable)

Charges can originate from the following systems:

- Payroll System
- RVI System (outside vendor payments)
- PCard System (credit card payments)
- Internal Purchase Order System
- Journal entries

## II – Background

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The Service Company's time reporting process enables labor and support charges to be assigned to the proper operating company. Labor charges are based on the time reported by managerial and professional Service Company employees. Every week, Service Company professional employees complete an electronic time sheet that shows:

- Formula number (this is linked to operating company within American Water's financial system)
- Employee hours worked
- Account number for non-labor charges

At month-end, time report information is processed and direct and allocated professional labor hours tabulated for each operating company. Dollar charges are then calculated using the hourly rate of each Service Company professional employee based upon their base salary (i.e., an employee's hours times his/her hourly rate of pay).

Support (administrative) personnel charge their time to the activity "General Admin." As described in the table on page 4, their labor charges are allocated to operating companies based upon how their office's professional personnel labor charges are assigned. For instance, if 20% of American Water's Eastern Division's professional labor is assigned to LIAW during a month, then 20% of that office's monthly administrative labor charges also are assigned to the operating company.

The overhead cost category is next assigned based on professional and administrative labor costs. Thus, if 20% of the Eastern Division's accumulated professional and support labor is charged to LIAW during the month, then 20% of that month's overhead expenses will be assigned to LIAW.

Each Service Company location's office expenses are allocated to operating companies based on how professional labor charges for that office have been assigned. For instance, if 2% of professional labor from one Service Company office is assigned to LIAW, then 2% of that office's office expenses would be assigned to LIAW. Thus, office expenses are allocated in the very same way as administrative labor.

Vouchers/journal entries may be charged directly or allocated, depending on who benefits from the expenditure. For instance, the cost of a continuing professional education course taken by a professional in a divisional office is allocated to the operating companies served by that office. Travel expenses by that same professional to a rate case proceeding are charged directly to the operating company whose case is being heard.

III – Service Company Cost Comparison Approach

During 2010, the Service Company billed LIAW \$4,590,695 in O&M-related charges and \$864,628 in capital-related charges. These total charges of \$5,455,323 were subjected to a market cost comparison.

	12 Months Ended Dec 30, 2010
Mgmt Fee Expense - O&M	\$ 4,590,695
Mgmt Fees - Capital	\$ 864,628
<b>Total Testable AWWSC Charges</b>	<b>\$ 5,455,323</b>

For purposes of comparing these charges to certain outside benchmarks, Service Company services were placed into two categories:

- Managerial and Professional Services – Includes such services as management, accounting, legal, human resources, information technology and engineering.
- Customer Accounts Services – Includes customer-related services, such as call center, credit, billing, collection and payment processing.

Total test period Service Company charges break down between management/professional services, customer account services and field resource coordination as follows:

	12 Months Ended December 31, 2010	
	Amount	Hours
Management and Professional Services	\$ 4,407,221	31,982
Customer Account Services	\$ 1,048,102	20,646
<b>Total Service Company Charges</b>	<b>\$ 5,455,323</b>	<b>52,628</b>

This study’s first question—whether Service Company 2010 charges are reasonable—was determined by comparing LIAW’s A&G-related Service Company charges per customer to the same charges for utility companies that must file the FERC Form 60 – Annual Report of Service Companies.

The second question—whether Service Company charges during 2010 were at the lower of cost or market—was evaluated by comparing the cost per hour for managerial and professional services provided by Service Company personnel to hourly billing rates that would be charged by outside providers of equivalent services. Service Company costs per hour were based on actual charges to LIAW during 2010. Outside providers' billing rates came from surveys or other information from professionals that could perform the services now provided by the Service Company.

### III – Service Company Cost Comparison Approach

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The third question—whether Service Company’s 2010 customer account services charges, including those of the National Call Center costs, were comparable to other utilities—was addressed by comparing LIAW’s customer accounts services expenses to those of neighboring electric utilities. This approach was selected because the costs of outside providers of call center services are not publicly available. However, electric utility customer account services expenses can be obtained from the FERC Form 1. The availability and transparency of FERC data adds to the validity of its use in this comparison.

The fourth question—the necessity of Service Company services—was investigated by defining the services provided to LIAW and determining if these services would be required if LIAW were a stand-alone utility.

IV – Question 1 – Reasonableness of Service Company Charges

**LIAW’s Service Company Cost per Customer**

During 2010, LIAW was charged \$55 per customer by the Service Company for A&G-related services. The calculation of this amount, shown in the table below, starts with total net testable Service Company charges and adjusts for capital and non-A&G functions (engineering, operations and water quality) charges. These adjustments are necessary to develop a per customer cost that is comparable to cost of utility service companies.

	2010 AWWSC
	Charges
Total Service Company charges	\$ 5,455,323
Less: Capital charges	\$ (864,628)
Less: Non-A&G function O&M charges	
Engineering	\$ (5,548)
Operations	\$ (402,414)
Water Quality	\$ (144,595)
Net A&G/O&M-related charges	\$ 4,038,138
LIAW customers	74,007
<b>LIAW Cost Per Customer</b>	<b>\$ 55</b>

**Comparison Group Cost Per Customer**

Every centralized service company in a holding company system must file a Form 60 in accordance with the Public Utility Holding Company Act of 2005, Section 1270, Section 390 of the Federal Power Act and 18 C.F.R. paragraph 366.23. This report is designed to collect financial information from service companies that are subject to regulation by the FERC.

For 2009, a Form 60 was filed by service companies that are part of 25 utility holding companies that own utilities providing regulated electric and, in some cases, gas service to retail customers. In order to make a valid comparison of these service companies’ costs to those of American Water Works Service Company, it was necessary to isolate expenses that that they have in common. These include A&G-related charges recorded in the following FERC accounts:

901 – Supervision	921 – Office supplies and expenses
903 – Customer records and collection expenses	923 – Outside services employed
905 – Miscellaneous customer accounts expenses	928 – Regulatory commission expenses
907 – Supervision	930.2 – Miscellaneous general expenses
910 – Misc customer service and info expenses	931 – Rents
911 – Supervision	935 – Maintenance of structures and equipment
920 - Administrative and general salaries	

Charges to utility affiliates for the comparison group service companies were obtained from Schedule XVI – Analysis of Charges for Service Associate and Non-Associate Companies (p. 303 to 306) of each entity’s FERC Form 60. This schedule shows charges by FERC Account.

Comparison group service company 2009 expenses were also adjusted to remove charges to non-regulated affiliates from the cost pool used to calculate the cost per regulated service customer. This determination was made using information from the FERC Form 60 schedule: Account 457 – Analysis of Billing – Associate Companies.

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 IV – Question 1 – Reasonableness of Service Company Charges
 

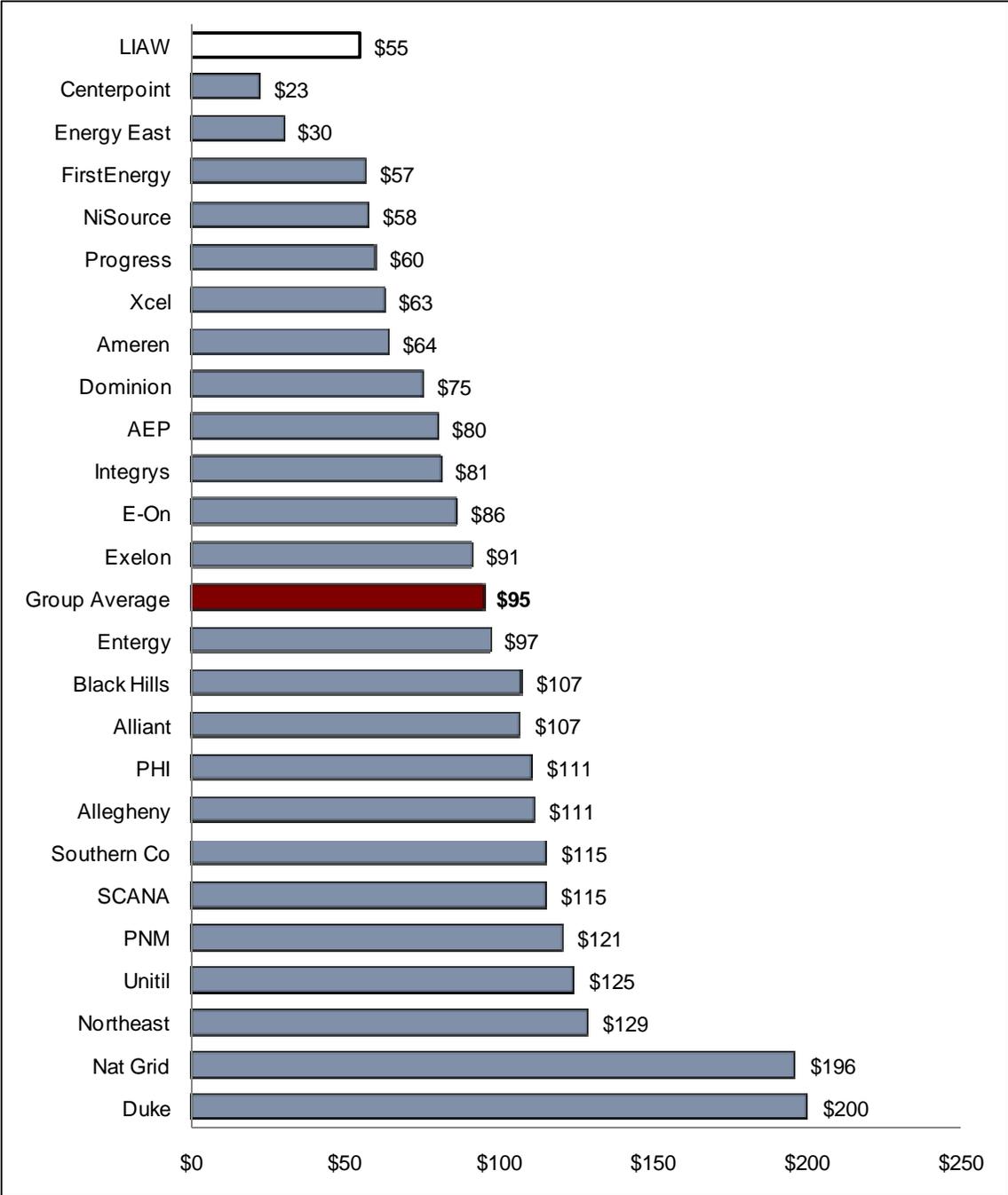
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One service company that filed a Form 60 was excluded from the comparison group because its Form 60 contained no data for 2009. That service company, Great Plains Energy Services Incorporated, became inactive in 2009 and had no charges to its regulated utility affiliate. The A&G expenses per regulated utility customer for the other 24 utility companies that filed a Form 60 for 2009 are calculated below.

Utility Company	2009 Regulated Retail Service Company A&G Expenses	Regulated Retail Customers	Cost per Customer
AEP	\$418,484,117	5,213,000	\$ 80
Allegheny	\$176,685,245	1,585,700	\$ 111
Alliant	\$149,116,475	1,395,189	\$ 107
Ameren	\$212,036,412	3,300,000	\$ 64
Black Hills	\$81,484,333	759,400	\$ 107
Centerpoint	\$119,304,604	5,300,000	\$ 23
Dominion	\$279,128,940	3,700,000	\$ 75
Duke	\$901,762,388	4,500,000	\$ 200
Energy East	\$89,580,962	2,973,000	\$ 30
Entergy	\$262,596,172	2,700,000	\$ 97
E-On	\$105,893,093	1,226,000	\$ 86
Exelon	\$537,633,122	5,886,000	\$ 91
FirstEnergy	\$255,874,712	4,500,000	\$ 57
Integrus	\$175,423,352	2,157,700	\$ 81
Nat Grid	\$1,314,902,105	6,700,000	\$ 196
NiSource	\$216,480,637	3,750,000	\$ 58
Northeast	\$269,948,801	2,095,000	\$ 129
PHI	\$215,465,623	1,946,000	\$ 111
Progress	\$186,256,921	3,100,000	\$ 60
PNM	\$87,998,259	729,700	\$ 121
SCANA	\$166,555,883	1,445,000	\$ 115
Southern Co	\$508,130,523	4,402,000	\$ 115
Unitil	\$21,115,280	169,600	\$ 125
Xcel	\$333,389,459	5,300,000	\$ 63
<b>Group Total</b>	<b>\$7,085,247,416</b>	<b>74,833,289</b>	<b>\$ 95</b>

Exhibit 1 (page 11) shows LIAW's 2010 Service Company cost per customer of \$55 to be considerably lower than the average of \$95 per customer for the comparison group service companies. Only 2 of 24 comparison group service companies had a lower cost per customer than LIAW. Based on this result, it is possible to conclude that the Service Company's 2010 charges to LIAW were reasonable.

**Long Island American Water Company**  
**Comparison of Service Company Annual Costs Per Customer**



## V – Question 2 – Provision of Services at the Lower of Cost or Market

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### Methodology

The lower-of-cost-or-market comparison is accomplished by comparing the cost per hour for Service Company managerial and professional services to those of outside service providers to whom these duties could be assigned. Based on the nature of the Service Company services it was determined that the following outside providers could perform the categories of services indicated below:

- Management Consultants – executive and administrative management, risk management, human resources and communications services
- Attorneys – legal services
- Certified Public Accountants – accounting, financial and rates and revenues services
- IT Professionals – information technology services
- Professional Engineers – engineering, operations and water quality services.

The services provided by the Belleville lab are assumed to be transferable to professional engineers for purposes of this cost comparison. This was done for two reasons. First, there is no readily available survey of hourly billing rates for testing services such as those performed by Belleville. Second, Belleville personnel have similar, scientific educational backgrounds as Service Company engineering personnel. Thus, it is valid to compare the hourly rates of Belleville services to those of outside engineering firms.

Service Company's hourly rate were calculated for each of the five outside service provider categories, based on the dollars and hours charged to LIAW during 2010. Hourly billing rates for outside service providers were developed using third party surveys or directly from information furnished by outside providers themselves.

It should be noted that by using the Service Company's hours charged LIAW during 2010, its hourly rates are actually overstated because some Service Company personnel charge a maximum 8 per day even when they work more. Outside service providers generally bill for every hour worked. If all overtime hours of Service Company personnel had been factored into the hourly rate calculation, Service Company hourly rates would have been lower.

The last step in the market cost comparison was to compare the Service Company's average cost per hour to the average cost per hour for outside providers.

### Service Company Hourly Rates

Exhibit 2 (page 14) details the assignment of 2010 management and professional Service Company charges by outsider provider category. Exhibit 3 (page 15) shows the same assignment for Service Company management and professional hours charged to LIAW during 2010.

Certain adjustments to these dollar amounts were necessary to calculate Service Company hourly rates that are directly comparable to those of outside providers. Adjustments were made to the following 2010 test period non-labor Service Company charges:

- Contract Services – 2010 Service Company charges to LIAW include expenses associated with the use of outside professional firms to perform certain corporate-wide

V – Question 2 – Provision of Services at the Lower of Cost or Market

services (e.g., legal, financial audit, actuarial services). These professional fees are excluded from the Service Company hourly rate calculation because the related services have effectively been out-sourced already.

- Travel Expenses – In general, client-related travel expenses are not recovered by outside service providers through their hourly billing rate. Rather, actual out-of-pocket travel expenses are billed to clients in addition to fees for professional services. Thus, it is appropriate to remove these Service Company charges from the hourly rate calculation.
- Information Technology Infrastructure Expenses – Included in 2010 Service Company charges to LIAW are leases, maintenance fees and depreciation related to American Water’s enterprise mainframe, server and network infrastructure and corporate business applications. An outside provider that would take over operation of this infrastructure would recover these expenses over and above the labor necessary to operate the data center.

Exhibit 4 (page 16) shows how contract services, travel expenses and computer hardware/software-related Service Company charges are assigned among the five outside provider categories.

Based on the assignment of expenses and hours shown in Exhibits 2 and 3 and the excludable items shown in Exhibit 4, the Service Company's equivalent costs per hour for 2010 are calculated below.

	Attorney	Management Consultant	Certified Public Accountant	IT Professional	Professional Engineer	Total
Total management, professional & technical services charges	\$ 128,600	\$ 1,453,755	\$ 1,122,849	\$ 1,158,727	\$ 543,287	\$ 4,407,218
Less:						
Contract services	\$ 10,780	\$ 272,958	\$ 108,025	\$ 124,493	\$ (5,892)	\$ 510,364
Travel expenses	\$ 2,277	\$ 26,643	\$ 14,262	\$ 15,045	\$ 17,159	\$ 75,386
IT infrastructure expenses	\$ 3,248	\$ 430,185	\$ 10,674	\$ 214,432	\$ 21,038	\$ 679,577
Net Service Charges (A)	\$ 112,295	\$ 723,969	\$ 989,888	\$ 804,757	\$ 510,982	\$ 3,141,891
Total Hours (B)	511	4,765	13,276	5,480	7,949	31,982
<b>Average Hourly Rate (A / B)</b>	<b>\$ 220</b>	<b>\$ 152</b>	<b>\$ 75</b>	<b>\$ 147</b>	<b>\$ 64</b>	

**Long Island American Water Company**  
**Analysis of 2010 Service Company Charges By Location And Function**

		12 Months Ended December 31, 2009 Service Company Charges					
Location	Function	Attorney	Management Consultant	Certified Public Accountant	IT Professional	Professional Engineer	Total
Belleville Lab	Water Quality					\$ 118,814	\$ 118,814
Call Center	Human Resources		\$ 26,036				\$ 26,036
Corporate	Accounting			\$ 290,163			\$ 290,163
	Administration		\$ 284,643				\$ 284,643
	Audit			\$ 36,489			\$ 36,489
	Communications		\$ 69,385				\$ 69,385
	Finance		\$ 531,407	\$ 205,647			\$ 737,054
	Human Resources		\$ 213,544				\$ 213,544
	Information Technology				\$ 39,529		\$ 39,529
	Legal		\$ 77,599				\$ 77,599
	Operations			\$ 113,979			\$ 384,416
	Rates & Revenue				\$ 51,353		\$ 51,353
	Risk Management			\$ 26,803			\$ 26,803
	Water Quality					\$ 1,962	\$ 1,962
	Regional Offices	Accounting			\$ 12,288		
Administration			\$ 40,362				\$ 40,362
Communications			\$ 48,202				\$ 48,202
Engineering						\$ 5,761	\$ 5,761
Finance				\$ 79,130			\$ 79,130
Human Resources			\$ -				\$ -
Legal			\$ 51,001				\$ 51,001
Operations				\$ 4,266			\$ 31,863
Risk Management				\$ 37,015			\$ 37,015
Water Quality						\$ 471	\$ 471
Information Technology	Information Technology				\$ 1,119,198	\$ 1,119,198	
Shared Services	Accounting			\$ 320,121			\$ 320,121
	Administration		\$ 58,113				\$ 58,113
	Finance			\$ 1,480			\$ 1,480
	Rates & Revenue			\$ 126,178			\$ 126,178
<b>Total Dollars Charged</b>		<b>\$ 128,600</b>	<b>\$ 1,453,755</b>	<b>\$ 1,122,849</b>	<b>\$ 1,158,727</b>	<b>\$ 543,287</b>	<b>\$ 4,407,218</b>

**Long Island American Water Company**  
**Analysis of 2010 Service Company Hours By Location And Function**

		12 Months Ended December 31, 2009 Service Company Hours					
Location	Function	Attorney	Management Consultant	Certified Public Accountant	IT Professional	Professional Engineer	Total
Belleville Lab	Water Quality					1,149	1,149
Call Center	Human Resources		287				287
Corporate	Accounting			2,536			2,536
	Administration		518				518
	Audit			252			252
	Communications		282				282
	Finance		505	1,611			2,115
	Human Resources			1,317			1,317
	Information Technology				307		307
	Legal		255				255
	Operations			263			6,629
	Rates & Revenue				277		277
	Risk Management			163			163
	Water Quality					-	-
	Regional Offices	Accounting			126		
Administration			-				-
Communications			349				349
Engineering						-	-
Finance				417			417
Human Resources				(1)			(1)
Legal			256				256
Operations				6		170	176
Risk Management				821			821
Water Quality						-	-
Information Technology	Information Technology				5,173		5,173
Shared Services	Accounting			5,879			5,879
	Administration		255				255
	Finance						-
	Rates & Revenue			2,179			2,179
<b>Total Hours Charged</b>		<b>511</b>	<b>4,765</b>	<b>13,276</b>	<b>5,480</b>	<b>7,949</b>	<b>31,982</b>

**Long Island American Water Company**  
**2010 Service Company Charges Excludable From The Hourly Rate Calculation**

Charges By Function	Exclusions From Hourly Rate Calculation			
	Contract Services	Travel Expenses	IT HW/SW	Total
Accounting	\$ 86,634	\$ 5,630	\$ 4,126	\$ 96,390
Administration	\$ 21,984	\$ 3,604	\$ 152,015	\$ 177,603
Audit	\$ 4,241	\$ 431	\$ 710	\$ 5,382
Communications	\$ 11,182	\$ 5,449	\$ 1,346	\$ 17,977
Engineering		\$ (4)	\$ 105	\$ 101
Finance	\$ 204,857	\$ 11,153	\$ 272,911	\$ 488,921
Human Resources	\$ 38,936	\$ 8,166	\$ 3,312	\$ 50,414
Information Technology	\$ 124,493	\$ 15,045	\$ 214,432	\$ 353,970
Legal	\$ 10,780	\$ 2,277	\$ 3,248	\$ 16,305
Operations	\$ 3,373	\$ 18,908	\$ 8,705	\$ 30,986
Rates & Revenue	\$ 11,928	\$ 2,698	\$ 1,404	\$ 16,030
Risk Management	\$ 986	\$ 1,655	\$ 1,411	\$ 4,052
Water Quality	\$ (9,030)	\$ 370	\$ 15,957	\$ 7,297
<b>Total</b>	<b>\$ 510,364</b>	<b>\$ 75,382</b>	<b>\$ 679,682</b>	<b>\$ 1,265,428</b>

Outside Service Provider Category
Certified Public Accountant
Management Consultant
Certified Public Accountant
Management Consultant
Professional Engineer
Management Consultant
Certified Public Accountant
Management Consultant
IT Professional
Attorney
Management Consultant,
Professional Engineer
Certified Public Accountant
Management Consultant
Professional Engineer

Recap By Outside Provider	Exclusions From Hourly Rate Calculation			
	Contract Services	Travel Expenses	IT HW/SW	Total
Attorney	\$ 10,780	\$ 2,277	\$ 3,248	\$ 16,305
Management Consultant	\$ 272,958	\$ 26,643	\$ 430,185	\$ 729,786
Certified Public Accountant	\$ 108,025	\$ 14,262	\$ 10,674	\$ 132,961
IT Professional	\$ 124,493	\$ 15,045	\$ 214,432	\$ 353,970
Professional Engineer	\$ (5,892)	\$ 17,159	\$ 21,038	\$ 32,305
<b>Total</b>	<b>\$ 510,364</b>	<b>\$ 75,386</b>	<b>\$ 679,577</b>	<b>\$ 1,265,327</b>

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V – Question 2 – Provision of Services at the Lower of Cost or Market

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### Outside Service Provider Hourly Rates

The next step in the cost comparison was to obtain the average billing rates for each outside service provider. The source of this information and the determination of the average rates are described in the paragraphs that follow.

It should be noted that professionals working for three of the five outside provider categories may be licensed to practice by state regulatory bodies. However, not every professional working for these firms is licensed. For instance, among New York certified public accounting firms, only more experienced staff are predominantly CPAs (see table below). Some Service Company employees also have professional licenses. Thus, it is valid to compare the Service Company's hourly rates to those of the outside professional service providers included in this study.

Position	New York Average
Partners/Owners	94%
Directors (11+ years experience)	87%
Managers (6-10 years experience)	80%
Sr Associates (4-5 years experience)	39%
Associates (1-3 years experience)	13%
New Professionals	0%

Source: AICPA's National PCPS/TSCPA Management of an Accounting Practice Survey (2010)

### Attorneys

The New York State Bar does not survey its members as to their hourly billing rates. As a result, an estimate of New York hourly rates was developed from two surveys conducted by Lawyers Weekly in the states of Michigan and Massachusetts. As presented in Exhibit 5 (page 19), the average rate for each firm in these surveys was adjusted for the cost of living differential between their locations and Lynbrook, New York. The cost of living indices utilized in this analysis were obtained from the Council for Community and Economic Research, a membership organization created in 1961 to develop high quality regional economic data and analytical methods. The Lawyers Weekly surveys included rates in effect at December 31, 2009. Thus, the 2009 average rate was escalated to June 30, 2010—the midpoint of 2010.

### Management Consultants

The cost per hour for management consultants was developed from a 2010 survey performed by the Association of Management Consulting Firms—an industry trade organization. The survey includes rates that were in effect during 2009 for firms throughout the United States. Consultants typically do not limit their practice to any one region and must travel to a client's location. Thus, the U.S. national average is appropriate for comparison.

The first step in the calculation, presented in Exhibit 6 (page 20), was to determine an average rate by consultant position level. From these rates, a single weighted average hourly rate was calculated based upon the percent of time that is typically applied to a consulting assignment by each consultant position level. The 2009 average rate was escalated to June 30, 2010—the midpoint of 2010.

**V – Question 2 – Provision of Services at the Lower of Cost or Market**

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**Certified Public Accountants**

The average hourly rate for New York CPAs was developed from a 2010 survey performed by the American Institute of Certified Public Accountants (AICPA). The New York version of this survey was used to develop hourly rates for member firms in New York.

As shown in Exhibit 7 (page 21), a weighted average hourly rate was developed based on a set of accountant positions and a percent of time that is typically applied to an accounting assignment. This survey includes rate information in effect during 2009. Thus, the data had to be escalated to June 30, 2010—the midpoint of 2010.

**Information Technology Professionals**

The average hourly rate for information technology consultants and contractors was developed from Baryenbruch & Company, LLC IT industry hourly billing rate data. As shown in Exhibit 8 (page 22), that data was compiled and a weighted average was calculated based on a percent of time that is typically applied to an IT consulting assignment based on Baryenbruch & Company, LLC's experience.

**Professional Engineers**

The Company provided hourly rate information for outside engineering firms that could have been used by LIAW in 2010. As presented in Exhibit 9 (page 23), an average rate was developed for each engineering position level. Then, using a typical percentage mix of project time by engineering position, a weighted average cost per hour was calculated.

**Long Island American Water Company**  
**Estimated Billing Rates For New York Attorneys Based On**  
**Michigan and Massachusetts Attorney Billing Rates**

Billing rates during 2009		Billing Rate Range (A)					Average	Cost of Living Adjust (B)	Adjusted Rate
Firm	Location	Associate		Partner					
		Low	High	Low	High				
Dickinson Wright	Detroit, Mi	\$ 195	\$ 275	\$ 355	\$ 575	\$ 350	87%	\$ 400	
Dykema	Detroit, Mi	\$ 185	\$ 425	\$ 295	\$ 615	\$ 380	87%	\$ 435	
Butzel Long	Detroit, Mi	\$ 175	\$ 325	\$ 260	\$ 600	\$ 340	87%	\$ 389	
Jaffe Raitt Heuer & Weiss	Southfield, Mi	\$ 175	\$ 250	\$ 225	\$ 550	\$ 300	87%	\$ 343	
Brooks Kushman	Southfield, Mi	\$ 180	\$ 275	\$ 300	\$ 425	\$ 295	87%	\$ 338	
Kemp, Klein, Umphrey, Edelman	Troy, Mi	\$ 145	\$ 260	\$ 200	\$ 350	\$ 239	87%	\$ 273	
Rader, Fishman & Grauer	Bloomfield Hills, Mi	\$ 130	\$ 250	\$ 275	\$ 550	\$ 301	87%	\$ 345	
Williams, Williams, Rattner & Plunket	Birmingham, Mi	\$ 150	\$ 250	\$ 275	\$ 450	\$ 281	87%	\$ 322	
Abbott, Nicholson, Quilter, Esshaki,	Detroit, Mi	\$ 150	\$ 220	\$ 300	\$ 375	\$ 261	87%	\$ 299	
Parmenter O'Toole	Muskegon, Mi			\$ 125	\$ 275	\$ 200	79%	\$ 254	
Lipson, Neilson, Cole, Seltzer & Garir	Bloomfield Hills, Mi	\$ 185	\$ 235	\$ 225	\$ 300	\$ 236	87%	\$ 270	
Burns & Levinson	Boston, Ma	\$ 210	\$ 350	\$ 375	\$ 525	\$ 365	112%	\$ 327	
Sullivan & Worcester	Boston, Ma	\$ 290	\$ 535	\$ 475	\$ 830	\$ 533	112%	\$ 477	
Holland & Knight	Boston, Ma	\$ 215	\$ 450	\$ 445	\$ 800	\$ 478	112%	\$ 428	
Seyfarth Shaw	Boston, Ma	\$ 327	\$ 327	\$ 511	\$ 511	\$ 419	112%	\$ 375	
Bowditch & Dewey	Worcester, Ma	\$ 125	\$ 220	\$ 250	\$ 550	\$ 286	112%	\$ 256	
Prince Lobel	Boston, Ma	\$ 195	\$ 325	\$ 325	\$ 525	\$ 343	112%	\$ 307	
Hinckley, Allen & Snyder	Boston, Ma	\$ 205	\$ 395	\$ 360	\$ 645	\$ 401	112%	\$ 359	
Mirick O'Connell	Worcester, Ma	\$ 220	\$ 220	\$ 350	\$ 350	\$ 285	112%	\$ 255	
Lawson & Weitzen	Boston, Ma	\$ 125	\$ 225	\$ 225	\$ 450	\$ 256	112%	\$ 229	
Sunstein Kann Murphy Timbers	Boston, Ma	\$ 285	\$ 535	\$ 575	\$ 825	\$ 555	112%	\$ 497	
Keegan Werlin	Boston, Ma	\$ 200	\$ 300	\$ 300	\$ 475	\$ 319	112%	\$ 285	
Rich May	Boston, Ma	\$ 150	\$ 325	\$ 295	\$ 400	\$ 293	112%	\$ 262	
Anderson Kreiger	Cambridge, Ma	\$ 285	\$ 285	\$ 450	\$ 450	\$ 368	112%	\$ 329	
Bernkopf Goodman	Boston, Ma	\$ 205	\$ 395	\$ 375	\$ 550	\$ 381	112%	\$ 341	
Tarlow Breed Hart & Rodgers	Boston, Ma	\$ 225	\$ 365	\$ 375	\$ 495	\$ 365	112%	\$ 327	
Donoghue Barrett & Singal	Boston, Ma	\$ 225	\$ 390	\$ 350	\$ 450	\$ 354	112%	\$ 317	
Cesari and McKenna	Boston, Ma	\$ 150	\$ 400	\$ 425	\$ 525	\$ 375	112%	\$ 336	
Overall Average 2009 Billing Rate								\$ 335	
<u>Escalation to Test Period Midpoint (June 30, 2010) (Note B)</u>									
CPI at December 31, 2009								216.0	
CPI at June 30, 2010								218.0	
Inflation/Escalation								0.9%	
Average Hourly Billing Rate For Attorneys At June 30, 2010								<b>\$ 338</b>	

Note A: Source is Michigan Lawyers Weekly and Massachusetts Lawyers Weekly

Note B: Source is Council for Community and Economic Research. This percentage represents the cost of living difference between the Michigan and Massachusetts cities and Lynbrook, New York. A number over 100% indicates the Michigan or Massachusetts city's cost of living is higher than Lynbrook. A number less than 100% indicates Lynbrook's cost of living is higher.

**Long Island American Water Company  
Billing Rates of U.S. Management Consultants**

Survey billing rates in effect in 2009 (Note A)						
A. Calculation of Average Hourly Billing Rate by Consultant Position						
	Average Hourly Rates (Note A)					
	Entry-Level Consultant	Associate Consultant	Senior Consultant	Junior Partner	Senior Partner	
Average	\$ 155	\$ 215	\$ 279	\$ 328	\$ 413	
B. Calculation of Overall Average Hourly Billing Rate Based on a Typical Distribution of Time on an Engagement						
	Entry-Level Consultant	Associate Consultant	Senior Consultant	Junior Partner	Senior Partner	
Average Hourly Billing Rate (from above)	\$ 155	\$ 215	\$ 279	\$ 328	\$ 413	
Percent of Consulting Assignment	30%	30%	20%	10%	10%	Weighted Average
	\$ 46	\$ 64	\$ 56	\$ 33	\$ 41	<b>\$ 240</b>
Escalation to Test Period Midpoint (June 30, 2010) (Note B)						
						CPI at December 31, 2009
						216.0
						CPI at June 30, 2010
						218.0
						Inflation/Escalation
						0.9%
						<b>Average Hourly Billing Rate For CPAs At June 30, 2010</b>
						<b>\$ 243</b>

Note A: Source is "Operating Ratios For Management Consulting Firms, 2010 Edition," Association of Management Consulting Firms

Note B: Source is U.S. Bureau of Labor Statistics (<ftp://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt>)

**Long Island American Water Company  
Billing Rates Of New York Certified Public Accountants**

Survey billing rates were those in effect in 2009 (Note A)				
	Average Hourly Billing Rate (Note A)			
Type of Firm	Staff Accountant	Senior Accountant	Manager	Partner
Average Hourly Rate	\$ 101	\$ 151	\$ 220	\$ 275
B. Calculation of Overall Average Accountant Billing Rate Based Upon Typical Distribution of Time on an Engagement				
	Staff Accountant	Senior Accountant	Manager	Partner
Average Hourly Billing Rate (From Above)	\$ 101	\$ 151	\$ 220	\$ 275
Typical Percent of Time Spent on an Accounting Assignment	30%	30%	20%	20%
	\$ 30	\$ 45	\$ 44	\$ 55
				<b>\$ 175</b>
	<u>Escalation to Test Period Midpoint (June 30, 2010) (Note B)</u>			
			CPI at December 31, 2009	216.0
			CPI at June 30, 2010	218.0
			Inflation/Escalation	0.9%
			Average Hourly Billing Rate For CPAs At June 30, 2010	<b>\$ 176</b>

Note A: Source is AICPA's 2010 National PCPS/TSCPA Management of an Accounting Practice Survey (New York edition)

Note B: Source is US Bureau of Labor Statistics (<ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt>)

**Long Island American Water Company  
Billing Rates of Information Technology Professionals**

IT Resource Level	2010 Hourly Rate (A)	
Consultant Positions		
Senior Manager/Partner Consultant	\$	350
Staff/Manager Consultant	\$	245
Contractor Positions		
Senior Contractor	\$	145
Contractor	\$	63

Overall Average	2010 Rate	% of Project/Assignment	
Senior Manager/Partner Consultant	\$ 350	10%	\$ 35
Staff/Manager Consultant	\$ 245	30%	\$ 73
Senior Contractor	\$ 145	30%	\$ 44
Contractor	\$ 63	30%	\$ 19
<b>Weighted Average</b>			<b>\$ 171</b>

Note A: Source is Baryenbruch & Company, LLC

**Long Island American Water Company  
Billing Rates Of New York Engineers**

A. Calculation of Average Hourly Rate by Engineer Position				
Name of Firm	Average Hourly Billing Rates			
	Technician	Engineer	Project Manager	Officer
	Senior Technician	Design Engineer Project Engineer	Sr. Mgr. Engineer	Principal Engineer
Firm #1	\$73	\$101	\$130	\$155
Firm #2	\$67	\$81	\$127	\$162
Firm #3	\$78	\$100	\$123	\$163
Firm #4	\$73	\$72	\$127	\$165
Firm #5	\$58	\$73	\$132	\$171
Firm #6	\$68	\$95	\$136	\$173
Firm #7	\$80	\$98	\$149	\$182
Firm #8	\$94	\$87	\$141	\$184
Firm #9	\$73	\$70	\$141	\$185
Firm #10	\$87	\$112	\$168	\$190
Firm #11	\$78	\$97	\$148	\$199
Firm #12	\$85	\$90	\$144	\$200
Firm #13	\$93	\$109	\$144	\$200
Firm #14	\$77	\$109	\$146	\$205
Firm #15	\$108	\$126	\$168	\$208
Firm #16	\$68	\$96	\$153	\$208
Firm #17	\$76	\$118	\$167	\$209
Firm #18	\$95	\$115	\$176	\$210
Firm #19	\$91	\$126	\$184	\$217
Firm #20	\$114	\$154	\$203	\$225
Firm #21	\$85	\$122	\$193	\$225
Firm #22	\$60	\$83	\$95	NA
Firm #23	\$78	\$95	\$165	NA
Firm #24	\$91	\$119	\$177	\$195

B. Calculation of Overall Average Engineering Hourly Billing Rate					
	Technician	Engineer	Project Manager	Officer	Weighted Average
	Senior Technician	Design Engineer Project Engineer	Sr. Mgr. Engineer	Principal Engineer	
Average Hourly Billing Rate (From Above)	\$81	\$102	\$151	\$192	
Typical Percent of Time on an Engineering Assignment	30%	35%	25%	10%	
	\$24	\$36	\$38	\$19	<b>\$117</b>

Source: Information provided by American Water Works Service Company

V – Question 2 – Provision of Services at the Lower of Cost or Market

**Service Company versus Outside Provider Cost Comparison**

As shown in the table below, Service Company costs per hour are considerably lower than those of outside providers.

Service Provider	12 Months Ended December 31, 2010		
	Service Company	Outside Provider	Difference-- Service Co. Greater(Less) Than Outside
Attorney	\$ 220	\$ 338	\$ (118)
Management Consultant	\$ 152	\$ 243	\$ (91)
Certified Public Accountant	\$ 75	\$ 176	\$ (102)
IT Professional	\$ 147	\$ 171	\$ (24)
Professional Engineer	\$ 64	\$ 117	\$ (53)

Based on these cost per hour differentials and the number of managerial and professional services hours billed to LIAW during 2010, outside service providers would have cost \$2,391,733 more than the Service Company (see table below). Thus, on average, outside provider's hourly rates are 54% higher than those of the Service Company (\$2,391,733 / \$4,407,221).

Service Provider	12 Months Ended December 31, 2010		
	Hourly Rate Difference-- Service Co. Greater(Less) Than Outside	Service Company Hours Charged	Dollar Difference
Attorney	\$ (118)	511	\$ (60,256)
Management Consultant	\$ (91)	4,765	\$ (432,764)
Certified Public Accountant	\$ (102)	13,276	\$ (1,348,508)
IT Professional	\$ (24)	5,480	\$ (130,667)
Professional Engineer	\$ (53)	7,949	\$ (419,538)
Service Company Less Than Outside Providers			\$ (2,391,733)

It should be noted that the cost differential associated with using outside providers is even greater because exempt Service Company personnel do not charge more than 8 hours per day even when they work more. Outside providers generally charge clients for all hours worked. Thus, LIAW would have been charged by outside providers for overtime worked by Service Company personnel who are not paid for that time.

If LIAW were to use outside service providers rather than the Service Company for managerial and professional services, it would incur other additional expenses besides those associated with higher hourly rates. Managing outside firms who would perform almost 32,000 hours of work (more than 21 full-time equivalents at 1,500 "billable" hours per FTE per year) would add a significant workload to the existing LIAW management team. Thus, it would be necessary for LIAW to add at least one position to supervise the outside firms and ensure they delivered quality and timely services. The individuals that would fill this position would need a good understanding of each profession being managed. They must also have management experience and the authority necessary to give them credibility with the outside firms. As calculated in the table below, this position would add almost \$165,000 per year to LIAW's personnel expenses.

V – Question 2 – Provision of Services at the Lower of Cost or Market

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<u>Cost of Adding 1 Professional Position To LIAW's S</u>	
	<u>Total</u>
New Positions' Salary	\$ 100,000
Benefits (at 49.4%)	\$ 49,400
Office Expenses (15.2%)	\$ 15,200
Total Cost of One Position	\$ 164,600

Thus, the total effect on the ratepayers of LIAW of contracting all services now provided by Service Company would be an increase in their costs of \$2,556,333 (\$2,391,733 + \$164,600). Based on the results of this comparison, it is possible to conclude that the Service Company charged LIAW at the lower of cost or market for services provided during 2010.

VI - Question 3 - Reasonableness of Customer Accounts Services Costs

**Background**

Customer Accounts Services covers the following utility functions:

- Customer Call Center – customer calls/contact, credit, order taking/disposition, bill collection efforts, outage calls
- Call Center IT – maintenance of phone banks, voice recognition units, call center software applications, telecommunications
- Customer billing – bill printing, stuffing, and mailing
- Remittance processing – processing customer payments received in the mail
- Bill payment centers – locations where customers can pay their bills in person

It is difficult to compare the cost of the Service Company’s customer accounts services-related charges to LIAW with outside providers of the same services because survey data is proprietary and expensive to obtain. For this reason, LIAW’s charges from the Service Company for customer accounts services are compared to those of neighboring electric utilities because the data necessary to make such comparison is available to the public.

Neighboring electric utility cost information comes from the 2009 FERC Form 1 that each utility must file. FERC’s chart of accounts is defined in Chapter 18, Part 101 of the Code of Federal Regulations. FERC accounts that contain customer accounts services-related expenses are Account 903 Customer Accounts Expense – Records and Collection Expense and Account 905 Customer Accounts Expense – Miscellaneous Customer Accounts Expense. Exhibit 10 (pages 27-28) provides FERC’s definition of the type of expenses that should be recorded in these accounts.

In addition to the charges in these FERC accounts, labor-related overheads charged to the following FERC accounts must be added to the labor components of Accounts 903 and 905:

- Account 926 Employee Pension and Benefits
- Account 408 Taxes Other Than Income (employer’s portion of FICA)

**Comparison Group**

Electric utilities included in the comparison group are shown in the table below. These are companies whose FERC Form 1 show amounts for accounts 903 and 905.

New York	<ul style="list-style-type: none"> <li>• Central Hudson Gas &amp; Elect</li> <li>• Consolidated Edison</li> <li>• New York State Gas &amp; Elect</li> </ul>	<ul style="list-style-type: none"> <li>• Niagra Mohawk Power</li> <li>• Orange &amp; Rockland Utilities</li> <li>• Rochester Gas &amp; Elect</li> </ul>
Pennsylvania	<ul style="list-style-type: none"> <li>• Duquesne Light</li> <li>• Metropolitan Edison</li> <li>• PECO Energy</li> <li>• Pennsylvania Electric</li> </ul>	<ul style="list-style-type: none"> <li>• Pennsylvania Power</li> <li>• PPL Electric Utilities</li> <li>• West Penn Power</li> </ul>
New Jersey	<ul style="list-style-type: none"> <li>• Atlantic City Electric</li> <li>• Jersey Central Power</li> </ul>	<ul style="list-style-type: none"> <li>• Public Service Elect &amp; Gas</li> </ul>
Connecticut	<ul style="list-style-type: none"> <li>• Connecticut Light &amp; Power</li> </ul>	<ul style="list-style-type: none"> <li>• United Illuminating</li> </ul>
Massachusetts	<ul style="list-style-type: none"> <li>• Fitchburg Gas &amp; Electric</li> <li>• Massachusetts Electric</li> </ul>	<ul style="list-style-type: none"> <li>• Western Mass Electric</li> </ul>
Vermont	<ul style="list-style-type: none"> <li>• Central Vermont Pub Svc</li> </ul>	<ul style="list-style-type: none"> <li>• Green Mountain Power</li> </ul>

**Long Island American Water Company  
FERC Account Descriptions**

**903 – Customer Records and Collection Expenses**

This account shall include the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.

Labor

1. Receiving, preparing, recording and handling routine orders for service, disconnections, transfers or meter tests initiated by the customer, excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
2. Investigations of customers' credit and keeping of records pertaining thereto, including records of uncollectible accounts written off.
3. Receiving, refunding or applying customer deposits and maintaining customer deposit, line extension, and other miscellaneous records.
4. Checking consumption shown by meter readers' reports where incidental to preparation of billing data.
5. Preparing address plates and addressing bills and delinquent notices.
6. Preparing billing data.
7. Operating billing and bookkeeping machines.
8. Verifying billing records with contracts or rate schedules.
9. Preparing bills for delivery, and mailing or delivering bills.
10. Collecting revenues, including collection from prepayment meters unless incidental to meter reading operations.
11. Balancing collections, preparing collections for deposit, and preparing cash reports.
12. Posting collections and other credits or charges to customer accounts and extending unpaid balances.
13. Balancing customer accounts and controls.
14. Preparing, mailing, or delivering delinquent notices and preparing reports of delinquent accounts.
15. Final meter reading of delinquent accounts when done by collectors incidental to regular activities.
16. Disconnecting and reconnecting services because of nonpayment of bills.
17. Receiving, recording, and handling of inquiries, complaints, and requests for investigations from customers, including preparation of necessary orders, but excluding the cost of carrying out such orders, which is chargeable to the account appropriate for the work called for by such orders.
18. Statistical and tabulating work on customer accounts and revenues, but not including special analyses for sales department, rate department, or other general purposes, unless incidental to regular customer accounting routines.
19. Preparing and periodically rewriting meter reading sheets.
20. Determining consumption and computing estimated or average consumption when performed by employees other than those engaged in reading meters.

Materials and expenses

21. Address plates and supplies.
22. Cash overages and shortages.
23. Commissions or fees to others for collecting.
24. Payments to credit organizations for investigations and reports.
25. Postage.
26. Transportation expenses, including transportation of customer bills and meter books under centralized billing procedure.
27. Transportation, meals, and incidental expenses.
28. Bank charges, exchange, and other fees for cashing and depositing customers' checks.
29. Forms for recording orders for services, removals, etc.
30. Rent of mechanical equipment.

**Long Island American Water Company  
FERC Account Descriptions**

**905 – Miscellaneous Customer Accounts Expenses**

This account shall include the cost of labor, materials used and expenses incurred not provided for in other accounts.

Labor

1. General clerical and stenographic work.
2. Miscellaneous labor.

Materials and expenses

3. Communication service.
4. Miscellaneous office supplies and expenses and stationery and printing other than those specifically provided for in accounts 902 and 903.



VI - Question 3 - Reasonableness of Customer Accounts Services Costs

**LIAW Cost per Customer**

As calculated below, LIAW's 2010 customer account services expense per customer was \$24.96. The cost pool used to calculate this average includes charges for Service Company services (e.g., call center, billing, payment processing) and postage and forms expenses, which are incurred directly by LIAW. It was necessary to adjust the National Call Center charges because electric utilities experience an average of 2.50 calls per customer compared to American Water's 1.54 calls per customer. Thus, National Call Center expenses had to be increased, for comparison purposes, to reflect its costs at a 2.50 calls per customer level.

Long Island American Cost Per Customer		Year Ended 12/31/2010	Adjustment Fewer Calls For	
Cost Component		Service Co Charges	Water Cos. (A)	Adjusted
Service Company				
Call Centers	Call processing, order processing, credit, bill collection	\$ 1,041,448	\$ 280,193	\$ 1,321,642
Regional Offices		\$ 6,653		\$ 6,653
Operating Company	Customer payment processing			\$ 95,025 Note B
Operating Company	Postage & forms			\$ 423,805
Cost Pool Total				\$ 1,847,125
Total Customers				74,007
<b>12 Months Ended December 31, 2010 Cost Per LIAW Customer</b>				<b>\$ 24.96</b>

Note A: Adjustment for American Water's fewer calls per customer

This adjustment is necessary because water utilities experience fewer calls per customer than do electric utilities

Call handling expenses		\$ 450,139
Electric utility industry's avg calls/customer	2.50	
American Water's avg calls/customer	1.54	
Percent different	62%	62%
Total Adjustment		\$ 280,193

Note B: Estimated customer payment processing expenses

Number of customers	74,007
Number of payments/customer/year	12
Total payments processed/year	888,084
Bank charge per item	\$ 0.1070
Total estimated annual expense	\$ 95,025

**Electric Utility Group Cost per Customer**

Exhibit 11 (pages 31-34) shows the actual 2009 customer accounts expense per customer calculation for the electric utility comparison group. All of the underlying data was obtained from the utilities' FERC Form 1.

## VI - Question 3 - Reasonableness of Customer Accounts Services Costs

**Summary of Results**

As shown in the table below, LIAW's cost per customer is below the average cost of the neighboring electric utility comparison group. It can therefore be concluded that LIAW's 2010 customer accounts-related expenses, including those of the Alton and Pensacola Call Centers, assigned by the Service Company to LIAW were comparable to those of other utilities.

<b>Average Customer Accounts Expense Per Customer</b>	
West Penn Power	\$ 12.90
Pennsylvania Electric	\$ 15.59
Pennsylvania Power	\$ 16.65
Duquesne Light	\$ 16.83
Metropolitan Edison	\$ 16.98
Jersey Central Power	\$ 17.66
Central Vermont Pub Service	\$ 18.54
Green Mountain Power	\$ 22.76
<b>Long Island American Water</b>	<b>\$ 24.96</b>
PPL Electric Utilities	\$ 29.30
Rochester Gas & Electric	\$ 31.61
Niagra Mohawk Power	\$ 32.06
Western Mass Electric	\$ 33.67
Connecticut Light & Power	\$ 38.08
New York State Electric & Gas	\$ 40.86
Massachusetts Electric	\$ 41.63
<b>Comparison Group Average</b>	<b>\$ 45.57</b>
Fitchburg Gas & Electric	\$ 46.25
Central Hudson Gas & Electric	\$ 49.98
United Illuminating	\$ 52.78
Consolidated Edison	\$ 54.53
Orange & Rockland Utilities	\$ 58.04
PECO Energy	\$ 60.99
Atlantic City Electric	\$ 73.00
Public Service Electric & Gas	\$ 94.95

**Long Island American Water Company  
Comparison Group 2009 Customer Accounts Expense Per Customer**

	New York					
	Central Hudson Gas & Electric	Consolidated Edison	New York State Electric & Gas	Niagra Mohaw k Pow er	Orange & Rockland Utilities	Rochester Gas & Electric
<b>Customer Account Management Cost Pool</b>						
FERC Account Balances:						
Account 903 - Customer Records & Collection (page 322, line 161)	\$ 7,473,794	\$ 116,295,568	\$ 33,086,419	\$ 39,838,790	\$ 8,445,381	\$ 11,789,265
Account 905 - Misc Customer Accounts (page 322, line 163)	\$ 2,442,189	\$ 355,012	\$ 389,911	\$ 1,069,573	\$ 88,789	\$ 83,465
Subtotal	\$ 9,915,983	\$ 116,650,580	\$ 33,476,330	\$ 40,908,363	\$ 8,534,170	\$ 11,872,730
Add: Employee Benefits & Employer FICA (not included in above amounts)						
Account 926 - Employee Pension & Benefits <b>Note A</b>	\$ 3,628,517	\$ 54,133,608	\$ 248,623	\$ 2,224,149	\$ 3,785,341	\$ (1,131,464)
Account 408 - Taxes Other Than Income (Employer's Portion of FICA) <b>Note B</b>	\$ 553,629	\$ 7,968,797	\$ 2,037,841	\$ 360,402	\$ 642,347	\$ 717,653
<b>Total Cost Pool</b>	<b>\$ 14,098,128</b>	<b>\$ 178,752,985</b>	<b>\$ 35,762,794</b>	<b>\$ 43,492,914</b>	<b>\$ 12,961,858</b>	<b>\$ 11,458,919</b>
Total Customers (page 304, line 43)	282,069	3,277,855	875,290	1,356,403	223,336	362,510
<b>Customer Account Services Expense per Customer</b>	<b>\$ 49.98</b>	<b>\$ 54.53</b>	<b>\$ 40.86</b>	<b>\$ 32.06</b>	<b>\$ 58.04</b>	<b>\$ 31.61</b>
<b>Note A: Calculation of Pension &amp; Benefits Pertaining to Customer Account Mgmt</b>						
Account 926 - Employee Pension & Benefits (page 323, line 187)	\$ 28,917,048	\$ 309,686,425	\$ 1,320,903	\$ 94,953,663	\$ 28,030,935	\$ (6,292,595)
Total O&M Payroll (page 355, line 65)	\$ 57,674,266	\$ 595,918,020	\$ 141,526,577	\$ 201,128,526	\$ 62,178,617	\$ 52,172,554
Benefits as Percent of Payroll	50.1%	52.0%	0.9%	47.2%	45.1%	-12.1%
Payroll Applicable to Customer Account Services						
Total Payroll Charged to Customer Accounts Function						
Electric (page 354, line 7)	\$ 7,822,289	\$ 108,428,498	\$ 27,562,426	\$ -	\$ 7,755,378	\$ 6,783,478
Gas (page 354, line 37)	\$ 1,384,435	\$ 23,801,394	\$ 5,087,185	\$ 5,241,609	\$ 3,468,065	\$ 4,569,391
Total Payroll Charged to Customer Accounts	\$ 9,206,724	\$ 132,229,892	\$ 32,649,611	\$ 5,241,609	\$ 11,223,443	\$ 11,352,869
Percent Applicable to Customer Accounts Services (903 and 905):						
Account 903 - Customer Records & Collection (page 322, line 161)	\$ 7,473,794	\$ 116,295,568	\$ 33,086,419	\$ 39,838,790	\$ 8,445,381	\$ 11,789,265
Account 905 - Misc Customer Accounts (page 322, line 163)	\$ 2,442,189	\$ 355,012	\$ 389,911	\$ 1,069,573	\$ 88,789	\$ 83,465
Subtotal - Total Charges Applicable to Customer Accounts Services	\$ 9,915,983	\$ 116,650,580	\$ 33,476,330	\$ 40,908,363	\$ 8,534,170	\$ 11,872,730
Account 902 - Meter Reading Expenses (page 322, line 160)	\$ 2,698,913	\$ 31,425,607	\$ 7,554,188	\$ 4,606,263	\$ 2,873,026	\$ 2,495,495
Total Charges Applicable to Customer Accounts Svcs & Meter Reading	\$ 12,614,896	\$ 148,076,187	\$ 41,030,518	\$ 45,514,626	\$ 11,407,196	\$ 14,368,225
Percent Applicable to Customer Accounts Services (903 and 905)	78.6%	78.8%	81.6%	89.9%	74.8%	82.6%
Customer Account Services Portion of Total Payroll	\$ 7,236,978	\$ 104,167,280	\$ 26,638,444	\$ 4,711,137	\$ 8,396,697	\$ 9,381,086
Pension & Benefits Pertaining to Customer Accounts Services	\$ 3,628,517	\$ 54,133,608	\$ 248,623	\$ 2,224,149	\$ 3,785,341	\$ (1,131,464)
<b>Note B: Calculation of Employer's FICA Pertaining to Customer Accounts Services</b>						
Customer Account Services Portion of Total Payroll	\$ 7,236,978	\$ 104,167,280	\$ 26,638,444	\$ 4,711,137	\$ 8,396,697	\$ 9,381,086
Employer's Portion of FICA (6.20%) and Medicare (1.45%)	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Estimated Employer's Portion of FICA	\$ 553,629	\$ 7,968,797	\$ 2,037,841	\$ 360,402	\$ 642,347	\$ 717,653

**Long Island American Water Company  
Comparison Group 2009 Customer Accounts Expense Per Customer**

Pennsylvania							
	Duquesne Light	Metropolitan Edison	PECO Energy	Pennsylvania Electric	Pennsylvania Power	PPL Electric Utilities	West Penn Power
<b>Customer Account Management Cost Pool</b>							
FERC Account Balances:							
Account 903 - Customer Records & Collection (page 322, line 161)	\$ 7,251,333	\$ 8,147,866	\$ 54,108,164	\$ 8,285,931	\$ 2,345,167	\$ 29,834,173	\$ 7,062,895
Account 905 - Misc Customer Accounts (page 322, line 163)	\$ -	\$ 190,699	\$ 31,454,063	\$ 318,212	\$ 62,195	\$ 1,237,553	\$ -
Subtotal	\$ 7,251,333	\$ 8,338,565	\$ 85,562,227	\$ 8,604,143	\$ 2,407,362	\$ 31,071,726	\$ 7,062,895
Add: Employee Benefits & Employer FICA (not included in above amounts)							
Account 926 - Employee Pension & Benefits <b>Note A</b>	\$ 2,344,537	\$ 760,872	\$ 7,908,524	\$ 306,665	\$ 180,088	\$ 8,438,577	\$ 1,791,804
Account 408 - Taxes Other Than Income (Employer's Portion of FICA) <b>Note B</b>	\$ 484,798	\$ 234,290	\$ 1,945,506	\$ 276,430	\$ 69,299	\$ 1,445,946	\$ 369,311
<b>Total Cost Pool</b>	<b>\$ 10,080,668</b>	<b>\$ 9,333,728</b>	<b>\$ 95,416,257</b>	<b>\$ 9,187,238</b>	<b>\$ 2,656,750</b>	<b>\$ 40,956,249</b>	<b>\$ 9,224,010</b>
Total Customers (page 304, line 43)	598,969	549,818	1,564,433	589,201	159,558	1,397,730	714,966
<b>Customer Account Services Expense per Customer</b>	<b>\$ 16.83</b>	<b>\$ 16.98</b>	<b>\$ 60.99</b>	<b>\$ 15.59</b>	<b>\$ 16.65</b>	<b>\$ 29.30</b>	<b>\$ 12.90</b>
<b>Note A: Calculation of Pension &amp; Benefits Pertaining to Customer Account Mgmt</b>							
Account 926 - Employee Pension & Benefits (page 323, line 187)	\$ 19,609,439	\$ 7,369,188	\$ 43,788,734	\$ 2,761,682	\$ 1,285,130	\$ 40,413,365	\$ 17,716,168
Total O&M Payroll (page 355, line 65)	\$ 53,003,877	\$ 29,662,034	\$ 140,811,506	\$ 32,541,096	\$ 6,464,412	\$ 90,520,382	\$ 47,732,099
Benefits as Percent of Payroll	37.0%	24.8%	31.1%	8.5%	19.9%	44.6%	37.1%
Payroll Applicable to Customer Account Services							
Total Payroll Charged to Customer Accounts Function							
Electric (page 354, line 7)	\$ 9,501,076	\$ 5,050,243	\$ 24,534,887	\$ 6,047,880	\$ 1,444,650	\$ 20,125,865	\$ 8,201,891
Gas (page 354, line 37)	\$ -	\$ -	\$ 5,390,281	\$ -	\$ -	\$ -	\$ -
Total Payroll Charged to Customer Accounts	\$ 9,501,076	\$ 5,050,243	\$ 29,925,168	\$ 6,047,880	\$ 1,444,650	\$ 20,125,865	\$ 8,201,891
Percent Applicable to Customer Accounts Services (903 and 905):							
Account 903 - Customer Records & Collection (page 322, line 161)	\$ 7,251,333	\$ 8,147,866	\$ 54,108,164	\$ 8,285,931	\$ 2,345,167	\$ 29,834,173	\$ 7,062,895
Account 905 - Misc Customer Accounts (page 322, line 163)	\$ -	\$ 190,699	\$ 31,454,063	\$ 318,212	\$ 62,195	\$ 1,237,553	\$ -
Subtotal - Total Charges Applicable to Customer Accounts Services	\$ 7,251,333	\$ 8,338,565	\$ 85,562,227	\$ 8,604,143	\$ 2,407,362	\$ 31,071,726	\$ 7,062,895
Account 902 - Meter Reading Expenses (page 322, line 160)	\$ 3,620,208	\$ 5,411,680	\$ 15,118,763	\$ 5,796,694	\$ 1,431,801	\$ 2,013,136	\$ 4,936,672
Total Charges Applicable to Customer Accounts Svcs & Meter Reading	\$ 10,871,541	\$ 13,750,245	\$ 100,680,990	\$ 14,400,837	\$ 3,839,163	\$ 33,084,862	\$ 11,999,567
Percent Applicable to Customer Accounts Services (903 and 905)	66.7%	60.6%	85.0%	59.7%	62.7%	93.9%	58.9%
Customer Account Services Portion of Total Payroll	\$ 6,337,231	\$ 3,062,620	\$ 25,431,455	\$ 3,613,458	\$ 905,873	\$ 18,901,253	\$ 4,827,599
Pension & Benefits Pertaining to Customer Accounts Services	\$ 2,344,537	\$ 760,872	\$ 7,908,524	\$ 306,665	\$ 180,088	\$ 8,438,577	\$ 1,791,804
<b>Note B: Calculation of Employer's FICA Pertaining to Customer Accounts Services</b>							
Customer Account Services Portion of Total Payroll	\$ 6,337,231	\$ 3,062,620	\$ 25,431,455	\$ 3,613,458	\$ 905,873	\$ 18,901,253	\$ 4,827,599
Employer's Portion of FICA (6.20%) and Medicare (1.45%)	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
Estimated Employer's Portion of FICA	\$ 484,798	\$ 234,290	\$ 1,945,506	\$ 276,430	\$ 69,299	\$ 1,445,946	\$ 369,311

**Long Island American Water Company  
Comparison Group 2009 Customer Accounts Expense Per Customer**

	New Jersey			Connecticut		
	Atlantic City Electric	Jersey Central Power	Public Service Electric & Gas	Rockland Electric	Connecticut Light & Power	United Illuminating
<b>Customer Account Management Cost Pool</b>						
FERC Account Balances:						
Account 903 - Customer Records & Collection (page 322, line 161)	\$ 38,294,686	\$ 15,780,845	\$ 59,788,911	\$ 38,399,035	\$ 13,961,033	
Account 905 - Misc Customer Accounts (page 322, line 163)	\$ 34,267	\$ 439,305	\$ 111,203,742	\$ 7,027,977	\$ -	
Subtotal	\$ 38,328,953	\$ 16,220,150	\$ 170,992,653	\$ 45,427,012	\$ 13,961,033	
Add: Employee Benefits & Employer FICA (not included in above amounts)						
Account 926 - Employee Pension & Benefits <b>Note A</b>	\$ 1,358,237	\$ 2,528,439	\$ 28,017,852	\$ 290,623	\$ 2,698,280	
Account 408 - Taxes Other Than Income (Employer's Portion of FICA) <b>Note B</b>	\$ 189,708	\$ 572,212	\$ 6,309,076	\$ 118,428	\$ 486,853	
<b>Total Cost Pool</b>	<b>\$ 39,876,898</b>	<b>\$ 19,320,801</b>	<b>\$ 205,319,581</b>	<b>\$ 45,836,064</b>	<b>\$ 17,146,166</b>	
Total Customers (page 304, line 43)	546,236	1,093,885	2,162,345	1,203,701	324,865	
<b>Customer Account Services Expense per Customer</b>	<b>\$ 73.00</b>	<b>\$ 17.66</b>	<b>\$ 94.95</b>	See New York	<b>\$ 38.08</b>	<b>\$ 52.78</b>
<b>Note A: Calculation of Pension &amp; Benefits Pertaining to Customer Account Mgmt</b>						
Account 926 - Employee Pension & Benefits (page 323, line 187)	\$ 12,246,672	\$ 21,925,388	\$ 113,984,286	\$ 18,329,558	\$ 31,896,803	
Total O&M Payroll (page 355, line 65)	\$ 22,359,783	\$ 64,861,990	\$ 335,516,951	\$ 97,637,292	\$ 75,230,872	
Benefits as Percent of Payroll	54.8%	33.8%	34.0%	18.8%	42.4%	
Payroll Applicable to Customer Account Services						
Total Payroll Charged to Customer Accounts Function						
Electric (page 354, line 7)	\$ 2,772,357	\$ 12,317,288	\$ 49,701,550	\$ 1,653,342	\$ 8,955,597	
Gas (page 354, line 37)	\$ -	\$ -	\$ 41,062,287	\$ -	\$ -	
Total Payroll Charged to Customer Accounts	\$ 2,772,357	\$ 12,317,288	\$ 90,763,837	\$ 1,653,342	\$ 8,955,597	
Percent Applicable to Customer Accounts Services (903 and 905):						
Account 903 - Customer Records & Collection (page 322, line 161)	\$ 38,294,686	\$ 15,780,845	\$ 59,788,911	\$ 38,399,035	\$ 13,961,033	
Account 905 - Misc Customer Accounts (page 322, line 163)	\$ 34,267	\$ 439,305	\$ 111,203,742	\$ 7,027,977	\$ -	
Subtotal - Total Charges Applicable to Customer Accounts Services	\$ 38,328,953	\$ 16,220,150	\$ 170,992,653	\$ 45,427,012	\$ 13,961,033	
Account 902 - Meter Reading Expenses (page 322, line 160)	\$ 4,521,071	\$ 10,489,885	\$ 17,192,771	\$ 3,088,717	\$ 5,685,056	
Total Charges Applicable to Customer Accounts Svcs & Meter Reading	\$ 42,850,024	\$ 26,710,035	\$ 188,185,424	\$ 48,515,729	\$ 19,646,089	
Percent Applicable to Customer Accounts Services (903 and 905)	89.4%	60.7%	90.9%	93.6%	71.1%	
Customer Account Services Portion of Total Payroll	\$ 2,479,848	\$ 7,479,895	\$ 82,471,580	\$ 1,548,083	\$ 6,364,085	
Pension & Benefits Pertaining to Customer Accounts Services	\$ 1,358,237	\$ 2,528,439	\$ 28,017,852	\$ 290,623	\$ 2,698,280	
<b>Note B: Calculation of Employer's FICA Pertaining to Customer Accounts Services</b>						
Customer Account Services Portion of Total Payroll	\$ 2,479,848	\$ 7,479,895	\$ 82,471,580	\$ 1,548,083	\$ 6,364,085	
Employer's Portion of FICA (6.20%) and Medicare (1.45%)	7.65%	7.65%	7.65%	7.65%	7.65%	
Estimated Employer's Portion of FICA	\$ 189,708	\$ 572,212	\$ 6,309,076	\$ 118,428	\$ 486,853	

**Long Island American Water Company  
Comparison Group 2009 Customer Accounts Expense Per Customer**

	Massachusetts			Vermont	
	Fitchburg Gas & Electric	Massachusetts Electric	Western Mass Electric	Central Vermont Pub Service	Green Mountain Power
<b>Customer Account Management Cost Pool</b>					
FERC Account Balances:					
Account 903 - Customer Records & Collection (page 322, line 161)	\$ 1,204,356	\$ 34,482,297	\$ 6,374,384	\$ 2,620,312	\$ 1,701,897
Account 905 - Misc Customer Accounts (page 322, line 163)	\$ -	\$ 1,447,984	\$ 366,238	\$ 98,578	\$ 348,693
Subtotal	\$ 1,204,356	\$ 35,930,281	\$ 6,740,622	\$ 2,718,890	\$ 2,050,590
Add: Employee Benefits & Employer FICA (not included in above amounts)					
Account 926 - Employee Pension & Benefits <b>Note A</b>	\$ 100,571	\$ 3,850,028	\$ 46,817	\$ 470,634	\$ 111,738
Account 408 - Taxes Other Than Income (Employer's Portion of FICA) <b>Note B</b>	\$ 11,943	\$ 327,365	\$ 88,741	\$ 132,178	\$ 72,528
<b>Total Cost Pool</b>	<b>\$ 1,316,870</b>	<b>\$ 40,107,674</b>	<b>\$ 6,876,179</b>	<b>\$ 3,321,702</b>	<b>\$ 2,234,856</b>
Total Customers (page 304, line 43)	28,472	963,390	204,220	179,140	98,190
<b>Customer Account Services Expense per Customer</b>	<b>\$ 46.25</b>	<b>\$ 41.63</b>	<b>\$ 33.67</b>	<b>\$ 18.54</b>	<b>\$ 22.76</b>
<b>Note A: Calculation of Pension &amp; Benefits Pertaining to Customer Account Mgmt</b>					
Account 926 - Employee Pension & Benefits (page 323, line 187)	\$ 1,578,312	\$ 54,012,798	\$ 712,100	\$ 10,033,014	\$ 1,368,699
Total O&M Payroll (page 355, line 65)	\$ 2,450,086	\$ 60,034,828	\$ 17,644,084	\$ 36,833,880	\$ 11,613,281
Benefits as Percent of Payroll	64.4%	90.0%	4.0%	27.2%	11.8%
Payroll Applicable to Customer Account Services					
Total Payroll Charged to Customer Accounts Function					
Electric (page 354, line 7)	\$ 97,713	\$ 4,783,315	\$ 1,307,170	\$ 3,467,597	\$ 1,254,212
Gas (page 354, line 37)	\$ 63,138	\$ -	\$ -	\$ -	\$ -
Total Payroll Charged to Customer Accounts	\$ 160,851	\$ 4,783,315	\$ 1,307,170	\$ 3,467,597	\$ 1,254,212
Percent Applicable to Customer Accounts Services (903 and 905):					
Account 903 - Customer Records & Collection (page 322, line 161)	\$ 1,204,356	\$ 34,482,297	\$ 6,374,384	\$ 2,620,312	\$ 1,701,897
Account 905 - Misc Customer Accounts (page 322, line 163)	\$ -	\$ 1,447,984	\$ 366,238	\$ 98,578	\$ 348,693
Subtotal - Total Charges Applicable to Customer Accounts Services	\$ 1,204,356	\$ 35,930,281	\$ 6,740,622	\$ 2,718,890	\$ 2,050,590
Account 902 - Meter Reading Expenses (page 322, line 160)	\$ 36,488	\$ 4,232,067	\$ 855,140	\$ 2,737,697	\$ 662,122
Total Charges Applicable to Customer Accounts Svcs & Meter Reading	\$ 1,240,844	\$ 40,162,348	\$ 7,595,762	\$ 5,456,587	\$ 2,712,712
Percent Applicable to Customer Accounts Services (903 and 905)	97.1%	89.5%	88.7%	49.8%	75.6%
Customer Account Services Portion of Total Payroll	\$ 156,121	\$ 4,279,278	\$ 1,160,007	\$ 1,727,823	\$ 948,082
Pension & Benefits Pertaining to Customer Accounts Services	\$ 100,571	\$ 3,850,028	\$ 46,817	\$ 470,634	\$ 111,738
<b>Note B: Calculation of Employer's FICA Pertaining to Customer Accounts Services</b>					
Customer Account Services Portion of Total Payroll	\$ 156,121	\$ 4,279,278	\$ 1,160,007	\$ 1,727,823	\$ 948,082
Employer's Portion of FICA (6.20%) and Medicare (1.45%)	7.65%	7.65%	7.65%	7.65%	7.65%
Estimated Employer's Portion of FICA	\$ 11,943	\$ 327,365	\$ 88,741	\$ 132,178	\$ 72,528

Group Average
\$ 854,739,290
18,756,582
\$ 45.57

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## VI - Question 4 – Need for Service Company Services

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### Analysis of Services

The final aspect of this study was an assessment of whether the services that are provided to LIAW by the Service Company would be necessary if LIAW were a stand-alone water utility. The first step in this evaluation was to determine specifically what the Service Company does for LIAW. Based on discussions with Service Company personnel, the matrix in Exhibit 12 (pages 36-38) was created showing which entity—LIAW or a Service Company location—is responsible for each of the functions LIAW requires to ultimately provide service to its customers. This matrix was reviewed to determine: (1) if there was redundancy or overlap in the services being provided by the Service Company and (2) if Service Company services are typical of those needed by a stand-alone water utility.

Upon review of Exhibit 12, the following conclusions can be drawn:

- The services that the Service Company provides are necessary and would be required even if LIAW were a stand-alone water utility.
- There is no redundancy or overlap in the services provided by the Service Company to LIAW. For all of the services listed in Exhibit 12, there was only one entity that was primarily responsible for the service.

**Long Island American Water Company  
Designation Of Responsibility For Water Utility Functions**

Water Company Function	LIAW	Performed By:					
		American Water Service Company					
		Customer Call Center	Eastern Division	Shared Services	Central Services	IT Service Centers	Supply Chain
<b>Engineering and Construction Management</b>							
CPS Preparation	S				P		
Five-Year System Planning	P		S				
Engineering Standards & Policies Development					P		
Project Design							
Major Projects (e.g., new treatment plant)	P				S		
Special Projects	P		S		S		
Minor Projects (e.g., pipelines)	P						
Construction Project Management							
Major Projects	P		S				
Special Projects	P		S				
Minor Projects	P						
Hydraulics Review	P		S				
Developers Extensions	P						
Tank Painting	P		S				
<b>Water Quality and Purification</b>							
Water Quality Standards Development			S		P		S
Research Studies	S		S		P		S
Water Quality Program Implementation	P		S		S		
Water Treatment Operations & Maintenance	P		S				
Compliance Sampling	P		S				S
Testing/Other Sampling	S		S				P
<b>Transmission and Distribution</b>							
Preventive Maintenance Program Development	P						
System Maintenance	P						
Leak Detection	S		P				
<b>Customer Service</b>							
Community Relations	P		S		S		
Customer Contact	S	P					
Call Processing		P					
Service Order Processing	S	P					
Customer Credit		P					
Meter Reading	P						
Customer Bill Preparation						P	
Bill Collection	S	P					
Customer Payment Processing	S			P			
Meter Standards Development			S		P		
Meter Testing, Maintenance & Replacement	P						

**Long Island American Water Company  
Designation Of Responsibility For Water Utility Functions**

Water Company Function	LIAW	Performed By:							
		American Water Service Company							
		Customer Call Center	Eastern Division	Shared Services	Central Services	IT Service Centers	Supply Chain	Belleville Lab	
<b>Financial Management</b>									
Financial Planning	P		S		S				
Financings--Equity	S				S				
Financings--Long Term Debt & Preferred (Note A)	S		S						
Short Term Lines of Credit Arrangements(Note A)	S		S						
Investor Relations					P				
Insurance Program Administration			S		P				
Loss Control/Safety Program Administration	S		P		S				
Pension Fund Asset Management					P				
Cash Management/Disbursements				P					
<b>Internal Auditing</b>					P				
<b>Budgeting and Variance Reporting</b>									
Corporate Guidelines & Instructions					P				
Regional Guidelines & Instructions			P						
Budget Preparation									
Revenue and O&M	P								
Depreciation and Interest Expense	P		S	S					
Budget Preparation--Service Company Charges		S	S	S	S	S	S	S	S
Capital Budget Preparation—Projects	P		S						
Capital Budget Preparation—Non-Project Work	P		S						
Prepare Monthly Budget Variance Report (“Budget/Plan Analysis”)	P		S						
Prepare Capital Project Budget Status Report	P		S						
Year-End Projections	P		S						
<b>Accounting and Taxes</b>									
Accounts Payable Accounting	S			P					
Payroll Accounting	S			P					
Work Order Accounting	S		S	P					
Fixed Asset Accounting	S		S	P					
Journal Entry Preparations--Billing Corrections	S		S	P					
Journal Entry Preparation--All Others	S		S	P					
Financial Statement Preparation	S		S	P					
State Commission Reporting	S		S	P					
Income Taxes--State				P					
Income Taxes--Federal				P					
Property Taxes			S	P					
Gross Receipts (Tow n) Taxes	S		S	P					

Note A: Lines of credit are the responsibility of American Water Capital Corporation (“AWCC”). AWCC is also responsible for Corporate financings which may be distributed to the regulated subsidiaries.

**Long Island American Water Company  
Designation Of Responsibility For Water Utility Functions**

Water Company Function	LIAW	Performed By:						
		American Water Service Company						
		Customer Call Center	Eastern Division	Shared Services	Central Services	IT Service Centers	Supply Chain	Belleville Lab
<b>Rates</b>								
Rate Studies & Tariff Change Administration	S		P	S				
Rate Case Planning and Preparation	S		P	S				
Rate Case Administration	S		P					
Commission Inquiry Response	S		P					
<b>Legal</b>			P		S			
<b>Purchasing and Materials Management – National (pipe, chemicals, meters, etc.)</b>								
Specification Development	S		S		P		S	
Bid Solicitation	S						P	
Contract Administration	S						P	
<b>Purchasing and Materials Management – State (state supplier service agreements)</b>								
Specification Development	P		S					
Bid Solicitation	P							
Contract Administration	P							
Ordering	P							
Inventory Management	P							
<b>Human Resources Management</b>								
Benefit Program Development			S		P			
Benefits Program Administration			P	S				
Management Compensation Administration			P		S			
Wage & Salary Program Design			S		P			
Wage & Salary Administration			P		S			
Labor Negotiations--Wages	P		S					
Labor Negotiations--Benefits	P		S		S			
Labor Negotiations-- Work Rules	P		S					
Training Program Development			P		S			
Training--Course Delivery			P					
Affirmative Action/EEO--Plan Development			P					
Affirmative Action/EEO--Implementation			P					
<b>Information Systems Services</b>								
Service Company Data Centers								
System Operations & Maintenance						P		
Software Maintenance						P		
Network Administration						P		
PC Acquisition & Support	S					P		
Help Desk						P		

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## VI - Question 4 – Need for Service Company Services

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### Governance Practices Associated With Service Company Charges

There are several ways by which LIAW exercises control over Service Company services and charges. The most important of these are described below.

- **LIAW Company Board Oversight** – The LIAW board of directors includes the Senior Vice President of Eastern Division, the Vice President of Finance for the Eastern Division, a member of the LIAW management team and an external business and community leader. This diverse board ensures that LIAW's needs are a factor in the delivery of Service Company services. The LIAW Board meets at a minimum of four times each year and at every meeting financial and operational reports and issues are discussed at length.
- **LIAW President Oversight** – The LIAW President is responsible for the overall performance of LIAW, including services and charges received from the American Water Service Company. The President of LIAW has previously served as a board member on the service company's board of directors (see the section for Service Company Board Oversight below for further discussion). In addition, as part of the overall management team of American Water through the President of Regulated Operations and the Senior Vice President of Eastern Division, LIAW's President has a significant voice in major business decisions of American Water and has the ability to monitor Service Company performance quality and spending as LIAW's President is one of seven direct reports to the Senior Vice President of Eastern Division.
- **LIAW Vice President and Treasurer** – The Vice President and Treasurer is responsible for the financial reporting, performance and regulatory matters of the LIAW. The Vice President and Treasurer monitors the performance, expense and reporting from the Service Company and verifies and validates the cost of services received. In addition, the Vice President and Treasurer through the Financial Planning and Analysis staff reviews the monthly charges and investigates whenever the amount, quality and/or services are appropriate.
- **Service Company Board Oversight** – The Service Company Board of Directors is comprised of 16 members, of which the President of the Eastern Division is on it. They typically meet four times a year to provide governance on the activities and bylaws of Service Company. Their primary responsibilities include:
  - Approve the Business Plan and Operating Budget
  - Review Financial Performance of the Service Center
  - Review performance metrics of certain functional groups
  - Approve policy, procedures and practices of AW as it relates to Service Company.
- **Service Company Budget Review/Approval** – Several state regulated water utility presidents serve on the Service Company board of directors and that board must formally approve the budget for Service Company charges for the next year. State presidents serve on a rotational basis and LIAW president served as a board member in 2009. These budgeted charges are consolidated with the operating company's own spending into an overall budget which must be approved by the individual operating company's board of directors (e.g., LIAW).
- **Major Project Review And Approval** – Major non-capital projects undertaken by the Service Company must first be reviewed by American Water's Executive Leadership Team, which includes the President of Regulated Operations. The President of Regulated Operations, with significant input from his direct reports (including the Senior Vice President of Eastern Division), has the ability to impact all new initiatives and projects before they are authorized. Major non-capital projects and initiatives for the

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## VI - Question 4 – Need for Service Company Services

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Service Company are approved through the Business Plan. All significant business initiatives (capital or non-capital) are required to be submitted to the “BATT” (Business and Technology Team) committee for final approval. The “BATT” team is comprised of C-level executive members (CEO, CFO, etc.).

- **Capital Investment Management (CIM)** – CIM covers capital and asset planning and is employed throughout American Water, including the Service Company. CIM provides a full range of governance practices, including a formal protocol for assessing system needs, prioritizing expenditures, managing the capital program, approving project spending, delivering projects and measuring outputs. CIM ensures that:
  - Capital expenditure plans are aligned with the strategic intent of the business
  - The impact of capital expenditure and income plans are fully reflected in operating expense plans
  - The impacts of these plans are understood and affordable
  - Effective controls are in place over budgets (through business plans) and individual capital projects (through appropriate authorization thresholds, management and reporting processes).

The CIM process was designed to optimize the effectiveness of asset investment.

- **Accounting and Financial Reporting** – Similar to the states, the Service Company follows the same accounting and financial reporting processes. During the month accounting transactions are recorded. At month end, the SSC and Service Company Finance teams review all transactions. Variance analyses are performed based on month to month actual as well as actual to budget to ensure accuracy. Once completed, the service company bill is run and the actuals are “pushed down” based on direct charges and allocations to the states based on predetermined formulas. A conference call is scheduled before the operating companies close their books each month to discuss Service Company performance. This is based at a functional level with explanation reported for those expense variances that meet or exceed certain thresholds. At this time, the operating companies may question expenses and spending for better understanding of results. LIAW Financial Performance and Analysis (FP&A) personnel review the monthly Service Company bill for accuracy and reasonableness on a monthly basis. Any mistakes or overcharges are credited on a subsequent billing.
- **LIAW Company Budget Variance Reporting** – The “Budget/Plan Analysis,” produced monthly by each operating company, has line items for Management Fees and Shared Service Expense (i.e., IT, Call Center, etc.). In this way, Service Company budget versus actual charges as charged to the operating company can be monitored and reviewed for the month and year-to-date as compared to prior year, plan and reforecast.

Long Island American Water

Index to Exhibits

<u>Exhibit</u>	<u>Witness Responsible</u>	<u>Schedule Name</u>
1	Watkins	Comparative Balance Sheet
2	Watkins	Comparative Statement of Income
3	Watkins	Comparative Statement of Retained Earnings
4	Watkins	Comparative Statement of Operating Revenue
5	Watkins	Comparative Statement of Operation and Maintenance Expenses
6	Watkins	Comparative Statement of Taxes Charged to Operations
7	Watkins	Capital Structure and Capitalization Ratios
8	Kern	Committed Construction
9	Watkins/Casillo/ Engle/Bozman/ Conroy/Burke	Operating Forecast for the Twelve Months Ended December 31, 2010, 2011, 2012 and March 31, 2013
10	Watkins	Rate Base
11	Engle	Tariff Comparison - Present vs. Proposed Rates
12	See Index	Workpapers
13	Varley	PSC Complaint History

**Comparative Balance Sheet**

Long Island American Water  
 Case 11-W-\_\_\_\_\_  
 Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 1  
 Page 1 of 2

Line No.	Account No.	Account Title	Balance As Of			
			12/31/2010	12/31/2009	12/31/2008	12/31/2007
1		Assets and Other Debits				
2						
3		<u>Utility Plant</u>				
4	101	Water Plant in Service	\$163,785,595	\$155,850,310	\$146,541,690	\$135,630,646
5	108	Reserve for Depreciation of Water Plant	(46,722,931)	(44,091,938)	(42,517,869)	(40,590,036)
6	105	Water Plant Held for Future Use	110,933	110,933	110,933	110,933
7	107	Construction Work in Progress	10,151,175	3,055,445	2,586,933	2,426,050
8	114/115	Water Plant Acquisition Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9						
10		Net Utility Plant	<u>127,324,772</u>	<u>114,924,749</u>	<u>106,721,687</u>	<u>97,577,593</u>
11						
12		<u>Other Property &amp; Investments</u>				
13	121	Other Physical Property	<u>63,368</u>	<u>63,368</u>	<u>63,368</u>	<u>63,368</u>
14						
15		Total Other Property and Investments	<u>63,368</u>	<u>63,368</u>	<u>63,368</u>	<u>63,368</u>
16						
17		<u>Current and Accrued Assets</u>				
18	131	Cash	111,372	101,428	105,621	156,227
19	132/134	Special Deposits	0	0	0	0
20	142	Customer Accounts Receivable	2,800,881	2,446,691	2,296,940	3,114,898
21	143/146	Other Accounts Receivable	134,001	129,155	(623,018)	43,783
22	144	Accum. Provision for Uncollectible Accounts	(227,221)	(122,406)	(275,213)	(440,849)
23	151-163	Materials and Supplies	609,210	618,213	658,067	586,465
24	165	Prepayments	1,338,368	621,909	643,281	603,093
25	173	Accrued Utility Revenue	<u>2,260,531</u>	<u>2,242,542</u>	<u>2,338,989</u>	<u>4,023,883</u>
26						
27		Total Current and Accrued Assets	<u>7,027,143</u>	<u>6,037,532</u>	<u>5,144,667</u>	<u>8,087,500</u>
28						
29		<u>Deferred Debits</u>				
30	181	Unamortized Debt Discount and Expense	2,408,104	2,165,068	1,923,189	2,024,470
31	183	Preliminary Survey Charges	44,099	169,799	329,179	421,199
32	184	Clearing Accounts	0	0	0	0
33	186	Other Deferred Debits	<u>11,028,977</u>	<u>10,887,254</u>	<u>8,669,508</u>	<u>8,033,312</u>
34						
35		Total Deferred Debits	<u>13,481,180</u>	<u>13,222,121</u>	<u>10,921,876</u>	<u>10,478,981</u>
36						
37		Total Assets and Other Debits	<u>\$147,896,463</u>	<u>\$134,247,771</u>	<u>\$122,851,598</u>	<u>\$116,207,442</u>
38						
39						
40						

**Comparative Balance Sheet**

Long Island American Water  
 Case 11-W-\_\_\_\_\_  
 Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 1  
 Page 2 of 2

Line No.	Account Title	Balance As Of			
		12/31/2010	12/31/2009	12/31/2008	12/31/2007
1	Liabilities and Other Credits				
2	<u>Capital Stock</u>				
3	201 Common Capital Stock	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
4	204 Preferred Capital Stock	1,125,000	1,125,000	1,125,000	1,125,000
5	211 Paid In Capital	17,578,392	15,546,306	10,517,585	10,500,000
6					
7	Total Capital Stock	<u>28,703,392</u>	<u>26,671,306</u>	<u>21,642,585</u>	<u>21,625,000</u>
8					
9	<u>Retained Earnings</u>				
10	216 Retained Earnings	19,245,988	18,194,223	16,911,964	15,982,257
11					
12	<u>Long-Term Debt</u>				
13	221/224 Long Term Debt	58,749,000	48,865,000	38,920,000	38,920,000
14					
15	<u>Current and Accrued Liabilities</u>				
16	231/233 Notes Payable	2,536,853	7,375,936	15,525,367	14,083,364
17	232/234 Accounts Payable	1,292,340	1,094,346	1,521,341	913,729
18	235 Customer Deposits	0	0	0	0
19	236 Taxes Accrued	5,524,132	82,173	2,084,635	1,237,009
20	237 Interest Accrued	629,640	599,765	557,627	557,629
21	238 Dividends Declared	12,656	12,656	12,516	12,516
22	241/242 Other Accrued Liabilities	1,301,724	968,703	1,236,911	1,220,761
23					
24	Total Current and Accrued Liabilities	<u>11,297,346</u>	<u>10,133,580</u>	<u>20,938,397</u>	<u>18,025,008</u>
25					
26	<u>Deferred Credits</u>				
27	252/271 Customer Advances for Construction	164,140	363,111	398,667	261,553
28	253 Other Deferred Credits	9,334,266	7,953,295	9,680,568	8,212,778
29					
30	Total Deferred Credits	<u>9,498,406</u>	<u>8,316,405</u>	<u>10,079,235</u>	<u>8,474,331</u>
31					
32	<u>Reserves</u>				
33	255 Reserve for Def. Invest Tax Credits	268,822	283,822	298,822	313,822
34	265 Miscellaneous Operating Reserve	60,425	38,169	0	0
34	282/283 Reserves for Deferred Income Tax	20,073,083	21,745,265	14,060,595	12,867,024
35					
36	Total Reserves	<u>20,402,330</u>	<u>22,067,256</u>	<u>14,359,417</u>	<u>13,180,846</u>
37					
38	Total Liabilities & Other Credits	<u>\$147,896,463</u>	<u>\$134,247,771</u>	<u>\$122,851,598</u>	<u>\$116,207,442</u>
39					
40					

**Comparative Statement of Income**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. M. Watkins**

**Base Year: Twelve Months Ended: 12/31/10**  
**Exhibit 2**  
**Page 1 of 1**

Line No.	Account No.	Account Title	Twelve Months Ended			
			12/31/2010	12/31/2009	12/31/2008	12/31/2007
1		Utility Operating Income				
2	400	Operating Revenues	\$47,550,469	\$46,757,882	\$46,327,198	\$39,562,110
3						
4		Operating Revenue Deductions:				
5	401	Operating Expense	18,926,973	17,816,895	18,004,436	17,797,548
6	402	Maintenance Expense	2,983,243	2,831,573	2,834,267	3,066,944
7	403	Depreciation Expense	3,364,694	3,305,570	3,276,978	2,994,688
8	404-407	Amortization Expense	10,529	10,617	53,761	525
9	408	Taxes Other Than Income Taxes	11,431,745	11,539,950	12,673,073	12,689,517
11	409	Federal and State Income Taxes	3,438,837	3,491,460	2,868,785	(996,194)
10	412.2	Amortization of Investment Tax Credit	(15,000)	(15,000)	(15,000)	(15,000)
12		Total Operating Expenses	<u>40,141,020</u>	<u>38,981,064</u>	<u>39,696,300</u>	<u>35,538,028</u>
13						
14		Total Utility Operating Income	<u>7,409,449</u>	<u>7,776,818</u>	<u>6,630,898</u>	<u>4,024,082</u>
15						
16		Other Income				
17	419	Interest and Dividend Income	0	0	105,272	251,356
18	420	AFUDC - Debt/Equity	656,504	200,205	179,459	169,583
19	415-417/421	Miscellaneous Non-Operating Income	0	14,324	515,718	12,362
20	422	Gain (Loss) from Disposition of Property	0	0	0	0
21		Total Other Income	<u>656,504</u>	<u>214,529</u>	<u>800,449</u>	<u>433,301</u>
22						
23		Gross Income	<u>8,065,953</u>	<u>7,991,346</u>	<u>7,431,347</u>	<u>4,457,383</u>
24						
25		Income Deductions				
26	427	Interest on Long Term Debt	2,897,812	2,318,338	2,276,199	2,276,509
27	428	Amortization of Debt Discount	114,131	102,235	101,279	101,279
28	431	Other Interest Charges	351,621	505,931	1,052,031	1,568,426
29	426	Miscellaneous Income Deductions	0	0	0	(2,654)
30	425	Amort. Of Plant Acq. Adjustments	0	0	0	0
31	409	Federal and State Income Taxes on Other Inc	-	5,817	38,006	935,776
32		Total Income Deductions	<u>3,363,564</u>	<u>2,932,321</u>	<u>3,467,515</u>	<u>4,879,336</u>
33						
34		Net Income	<u>\$4,702,390</u>	<u>\$5,059,025</u>	<u>\$3,963,832</u>	<u>(\$421,953)</u>
35						

**Comparative Statement of Retained Earnings**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. M. Watkins**

**Base Year: Twelve Months Ended: 12/31/10**  
**Exhibit 3**  
**Page 1 of 1**

Line No. Description	Twelve Months Ended			
	12/31/2010	12/31/2009	12/31/2008	12/31/2007
1				
2				
3 Balance at beginning of Period	\$18,194,223	\$16,911,964	\$15,982,257	\$16,454,835
4				
5 <u>Add</u>				
6 Net Income for Period	4,702,390	5,059,025	3,963,832	(421,953)
7 Adjustment to Retained Earnings	0	0	0	0
8				
9 <u>Deduct</u>				
10 Declaration of Preferred Stock Dividends	50,625	50,766	50,625	50,625
11 Declaration of Common Stock Dividends	3,600,000	3,726,000	2,983,500	0
12 Adjustment to Retained Earnings	0	0	0	0
13 Adjustment for Prior Years Pension Liabilities	0	0	0	0
14				
15 Balance at End of Period	<u>\$19,245,988</u>	<u>\$18,194,223</u>	<u>\$16,911,964</u>	<u>\$15,982,257</u>
16				
17				
18				
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32				
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35				

**Comparative Statement of Operating Revenue**

Long Island American Water  
 Case 11-W-\_\_\_\_\_  
 Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 4  
 Page 1 of 1

Line No.	Account No.	Sales of Water	Twelve Months Ended			
			12/31/2010	12/31/2009	12/31/2008	12/31/2007
1						
2						
3		<u>Metered Sales</u>				
4	461 Residential	\$35,608,267	\$35,482,808	\$34,390,217	\$29,173,804	
5	461 Commercial	5,821,192	5,587,230	5,700,158	5,172,388	
6	461 Industrial	294,563	256,115	270,849	204,471	
7	464 Other Public Authority	1,649,858	1,596,570	1,836,904	1,172,234	
8	466 Sales for Resale	0	0	0	0	
9						
10	Total Metered Sales	<u>43,373,881</u>	<u>42,922,723</u>	<u>42,198,128</u>	<u>35,722,897</u>	
11						
12						
13		<u>Fire Protection</u>				
14	462 Private	1,028,993	799,312	955,690	858,336	
15	463 Public	2,956,109	2,868,322	2,945,250	2,752,857	
16						
17	Total Fire Protection	<u>3,985,102</u>	<u>3,667,634</u>	<u>3,900,940</u>	<u>3,611,193</u>	
18						
19	Total Sales of Water	<u>47,358,983</u>	<u>46,590,357</u>	<u>46,099,068</u>	<u>39,334,090</u>	
20						
21						
22		<u>Other Water Revenue</u>				
23	471.1 Reconnection Charges	31,390	33,150	31,425	21,575	
24	471.2 Other Miscellaneous Service Revenue	160,096	134,375	196,705	206,445	
25						
26	Total Operating Revenues	<u>\$47,550,469</u>	<u>\$46,757,882</u>	<u>\$46,327,198</u>	<u>\$39,562,110</u>	
27						
28						
29						
30						
31						
32						
33						
34						
35						

**Comparative Statement of Operation and Maintenance Expenses**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. M. Watkins**

**Base Year: Twelve Months Ended: 12/31/10**  
**Exhibit 5**  
**Page 1 of 3**

Line No.	Account No.	Account Title	Twelve Months Ended			
			12/31/2010	12/31/2009	12/31/2008	12/31/2007
1						
2		<u>Source of Supply</u>				
3	600	Supervision & Engineering	\$0	\$0	\$0	\$0
4	601	Labor Expenses	190,764	162,412	127,913	147,557
5	602	Purchased Water	0	0	0	0
6	603	Miscellaneous Expenses	406	0	682	1,765
7						
8		Total Source of Supply	<u>191,170</u>	<u>162,412</u>	<u>128,595</u>	<u>149,322</u>
9						
10		<u>Pumping</u>				
11	620	Supervision & Engineering	234,289	257,191	222,682	224,209
12	621	Fuel for Power Production	325,385	313,940	452,221	218,184
13	622	Power Production Labor & Expense	0	0	0	0
14	623.1	Fuel for Power Purchased for Pumping	2,386,612	2,153,626	2,319,771	2,306,729
15	624	Pumping Labor & Expense	1,335,901	1,177,011	1,174,597	1,158,216
16	626/627	Miscellaneous Expenses	147,208	120,073	138,936	148,662
17						
18		Total Pumping	<u>4,429,396</u>	<u>4,021,841</u>	<u>4,308,207</u>	<u>4,056,000</u>
19						
20		<u>Water Treatment</u>				
21	640	Supervision & Engineering	226,727	237,844	233,811	233,319
22	641	Chemicals	1,131,852	976,089	764,746	691,053
23	642	Labor Expenses	239,303	288,957	270,554	304,204
24	643/644	Miscellaneous Expenses	59,233	53,686	75,235	38,213
25						
26		Total Water Treatment	<u>1,657,115</u>	<u>1,556,577</u>	<u>1,344,346</u>	<u>1,266,789</u>
27						
28		<u>Transmission &amp; Distribution</u>				
29	660	Supervision & Engineering	89,433	102,798	100,978	106,265
30	661	Storage Facilities Expense	18,130	0	0	646
31	662	Transmission & Distribution Lines	229,510	197,546	194,591	190,414
32	663	Meter Expenses	52,259	37,749	45,285	169,124
33	664	Customer Installation Expense	149,022	110,131	110,725	120,972
34	665	Miscellaneous Expenses	187,415	205,179	272,242	327,817
35	666	Rents	2,016	2,334	4,432	1,506
36						
37		Total Transmission & Distribution	<u>\$727,784</u>	<u>\$655,737</u>	<u>\$728,253</u>	<u>\$916,744</u>
38						
39						
40						

**Comparative Statement of Operation and Maintenance Expenses**

Long Island American Water  
 Case 11-W-\_\_\_\_\_  
 Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 5  
 Page 2 of 3

Line No.	Account No.	Account Title	Twelve Months Ended			
			12/31/2010	12/31/2009	12/31/2008	12/31/2007
1						
2		<u>Customer Accounts</u>				
3	901	Supervision	\$48,313	\$47,150	\$49,512	\$55,995
4	902	Meter Reading Expense	378,078	375,212	352,989	380,762
5	903	Customer Records & Collection Expense	1,028,032	1,082,341	922,220	596,548
6	904	Uncollectible Accounts	273,312	105,331	49,993	371,082
7	905	Miscellaneous Expenses	5,825	47,033	17,572	6,447
8						
9		Total Customer Accounts	<u>1,733,561</u>	<u>1,657,067</u>	<u>1,392,286</u>	<u>1,410,834</u>
10						
11		<u>Sales</u>				
12	910	Sales Expense	0	0	0	0
13						
14		Total Sales	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
15						
16		<u>Administrative &amp; General</u>				
17	920	Salaries	921,427	852,059	988,200	636,279
18	921.1	General Officers Expense	0	0	0	0
19	921.2	General Office Employees Expense	64,507	49,968	57,004	57,791
20	921	Office Supplies & Other Expenses	363,378	411,742	473,347	143,618
21	923	Outside Services Employed	4,723,820	4,479,772	4,632,412	4,793,532
22	924	Property & Liability Insurance	751,191	867,824	731,017	1,322,119
23	926.1	Employees Pension Expense	1,481,318	1,481,319	1,450,562	1,358,292
24	926	Employees Welfare Expense	963,764	906,013	1,023,504	975,158
25	928	Regulatory Commission Expense	277,057	166,330	129,009	133,333
26	930.1	Institutional or Goodwill Advertising Expenses	10,695	7,359	2,893	0
27	930	Miscellaneous Expenses	615,003	530,672	598,238	547,186
28	931	General Rents	15,787	10,203	16,563	30,551
29						
30		Total Administrative & General	<u>10,187,948</u>	<u>9,763,261</u>	<u>10,102,749</u>	<u>9,997,859</u>
31						
32						
33		Total Operating Expense - Operations	<u>\$18,926,973</u>	<u>\$17,816,895</u>	<u>\$18,004,436</u>	<u>\$17,797,548</u>
34						
35						
36						
37						
38						
39						
40						

**Comparative Statement of Operation and Maintenance Expenses**

Long Island American Water  
 Case 11-W-\_\_\_\_\_  
 Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 5  
 Page 3 of 3

Line No.	Account No.	Account Title	Twelve Months Ended			
			12/31/2010	12/31/2009	12/31/2008	12/31/2007
1						
2		<u>Maintenance Expenses</u>				
3						
4		<u>Source Of Supply</u>				
5	610	Supervision & Engineering	\$0	\$0	\$0	\$0
6	614	Wells & Springs	0	0	0	0
7	617	Miscellaneous Plant	72,034	95,186	62,976	61,704
8						
9		Total Source Of Supply	<u>72,034</u>	<u>95,186</u>	<u>62,976</u>	<u>61,704</u>
10						
11		<u>Pumping</u>				
12	630	Supervision & Engineering	0	0	0	0
13	631	Structures & Improvements	16,811	10,781	12,206	12,220
14	632	Power Production Equipment	35,164	3,419	4,896	13,595
15	633	Pumping Equipment	57,228	10,979	42,020	86,978
16						
17		Total Pumping	<u>109,203</u>	<u>25,179</u>	<u>59,122</u>	<u>112,793</u>
18						
19		<u>Water Treatment</u>				
20	650	Supervision & Engineering	240	0	0	0
21	651	Structures & Improvements	(844)	23,701	82,487	23,327
22	652	Water Treatment Equipment	482,820	397,213	315,011	280,578
23						
24		Total Water Treatment	<u>482,217</u>	<u>420,914</u>	<u>397,498</u>	<u>303,905</u>
25						
26		<u>Transmission &amp; Distribution</u>				
27	670	Supervision & Engineering	152,613	148,622	134,830	129,972
28	671	Struct & Improve	0	0	0	2,501
29	672	Dist. Reservoirs & Standpipes	0	0	0	0
30	673/674	Transmission & Distribution Mains	1,368,243	1,323,575	1,213,671	1,321,874
31	675	Services	389,936	379,564	423,776	468,042
32	676	Meters	13,042	12,433	68,321	107,014
33	677	Hydrants	103,179	121,618	128,063	148,178
34	678	Miscellaneous Equipment	170,554	188,909	195,394	316,837
35						
36		Total Transmission & Distribution	<u>2,197,567</u>	<u>2,174,721</u>	<u>2,164,055</u>	<u>2,494,418</u>
37						
38		<u>Administrative &amp; General</u>				
39	932	Structures, Off Furn & Equip, Comm & Misc Equip	122,222	115,573	150,616	94,124
40						
41		Total Administrative & General	<u>122,222</u>	<u>115,573</u>	<u>150,616</u>	<u>94,124</u>
42						
43		Total Operating Expense - Maintenance	<u>2,983,243</u>	<u>2,831,573</u>	<u>2,834,267</u>	<u>3,066,944</u>
44						
45		Total Operation & Maintenance Expenses	<u>\$21,910,217</u>	<u>\$20,648,468</u>	<u>\$20,838,703</u>	<u>\$20,864,492</u>

**Comparative Statement of Taxes Charged to Operations**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. M. Watkins**

**Base Year: Twelve Months Ended: 12/31/10**  
**Exhibit 6**  
**Page 1 of 1**

Line No.	Account No.	Account Title	Twelve Months Ended			
			12/31/2010	12/31/2009	12/31/2008	12/31/2007
1						
2		<u>Taxes Other Than Income</u>				
3						
4	408.10	Property Taxes	\$10,824,144	\$10,923,381	\$11,973,366	\$11,924,640
5						
6	408.11	State and Local Franchise and Gross Sales Tax	0	0	0	0
7						
8	408	State Unemployment	15,390	15,340	7,237	10,732
9						
10	408.13	State Sales and Use Tax				
11						
12	408	Federal Social Security	462,522	443,595	464,294	440,592
13						
14	408	Federal Unemployment	4,859	4,235	4,409	6,151
15						
16	408.22	Enviromental Tax				
17						
18	408.33	Other Taxes and Licenses	25,607	18,222	102,858	186,996
19						
20	408	Gross Receipts Tax	<u>99,223</u>	<u>135,177</u>	<u>120,909</u>	<u>120,406</u>
21						
22		Total Taxes Other Than Income	<u>11,431,745</u>	<u>11,539,950</u>	<u>12,673,073</u>	<u>12,689,517</u>
23						
24		<u>Federal &amp; State Income Tax</u>				
25						
26	409/410	Federal	2,754,935	2,779,253	2,263,299	(926,763)
27						
28	409/410	State	683,902	712,207	605,486	(69,431)
29						
30	412	Amortization of ITC	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>
31						
32		Total Federal & State Income Tax	<u>3,423,837</u>	<u>3,476,460</u>	<u>2,853,785</u>	<u>(1,011,194)</u>
33						
34						
35		Total Taxes Charged to Operations	<u>\$14,855,581</u>	<u>\$15,016,410</u>	<u>\$15,526,858</u>	<u>\$11,678,323</u>

**Capital Structure and Capitalization Ratios  
Long Island American Water Stand-Alone**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
Exhibit 7  
Page 1 of 5

Line No.	Twelve Months Ended			
	12/31/2010	12/31/2009	12/31/2008	12/31/2007
1				
2				
3 Long-Term Debt	\$58,749,000	\$48,865,000	\$38,920,000	\$38,920,000
4				
5 Short-Term Debt	2,536,853	7,375,936	15,525,367	14,083,364
6				
7 Total Debt	61,285,853	56,240,936	54,445,367	53,003,364
8				
9 Preferred Stock	1,125,000	1,125,000	1,125,000	1,125,000
10				
11 Common Equity	46,824,380	43,740,529	37,429,549	36,482,257
12				
13 Total Capitalization	<u>\$109,235,234</u>	<u>\$101,106,466</u>	<u>\$92,999,916</u>	<u>\$90,610,621</u>
14				
15				
16				
17				
18				
19 Long-Term Debt	53.8%	48.3%	41.8%	43.0%
20				
21 Short-Term Debt	2.3%	7.3%	16.7%	15.5%
22				
23 Total Debt	56.1%	55.6%	58.5%	58.5%
24				
25 Preferred Stock	1.0%	1.1%	1.2%	1.2%
26				
27 Common Equity	42.9%	43.3%	40.3%	40.3%
28				
29 Total Capitalization	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
30				
31				
32				
33				
34				
35				

**Funds Requirement Statement  
Long Island American Water Stand-Alone**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
Exhibit 7  
Page 2 of 5

Line No.	Twelve Months Ended	
	12/31/11	12/31/12
1		
2	<u>Cash Resources</u>	
3		
4	Net Income	\$3,876,974
5	Depreciation	\$2,943,655
6	Deferred Taxes	3,872,961
7	Amortization Of Other Deferred Charges	225,088
8	Issue Long-Term Debt, Common Stock, and Equity Infusions	2,707,409
9		74,467
10		18,000,000
11		<u>9,250,000</u>
12	<u>Cash Requirements</u>	
13		
14	Construction Net of Customer Advances	22,552,038
15	Sinking Funds and Maturities	13,799,764
16	Dividends	0
17	Unpaid Invoices/Construction Costs Payable	2,907,731
18	Deferred Expenses	0
19	Repay Short-Term Debt	538,462
20		<u>3,000,000</u>
21		<u>28,998,230</u>
22		<u>16,169,043</u>
23	Funds Required	
24		<u>\$2,948,741</u>
25		<u>(\$3,302,895)</u>
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		

**Estimate of Capital Structure for the Dates Shown  
Long Island American Water Stand-Alone**

**Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. M. Watkins**

**Base Year: Twelve Months Ended: 12/31/10  
Exhibit 7  
Page 3 of 5**

Line No.	Actual 12/31/10	Estimated	
		12/31/11	12/31/12
1			
2	<u>Long-Term Debt</u>		
3	General Mortgage Bonds:		
4		\$0	\$0
5	\$9,000,000		
6	13,775,000	13,775,000	13,775,000
7	16,000,000	16,000,000	16,000,000
8	9,974,000	9,974,000	9,974,000
9	10,000,000	10,000,000	10,000,000
10		9,000,000	9,000,000
11		6,000,000	6,000,000
12			6,000,000
13	<u>58,749,000</u>	<u>64,749,000</u>	<u>70,749,000</u>
14			
15	<u>Short-Term Debt</u>		
16			
17	<u>2,536,853</u>	<u>(51,259)</u>	<u>0</u>
18			
19			
20	<u>Preferred Stock</u>		
21			
22	<u>1,125,000</u>	<u>1,125,000</u>	<u>1,125,000</u>
23			
24			
25	<u>Common Equity</u>		
26			
27	10,000,000	10,000,000	10,000,000
28	0	3,000,000	3,250,000
29	17,578,392	17,578,392	20,578,392
30	19,245,988	20,215,231	20,951,145
31			
32	<u>46,824,380</u>	<u>50,793,623</u>	<u>54,779,537</u>
33			
34			
35	<u>\$109,235,234</u>	<u>\$116,616,365</u>	<u>\$126,653,537</u>

**Computation of the Effective Cost Rate of Long-Term Debt and Preferred Stock by Issue  
Long Island American Water Stand-Alone**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
Exhibit 7  
Page 4 of 5

Line No.	Date of Issue	Date Of Maturity	Principal Amount Issued	Issuance Expenses	Net Proceeds	Net Proceeds Ratio	Effective Cost Rate	
1								
2	<u>Long-Term Debt</u>							
3								
4	General Mortgage Bonds:							
5	8.46 % Series Due 12/01/2022	7/1/97	8/1/27	\$9,000,000	\$273,892	\$8,726,108	96.96%	8.73%
6	5.25 % Series Due 08/01/2027	12/15/92	12/1/22	13,930,000	1,150,412	12,779,588	91.74%	5.72%
7	4.9% Series Due 10/01/2034	10/28/04	10/1/34	16,000,000	1,228,673	14,771,327	92.32%	5.31%
8	6.0% Series Due 12/31/39	12/4/09	12/1/39	10,000,000	355,782	9,644,218	96.44%	6.22%
9	6.0% Series Due 12/31/40	12/15/10	12/1/40	10,000,000	402,144	9,597,856	95.98%	6.25%
10	6.3% Series Due 6/30/2041	5/1/11	10/15/37	9,000,000	208,794	8,791,206	97.68%	6.45%
11	6.6% Series Due 10/31/2041	11/1/11	10/15/37	6,000,000	0	6,000,000	100.00%	6.60%
12	7.0% Series Due 10/31/2042	11/1/12	10/15/37	6,000,000	0	6,000,000	100.00%	7.00%
13								
14								
15	<u>Preferred Stock</u>							
16	4.50 % Series	-----	-----	\$1,125,000	\$0	\$1,125,000	100.00%	4.50%
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								

**Proposed Cost of Capital  
Long Island American Water Stand-Alone**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
Exhibit 7  
Page 5 of 5

Line No.	Pro Forma	% to Total	Cost Rate	Weighted Cost
1				
2	<u>Long-Term Debt</u>			
3				
4	General Mortgage Bonds:			
5	\$0	0.00%	8.73%	
6	13,775	19.47%	5.72%	
7	16,000	22.62%	5.31%	
9	9,974	14.10%	6.22%	
10	10,000	14.13%	6.25%	
11	9,000	12.72%	6.45%	
12	6,000	8.48%	6.60%	
13	6,000	8.48%	7.00%	
14	<u>70,749</u>	<u>100.00%</u>		
15		<u>55.73%</u>	6.05%	3.37%
16	<u>Short-Term Debt</u>			
17				
18	<u>0</u>	<u>0.00%</u>		
19				
20	<u>Preferred Stock</u>			
21				
22	<u>1,125</u>	<u>0.89%</u>	4.50%	0.04%
23				
24				
25	<u>Common Equity</u>			
26				
27	10,000			
28	3,250			
29	20,578			
30	<u>21,248</u>			
31				
32	<u>55,076</u>	<u>43.38%</u>	11.50%	4.99%
33				
34				
35	<u>\$126,950</u>	<u>100.00%</u>		<u>8.40%</u>

## Utility Plant In Service Additions

Long Island American Water

Base Year: Twelve Months Ended: 12/31/10

Case 11-W-\_\_\_\_\_

Exhibit 8

Witness Responsible: Rich Kern

Page 1 of 1

Line No.	Twelve Mos. Ending		Three Mos. Ending	Twelve Mos. Ending	Three Mos. Ending
	12/31/2011	12/31/2012	3/31/2013	3/31/2014	3/31/2015
1	<b>Major Investment Projects</b>				
2	\$0	\$2,594,064	\$0		
3	0	0	0		
4	473,303	0	0		
5	333,686	0	0		
6	410,000	0	0		
7	505,000	0	0		
8	1,210,718	0	0		
9	375,377	0	0		
10	420,135	0	0		
11	850,002	0	0		
12	7,620,313	0	0		
13	0	0	0		
14	<b>Ongoing Routine Construction, Replacement and Purchase of Equipment and Facilities</b>				
15	<b>and Purchase of Equipment and Facilities</b>				
16					
17	201,194	100,700	25,175		
18	3,957,608	4,880,000	1,250,000		
19	490,500	495,500	125,000		
20	182,000	182,000	47,500		
21	30,000	38,000	9,500		
22	459,000	505,000	105,000		
23	390,523	390,000	97,500		
24	1,120,000	1,145,000	337,500		
25	25,078	25,000	8,750		
26	795,568	702,500	187,500		
27	45,000	125,000	0		
28	48,000	48,000	12,000		
29	40,000	45,000	11,250		
30	67,069	75,000	18,750		
31	254,000	385,000	0		
32	124,848	124,000	36,250		
33	1,249,932	1,190,000	300,000		
34	179,472	100,000	25,000		
35	295,000	300,000	75,000		
36					
37	<u>\$22,153,325</u>	<u>\$13,449,764</u>	<u>\$2,671,675</u>	<u>\$24,861,646</u>	<u>\$13,492,265</u>
38					



**Statement of Pro Forma Operating Revenue**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: R. A. Engle**

**Base Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 2 of 46**

Line No.	Description	Exh. 9 Ref Pg. No.	Base Year Ended	Forecasted Year Ended		Forecasted Year Ended		Forecasted Rate Year Ended		Forecasted Rate Year Ended	
			12/31/2010	December 31, 2011		December 31, 2012		March 31, 2013		March 31, 2013	
			Actual Booked Revenues	Normalization Adjustment	Revenues Col (1) + (2)	Customer Inc. Adjustment	Revenues Col (3) + (4)	Customer Inc. Adjustment	Revenues Col (5) + (6)	Requested Adj.	Revenues Col (7) + (8)
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2	Metered Consumption Revenue										
3	Residential	3	\$36,997,668	(\$1,157,875)	\$35,839,793	\$12,503	\$35,852,296	\$3,125	\$35,855,421	\$6,993,615	\$42,849,036
4	Commerical, OPA & Industrial	4-6	7,721,341	312,729	8,034,070	0	8,034,070	0	8,034,070	1,567,304	9,601,374
5	Lawn Sprinklers	8	158,102	797,961	956,063	0	956,063	0	956,063	186,534	1,142,597
6											
7	Total Metered Sales		<u>44,877,111</u>	<u>(47,185)</u>	<u>44,829,926</u>	<u>12,503</u>	<u>44,842,429</u>	<u>3,125</u>	<u>44,845,554</u>	<u>8,747,453</u>	<u>53,593,007</u>
8											
9	Fire Protection										
10	Private	7	1,028,993	15,959	1,044,952	0	1,044,952	0	1,044,952	203,867	1,248,819
11	Public	7	2,956,109	25,058	2,981,167	0	2,981,167	0	2,981,167	581,626	3,562,793
12											
13	Total Fire Protection		<u>3,985,102</u>	<u>41,017</u>	<u>4,026,119</u>	<u>0</u>	<u>4,026,119</u>	<u>0</u>	<u>4,026,119</u>	<u>785,493</u>	<u>4,811,612</u>
14											
15	Total Water Sales		<u>48,862,213</u>	<u>(6,168)</u>	<u>48,856,045</u>	<u>12,503</u>	<u>48,868,548</u>	<u>3,125</u>	<u>48,871,673</u>	<u>9,532,946</u>	<u>58,404,619</u>
16											
17	DSIC Surcharge eff 2/2/2009	0.84%	Note (1)	376,571	376,571	105	376,676	(376,676)	0	0	0
18	DSIC Surcharge eff 1/1/2010	0.20%	Note (1)	89,660	89,660	25	89,685	(89,685)	0	0	0
19	DSIC Surcharge eff 7/1/2010	0.44%	Note (1)	197,252	197,252	55	197,307	(197,307)	0	0	0
20	DSIC Surcharge eff 2/24/2011	0.49%		183,056	183,056	36,672	219,728	(219,728)	0	0	0
21	DSIC Surcharge eff 7/1/2011	0.22%		49,313	49,313	49,340	98,653	(98,653)	0	0	0
22	DSIC Surcharge eff 1/1/2012	0.55%				246,633	246,633	(246,633)	0	0	0
23											
24	SIC Surcharge est eff 5/2011	1.21%	0	316,425	316,425	226,168	542,593	(542,593)	0	0	0
25											
26	Revenue Stabilization		186,939	(206,660)	(19,721)	65,770	46,049	(46,049)	0	0	0
27	Property Tax Reconciliation Clause		(1,690,169)	862,370	(827,799)	2,083,052	1,255,253	(1,255,253)	0	0	0
28											
29	NSF Check Charge		5,304	0	5,304	0	5,304	0	5,304	0	5,304
30	Reconnection Charge		31,390	0	31,390	0	31,390	0	31,390	0	31,390
31	Miscellaneous Water Revenue		3,278	0	3,278	0	3,278	0	3,278	640	3,918
32	Other Water Revenue		151,514	0	151,514	0	151,514	0	151,514	29,560	181,074
33											
34	Total Operating Revenues		<u>\$47,550,469</u>	<u>\$1,861,819</u>	<u>\$49,412,288</u>	<u>\$2,720,323</u>	<u>\$52,132,611</u>	<u>(\$3,069,452)</u>	<u>\$49,063,159</u>	<u>\$9,563,146</u>	<u>\$58,626,305</u>

35 Note (1): DSIC revenue for the calendar year ended 12/31/10 is included in metered revenues above.

































**Group Insurance**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: R. A. Engle

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 19 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$1,019,765	\$1,039,191	\$1,044,176
4			
5 Percent Chargeable to Capital and Other	16.98%	16.98%	16.98%
6			
7 Amount Chargeable to Capital and Other	<u>173,156</u>	<u>176,455</u>	<u>177,301</u>
8			
9 Pro Forma Chargeable to Operating Expenses	846,609	862,736	866,875
10			
11 Actual Test Year Expense	<u>734,225</u>	<u>846,609</u>	<u>862,736</u>
12			
13 Pro Forma Adjustment	<u><u>\$112,384</u></u>	<u><u>\$16,127</u></u>	<u><u>\$4,139</u></u>
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
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28			
29			
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31			
32			
33			
34			
35			

**Post-Retirement Other than Pensions (PBOP's)**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. N. Casillo

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 20 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Annual FAS 106 PBOP Cost	\$0	\$0	\$0
4			
5 Percent Chargeable to Capital and Other	16.98%	16.98%	16.98%
6			
7 Amount Chargeable to Capital and Other	<u>0</u>	<u>0</u>	<u>0</u>
8			
9 Pro Forma Expense	0	0	0
10			
11 Actual Base Year Expense	<u>624,271</u>	<u>0</u>	<u>0</u>
12			
13 Pro Forma Adjustment	<u><u>(\$624,271)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
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**Pension Expense**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. N. Casillo

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 21 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$1,666,406	\$1,666,406	\$1,666,406
4			
5 Percent Chargeable to Capital and Other	16.98%	16.98%	16.98%
6			
7 Amount Chargeable to Capital and Other	<u>282,956</u>	<u>282,956</u>	<u>282,956</u>
8			
9 Pro Forma Chargeable to Operating Expense	1,383,450	1,383,450	1,383,450
10			
11 Actual Base Year Expense	<u>857,047</u>	<u>1,383,450</u>	<u>1,383,450</u>
12			
13 Pro Forma Adjustment	<u>\$526,403</u>	<u>\$0</u>	<u>\$0</u>
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**401(k) Expense**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: R. A. Engle

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 22 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$153,412	\$159,020	\$159,944
4			
5 Percent Chargeable to Capital and Other	16.98%	16.98%	16.98%
6			
7 Amount Chargeable to Capital and Other	<u>26,049</u>	<u>27,002</u>	<u>27,158</u>
8			
9 Pro Forma Chargeable to Operating Expenses	127,363	132,018	132,786
10			
11 Actual Test Year Expense	<u>113,490</u>	<u>127,363</u>	<u>132,018</u>
12			
13 Pro Forma Adjustment	<u>\$13,873</u>	<u>\$4,655</u>	<u>\$768</u>
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**Defined Contribution Plan  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: R. A. Engle

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 23 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$111,337	\$115,342	\$116,014
4			
5 Percent Chargeable to Capital and Other	16.98%	16.98%	16.98%
6			
7 Amount Chargeable to Capital and Other	<u>18,905</u>	<u>19,585</u>	<u>19,699</u>
8			
9 Pro Forma Chargeable to Operating Expenses	92,432	95,757	96,315
10			
11 Actual Test Year Expense	<u>72,880</u>	<u>92,432</u>	<u>95,757</u>
12			
13 Pro Forma Adjustment	<u>\$19,552</u>	<u>\$3,325</u>	<u>\$558</u>
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**Employee Stock Purchase Plan  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_  
Witness Responsible: R. A. Engle

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 24 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$3,049	\$3,139	\$3,163
4			
5 Actual Test Year Expense	<u>2,947</u>	<u>3,049</u>	<u>3,139</u>
6			
7 Pro Forma Adjustment	<u>\$102</u>	<u>\$90</u>	<u>\$24</u>
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**Retiree Medical  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: R. A. Engle**

**Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 25 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$8,000	\$8,000	\$8,000
4			
5 Percent Chargeable to Capital and Other	16.98%	16.98%	16.98%
6			
7 Amount Chargeable to Capital and Other	<u>1,358</u>	<u>1,358</u>	<u>1,358</u>
8			
9 Pro Forma Chargeable to Operating Expenses	6,642	6,642	6,642
10			
11 Actual Test Year Expense	<u>6,975</u>	<u>6,642</u>	<u>6,642</u>
12			
13 Pro Forma Adjustment	<u>(\$333)</u>	<u>\$0</u>	<u>\$0</u>
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**Service Company Expense**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: G. Conroy**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 26 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3			
4			
5 Pro Forma Labor Expenses - AG	\$2,422,891	\$2,489,523	\$2,506,639
6 Pro Forma Labor Expenses - CA	820,103	842,656	848,449
7 Pro Forma Labor Expenses - WT	96,214	98,860	99,540
8			
9 Pro Forma Other Expenses -AG	1,462,877	1,537,615	1,616,939
10 Pro Forma Other Expenses -CA	238,175	241,962	249,922
11 Pro Forma Other Expenses -WT	51,262	52,077	52,905
12			
13 Total Pro Forma Expense	<u>5,091,522</u>	<u>5,262,693</u>	<u>5,374,394</u>
14			
15			
16 Actual Test Year Labor Expenses - AG	2,038,543	2,422,891	2,489,523
17 Actual Test Year Labor Expenses - CA	798,387	820,103	842,656
18 Actual Test Year Labor Expenses - WT	93,667	96,214	98,860
19			
20 Actual Test Year Other Expenses -AG	1,375,193	1,462,877	1,537,615
21 Actual Test Year Other Expenses -CA	234,447	238,175	241,962
22 Actual Test Year Other Expenses -WT	50,459	51,262	52,077
23			
24 Total Test Year Expense	<u>4,590,695</u>	<u>5,091,522</u>	<u>5,262,693</u>
25			
26 Pro Forma Adjustment	<u>\$500,827</u>	<u>\$171,171</u>	<u>\$111,701</u>
27			
28			
29 WT = Water Treatment			
30 CA = Customer Accounting			
31 AG = Administrative & General			
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**Insurance Other Than Group  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water  
Case 11-W-\_\_\_\_  
Witness Responsible: J. G. Bozman**

**Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 27 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$783,045	\$796,714	\$800,189
4			
5 Actual Test Year Expense	<u>751,191</u>	<u>783,045</u>	<u>796,714</u>
6			
7 Pro Forma Adjustment	<u>\$31,854</u>	<u>\$13,668</u>	<u>\$3,475</u>
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**Uncollectible Expense**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: G. Conroy

Test Year: Twelve Months Ended: 12/31/10  
**Exhibit 9**  
Page 28 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013	
			Present Rates	Proposed Rates
1	(1)	(2)	(3)	(4)
2				
3 Pro Forma Revenues	\$49,412,288	\$52,132,611	\$49,063,159	\$58,626,305
4 Less: Other Water Revenues	<u>191,486</u>	<u>191,486</u>	<u>191,486</u>	<u>221,686</u>
5 Net Pro Forma Revenues	49,220,802	51,941,125	48,871,673	58,404,619
6				
7 Average Write-Off Ratio	<u>0.63%</u>	<u>0.63%</u>	<u>0.63%</u>	<u>0.63%</u>
8				
9 Pro Forma Expense	310,091	327,229	307,892	367,949
10				
11 Actual Test Year Expense	<u>273,802</u>	<u>310,091</u>	<u>327,229</u>	<u>307,892</u>
12				
13 Pro Forma Adjustment	<u>\$36,289</u>	<u>\$17,138</u>	<u>(\$19,337)</u>	<u>\$60,057</u>
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**Rate Case Expense  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. G. Bozman**

**Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 29 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$30,000	\$175,000	\$233,333
4			
5 Actual Test Year Expense	<u>230,727</u>	<u>30,000</u>	<u>175,000</u>
6			
7 Pro Forma Adjustment	<u>(\$200,727)</u>	<u>\$145,000</u>	<u>\$58,333</u>
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**Rents**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. G. Bozman**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 30 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3			
4 Pro Forma Expenses - AG	\$16,498	\$16,760	\$16,826
5			
6 Actual Test Year Expense - TD	2,016	0	0
7 Actual Test Year Expense - AG	<u>15,787</u>	<u>16,498</u>	<u>16,760</u>
8			
9 Pro Forma Adjustment	<u><u>(\$1,305)</u></u>	<u><u>\$262</u></u>	<u><u>\$66</u></u>
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**Leased Vehicles Maintenance & Fuel  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: G. Conroy

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 31 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$599,317	\$660,859	\$681,072
4			
5 Percent Chargeable to Capital and Other	16.98%	16.98%	16.98%
6			
7 Amount Chargeable to Capital and Other	<u>101,764</u>	<u>112,214</u>	<u>115,646</u>
8			
9 Pro Forma Chargeable to Operating Expenses	497,553	548,645	565,426
10			
11 Actual Test Year Expense	<u>447,772</u>	<u>497,553</u>	<u>548,645</u>
12			
13 Pro Forma Adjustment	<u>\$49,781</u>	<u>\$51,092</u>	<u>\$16,781</u>
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**Tank Painting**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: G. Conroy

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 32 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$32,884	\$32,884	\$32,884
4			
5 Actual Test Year Expense	<u>32,884</u>	<u>32,884</u>	<u>32,884</u>
6			
7 Pro Forma Adjustment	<u>(\$0)</u>	<u>\$0</u>	<u>\$0</u>
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16 15-Year Amortization Approved 2004	\$32,884	\$32,884	\$32,884
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**Overearnings Adjustment**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. N. Casillo**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 33 of 46**

Line No.	Description	Twelve Months Ended 3/31/2011
1		(1)
2		
3	Overearnings	\$0
4		
5	Amortization Period (Years)	<u>3</u>
6		
7	Pro Forma Amortization	<u><u>\$0</u></u>
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**Customer Outreach and Education Plan  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. G. Bozman**

**Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 34 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$80,901	\$82,187	\$84,821
4			
5 Actual Test Year Expense	<u>69,791</u>	<u>80,901</u>	<u>82,187</u>
6			
7 Pro Forma Adjustment	<u>\$11,110</u>	<u>\$1,286</u>	<u>\$2,634</u>
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**Postage**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. G. Bozman**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 35 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Expense	\$331,764	\$333,023	\$333,023
4			
5 Actual Test Year Expense	<u>327,843</u>	<u>331,764</u>	<u>333,023</u>
6			
7 Pro Forma Adjustment	<u>\$3,921</u>	<u>\$1,259</u>	<u>\$0</u>
8			
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**Asbestos Removal**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: G. Conroy

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 36 of 46

Line No.	Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1		(1)	(2)	(3)
2				
3	Pro Forma Expense	\$11,583	\$0	\$0
4				
5	Actual Test Year Expense	<u>46,330</u>	<u>0</u>	<u>0</u>
6				
7	Pro Forma Adjustment	<u>(\$34,747)</u>	<u>\$0</u>	<u>\$0</u>
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**Audit Fees**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. G. Bozman

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 37 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Audit Expense	\$59,352	\$60,296	\$61,498
4			
5 Actual Base Year Expense	<u>62,771</u>	<u>59,352</u>	<u>60,296</u>
6			
7 Pro Forma Adjustment	<u>(\$3,419)</u>	<u>\$944</u>	<u>\$1,202</u>
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**Amortization of Actuarial Studies  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. N. Casillo

Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 38 of 46

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 Pro Forma Amortization of Actuarial Studies	\$0	\$72,333	\$96,444
4			
5 Actual Base Year Expense	<u>0</u>	<u>0</u>	<u>72,333</u>
6			
7 Pro Forma Adjustment	<u>\$0</u>	<u>\$72,333</u>	<u>\$24,111</u>
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**Depreciation**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. M. Watkins

Test Year: Twelve Months Ended: 12/31/10  
**Exhibit 9**  
**Page 39 of 46**

Line No.	Account No.	Description	Current Depreciation Rate	Twelve Months Ended 12/31/2011		Twelve Months Ended 12/31/2012		Twelve Months Ended 3/31/2013	
				Depr. Plant	Depreciation Expense	Depr. Plant	Depreciation Expense	Depr. Plant	Depreciation Expense
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1									
2									
3	301	Organization	0.00%	\$73	\$0	\$73	\$0	\$73	\$0
4	302	Franchises	0.00%	518	0	518	0	518	0
5	310	Land & Ld Rights SS	0.00%	435,602	0	435,602	0	435,602	0
6	320	Land & Ld Rights P	0.00%	162,627	0	162,627	0	162,627	0
7	340	Land & Ld Rights TD	0.00%	21,026	0	21,026	0	21,026	0
8	340	Land TD	0.00%	8,502	0	8,502	0	8,502	0
9	389	Land & Land Rights AG	0.00%	631	0	631	0	631	0
10	321	Struct & Imp P	1.99%	2,954,877	58,861	2,994,877	59,658	3,004,877	59,708
11	331	Struct & Imp WT	1.99%	10,970,757	218,537	10,970,757	218,537	10,970,757	218,537
12	390	Struct & Imp AG	1.64%	1,271,427	20,902	1,271,427	20,902	1,271,427	20,902
13	390	Struct & Imp Offices	1.64%	2,743,533	45,104	2,801,933	46,064	2,816,533	46,124
14	390	Struct & Imp Store,Shop,Gar	2.86%	548,885	15,676	548,885	15,676	548,885	15,676
15	314	Wells & Springs	3.32%	1,587,009	52,752	1,587,009	52,752	1,587,009	52,752
16	314	Wells Only (LI)	1.99%	7,677,249	152,931	7,982,249	159,006	8,040,999	159,299
17	323	Power Generation Equip Othe	4.00%	1,593,232	63,666	1,593,232	63,666	1,593,232	63,666
18	322	Boiler Plant Equipment	0.00%	0	0	0	0	0	0
19	325	Pump Equip Electric	2.70%	5,805,019	156,736	6,259,019	168,994	6,372,519	169,760
20	326	Pump Equip Diesel	2.70%	1,895,909	51,190	1,895,909	51,190	1,895,909	51,190
21	327	Pump Equip Hydraulic	2.70%	25,073	677	25,073	677	25,073	677
22	332	WT Equip Non-Media	1.67%	6,687,075	111,540	7,083,075	118,146	7,182,075	118,559
23	332	WT Equip Purification (LI)	3.74%	10,160,707	380,417	10,160,707	380,417	10,160,707	380,417
24	332	WT Equip Filter Media	3.74%	219,170	8,206	219,170	8,206	219,170	8,206
25	342	Dist Reservoirs & Standpipe	1.33%	4,185,112	55,746	4,301,112	57,291	4,311,362	57,325
26	342	Dist Reservoirs-Ground Level	1.33%	13,418	178	13,418	178	13,418	178
27	343	TD Mains Paving (LI)	1.18%	6,614,857	77,791	6,614,857	77,791	6,614,857	77,791
28	343	TD Mains 4in & Less	2.50%	1,072,234	26,763	1,072,234	26,763	1,072,234	26,763
29	343	TD Mains 6in & Grtr (LI)	1.00%	53,730,598	535,157	59,606,228	593,678	61,108,261	597,418
30	344	Fire Mains	1.99%	2,036,993	40,577	2,036,993	40,577	2,036,993	40,577
31	345	Services	1.99%	34,245,957	682,179	35,786,027	712,858	36,222,295	715,031
32	346	Meters	3.85%	0	0	0	0	0	0
33	346	Meters Other	3.85%	11,982,422	461,323	12,684,922	488,369	12,872,422	490,174
34									
35		Subtotal		\$168,650,493	\$3,216,909	\$178,138,093	\$3,361,396	\$180,569,993	\$3,370,729

**Depreciation**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. M. Watkins

Test Year: Twelve Months Ended: 12/31/10  
**Exhibit 9**  
**Page 40 of 46**

Line No.	Account No.	Description	Current Depreciation Rate	Twelve Months Ended 12/31/2011		Twelve Months Ended 12/31/2012		Twelve Months Ended 3/31/2013	
				Depr. Plant	Depreciation Expense	Depr. Plant	Depreciation Expense	Depr. Plant	Depreciation Expense
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
3		Subtotal from page 1		<u>\$168,650,493</u>	<u>\$3,216,909</u>	<u>\$178,138,093</u>	<u>\$3,361,396</u>	<u>\$180,569,993</u>	<u>\$3,370,729</u>
5	347	Meter Installations	2.50%	4,784,413	119,419	4,784,413	119,419	4,784,413	119,419
6	348	Hydrants	1.43%	7,251,352	103,549	7,789,352	111,232	7,902,602	111,636
7	303	Misc. Intangible Plant-CPS	20.00%	147,989	29,598	147,989	29,598	147,989	29,598
8	391	Office Furniture & Equip	3.79%	299,177	11,339	313,777	11,892	317,427	11,927
9	391	Comp & Periph Equipment	10.00%	287,447	28,745	397,447	39,745	396,197	39,714
10	391	Computer Software	10.00%	2,097,945	209,795	4,691,009	469,101	4,690,759	469,095
11	391	Data Handling Equipment	10.00%	126,635	12,664	126,635	12,664	126,635	12,664
12	391	Other Office Equipment	4.74%	66,765	3,165	66,765	3,165	66,765	3,165
13	392	Trans Equip Lt Duty Trks	16.67%	163,922	27,326	262,922	43,829	262,922	43,829
14	392	Trans Equip Autos	20.00%	68,778	13,756	154,778	30,956	154,778	30,956
15	392	Trans Equip Heavy Duty Trks	12.50%	130,000	16,250	130,000	16,250	130,000	16,250
16	392	Trans Equip Backhoes	14.29%	0	0	200,000	28,580	200,000	28,580
17	393	Stores Equipment	3.80%	20,312	773	20,312	773	20,312	773
18	394	Tools,Shop,Garage Equip	3.80%	582,740	22,167	706,739	26,884	742,989	27,229
19	394	Tools,Shop,Garage Equip Oth	4.00%	153,102	6,118	153,102	6,118	153,102	6,118
20	395	Laboratory Equipment	3.80%	68,903	2,621	68,903	2,621	68,903	2,621
21	396	Power Operated Equipment	8.89%	69,130	6,147	69,130	6,147	69,130	6,147
22	396	Power Oper Equip Other	5.33%	11,650	621	11,650	621	11,650	621
23	397	Comm Equip Non-Telephone	9.00%	167,716	15,094	167,716	15,094	167,716	15,094
24	397	Remote Control & Instrument.	9.00%	112,179	10,096	112,179	10,096	112,179	10,096
25	397	Comm Equip-Telephone	9.00%	54,412	4,897	54,412	4,897	54,412	4,897
26	398	Misc Equipment	6.32%	188,361	11,912	188,361	11,912	188,361	11,912
28		Total		<u>185,503,420</u>	<u>3,872,961</u>	<u>198,755,684</u>	<u>4,362,990</u>	<u>201,339,234</u>	<u>4,373,069</u>
31		Pro Forma Annual Expense			<u>\$3,872,961</u>		<u>\$4,362,990</u>		<u>\$4,373,069</u>

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**Summary of Taxes Other Than Income  
Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water  
Case 11-W-\_\_\_\_\_  
Witness Responsible: J. N. Casillo/R. A. Engle**

**Test Year: Twelve Months Ended: 12/31/10  
Exhibit 9  
Page 41 of 46**

Line No.	Description	Exhibit 12 Reference Page No.	Actual Twelve Months Ended 12/31/2010	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013	
						Present Rates	Proposed Rates
1			(1)	(2)	(3)	(4)	(5)
2							
3	Property Taxes	42	\$10,824,144	\$11,703,917	\$14,008,484	\$14,365,278	\$14,365,278
4							
5	PSC Assessment	43	78,103	116,515	123,869	117,312	138,789
6							
7	Payroll Taxes	44	482,771	518,953	535,883	538,791	538,791
8							
9	Miscellaneous Adjustments		<u>46,727</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
10							
11	Total		<u>\$11,431,745</u>	<u>\$12,339,385</u>	<u>\$14,668,236</u>	<u>\$15,021,381</u>	<u>\$15,042,858</u>
12							
13							
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**Property Taxes**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. N. Casillo**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 42 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3 School Taxes	\$5,529,605	\$6,384,133	\$6,532,248
4 General Taxes	4,649,214	5,729,006	5,860,013
5 Village Taxes	<u>1,525,097</u>	<u>1,895,346</u>	<u>1,973,017</u>
6			
7 Total Pro Forma Expense	<u>\$11,703,917</u>	<u>\$14,008,484</u>	<u>\$14,365,278</u>
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**PSC Assessment**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: R. A. Engle**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 43 of 46**

Line No. Description	Twelve Months	Twelve Months	Twelve Months Ended 3/31/2013	
	Ended 12/31/2011	Ended 12/31/2012	Present Rates	Proposed Rates
1	(1)	(2)	(3)	(4)
2				
3 Total Operating Revenues	\$49,412,288	\$52,132,611	\$49,063,159	\$58,626,305
4				
5 Assessment Rate	<u>0.22458%</u>	<u>0.22458%</u>	<u>0.22458%</u>	<u>0.22458%</u>
6				
7 Pro Forma PSC Expense	110,970	117,079	110,186	131,663
8 Annual Assessment from Office of Real Property Services	<u>5,545</u>	<u>6,790</u>	<u>7,126</u>	<u>7,126</u>
9 Pro Forma Expense	116,515	123,869	117,312	138,789
10				
11 Actual Test Year Expense	<u>78,103</u>	<u>116,515</u>	<u>123,869</u>	<u>117,312</u>
12				
13 Pro Forma Adjustment	<u>\$38,412</u>	<u>\$7,354</u>	<u>(\$6,557)</u>	<u>\$21,477</u>
14				
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**Payroll Taxes**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: R. A. Engle**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 44 of 46**

Line No. Description	Twelve Months Ended 12/31/2011	Twelve Months Ended 12/31/2012	Twelve Months Ended 3/31/2013
1	(1)	(2)	(3)
2			
3			
4 Earning Subject to tax:			
5 FICA	\$7,825,351	\$8,086,084	\$8,130,360
6 FUTA	668,500	668,500	668,500
7 SUTA	811,750	811,750	811,750
8 Excess Medicare	279,995	310,826	318,767
9			
10 Tax Rate:			
11 FICA	7.65%	7.65%	7.65%
12 FUTA	0.80%	0.80%	0.80%
13 SUTA	2.100%	2.100%	2.100%
14 Excess Medicare	1.45%	1.45%	1.45%
15			
16 Tax:			
17 FICA	598,639	618,585	621,973
18 FUTA	5,348	5,348	5,348
19 SUTA	17,047	17,047	17,047
20 Excess Medicare	<u>4,060</u>	<u>4,507</u>	<u>4,622</u>
21			
22 Total Tax	625,094	645,487	648,990
23			
24 Percent Chargeable to Capital and Other	16.98%	16.98%	16.98%
25			
26 Amount Chargeable to Capital and Other	<u>106,141</u>	<u>109,604</u>	<u>110,199</u>
27			
28 Pro Forma Expense	<u><u>\$518,953</u></u>	<u><u>\$535,883</u></u>	<u><u>\$538,791</u></u>
29			
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**State Income Tax**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. M. Watkins**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 45 of 46**

Line No.	Description	Twelve Months	Twelve Months	Twelve Months Ended 3/31/2013	
		Ended 12/31/2011	Ended 12/31/2012	Present Rates	Proposed Rates
1		(1)	(2)	(3)	(4)
2	Operating Revenues	\$49,412,288	\$52,132,611	\$49,063,159	\$58,626,305
3	Less:				
4	Operation & Maintenance Expense	22,698,267	23,340,839	23,463,755	23,523,812
5	Depreciation Expense	3,872,961	4,362,990	4,373,069	4,373,069
6	Taxes Other Than Income	12,339,385	14,668,236	15,021,381	15,042,858
7	Amortization of Rate Case Expense 9 / 29	30,000	175,000	233,333	233,333
8	Amortization of Tank Painting 9 / 32	32,884	32,884	32,884	32,884
9	Amortization of Asbestos Removal 9 / 36	11,583	0	0	0
10	Amortization of Pension Actuarial Study 9 / 38	0	72,333	96,444	96,444
11	Interest Charges (1)	3,831,492	4,220,554	4,278,065	4,278,065
12	Excess of Tax Depreciation Over Book	434,574	681,854	705,249	705,249
13	Reduction to Taxable Income for Repairs Expense	601,821	563,926	422,944	422,944
14	Total Deductions	43,852,965	48,118,616	48,627,125	48,708,659
15					
16	State Taxable Income	5,559,323	4,013,995	436,034	9,917,646
17					
18	State Income Tax Rate	7.10%	7.10%	7.10%	7.10%
19	MTA Tax	1.53%	1.53%	1.53%	1.53%
20	Total State Income Tax Rate	8.63%	8.63%	8.63%	8.63%
21					
22	Pro Forma State Income Tax Current	\$479,770	\$346,408	\$37,630	\$855,893
23					
24	Deferred State Income Tax:				
25	Excess tax depreciation over book plus amortizations	\$509,040	962,071	1,067,911	\$1,067,911
26	Tax rate	8.63%	8.63%	8.63%	8.63%
27		43,930	83,027	92,161	92,161
28	Excess Deferred Tax Amortization	(24,154)	(6,039)	0	0
29	Deferred S.I.T.	\$19,776	\$76,988	\$92,161	\$92,161
30					
31	Total State Income Tax	\$499,546	\$423,396	\$129,791	\$948,054
32	Note (1) Interest synchronization calculation:				
33	Rate Base	\$113,694,133	\$125,239,001	\$126,945,552	\$126,945,552
34	Weighted Cost of Debt	3.37%	3.37%	3.37%	3.37%
35	Interest Charges	\$3,831,492	\$4,220,554	\$4,278,065	\$4,278,065

**Federal Income Tax**  
**Forecast of the Twelve Months Ended December 2011, 2012 and March 2013**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. M. Watkins**

**Test Year: Twelve Months Ended: 12/31/10**  
**Exhibit 9**  
**Page 46 of 46**

Line No. Description	Twelve Months	Twelve Months	Twelve Months Ended 3/31/2013	
	Ended 12/31/2011	Ended 12/31/2012	Present Rates	Proposed Rates
1	(1)	(2)	(3)	(4)
2 Operating Revenues	\$49,412,288	\$52,132,611	\$49,063,159	\$58,626,305
3 Less:				
4 Operation & Maintenance Expense	22,698,267	23,340,839	23,463,755	23,523,812
5 Depreciation Expense	3,872,961	4,362,990	4,373,069	4,373,069
6 Taxes Other Than Income	12,339,385	14,668,236	15,021,381	15,042,858
7 State Income Tax	479,770	346,408	37,630	855,893
8 Amortization of Rate Case Expense 9 / 29	30,000	175,000	233,333	233,333
9 Amortization of Tank Painting 9 / 32	32,884	32,884	32,884	32,884
10 Amortization of Asbestos Removal 9 / 36	11,583	0	0	0
11 Amortization of Pension Actuarial Study 9 / 38	0	72,333	96,444	96,444
12 Interest Charges (1)	3,831,492	4,220,554	4,278,065	4,278,065
13 Excess of Tax Depreciation Over Book	(304,288)	6,623,917	4,983,026	4,983,026
14 Reduction to Taxable Income for Repairs Expense	601,821	563,926	422,944	422,944
15 Total Deductions	43,593,873	54,407,087	52,942,532	53,842,329
16 Taxable Income	5,818,415	(2,274,476)	(3,879,373)	4,783,976
17 Tax Rate	34.00%	34.00%	34.00%	34.00%
18 Federal Income Tax (current)	\$1,978,261	(\$773,322)	(\$1,318,987)	\$1,626,552
19 Deferred Federal Income Tax:				
20 Excess tax depreciation over book plus amortizations	(\$229,821)	\$6,904,134	\$5,345,688	\$5,345,688
21 Deferred S.I.T.	19,776	76,988	92,161	92,161
22 Deferral Base F.I.T.	(249,597)	6,827,146	5,253,527	5,253,527
23 Tax rate	34.00%	34.00%	34.00%	34.00%
24 Net	(84,863)	2,321,230	1,786,199	1,786,199
25 Excess Deferrred Tax Amortization	(9,883)	(9,883)	(9,883)	(9,883)
26 Deferred F.I.T.	(\$94,746)	\$2,311,347	\$1,776,316	\$1,776,316
27 Deferred Federal Income Tax:				
28 Amortization of flow through tax	\$300,058	\$319,074	\$324,519	\$324,519
29				
30 Total Federal Income Tax	\$2,183,573	\$1,857,099	\$781,848	\$3,727,387
31 Note (1) Interest synchronization calculation:				
32 Rate Base	\$113,694,133	\$125,239,001	\$126,945,552	\$126,945,552
33 Weighted Cost of Debt	3.37%	3.37%	3.37%	3.37%
34 Interest Charges	\$3,831,492	\$4,220,554	\$4,278,065	\$4,278,065
35				

Rate Base

Long Island American Water  
 Case 11-W-\_\_\_\_\_  
 Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 10  
 Page 1 of 3

Line No.	Twelve Months Ended (13 month avg)				
	12/31/2010	12/31/2011	12/31/2012	3/31/2013	
1	(1)	(2)	(3)	(4)	
2					
3	Utility Plant In Service	\$159,055,293	\$175,885,812	\$191,344,035	\$194,615,892
4					
5	Plant Held for Future Use	110,933	110,933	110,933	110,933
6					
7	Less:				
8	Accum. Provision For Depreciation	45,372,122	48,197,404	51,355,149	52,188,969
9	Customer Advances for Construction	234,593	73,020	65,427	65,427
10					
11	Def FIT	16,239,760	16,842,858	17,923,896	18,658,726
12	Def SIT Other	1,748,385	1,560,870	1,532,205	1,522,419
13					
14	Sub-total	<u>63,594,860</u>	<u>66,674,152</u>	<u>70,876,677</u>	<u>72,435,541</u>
15					
16	Add:				
17	Non-Interest Construction Work In Progress	262,553	262,553	262,553	262,553
18	Materials and Supplies	595,935	605,410	615,036	617,481
19	Prepayments	1,456,222	1,458,736	1,553,781	1,562,789
20	Cash Working Capital	2,679,650	2,798,522	2,876,701	2,886,976
21	Unamortized Balances:				
22	Tank Painting (net of taxes)	193,347	173,517	153,686	148,729
23	Rate Case Expense (net of taxes)	54,274	158,318	260,931	231,166
24	Call Center CSC	44,376	3,920	0	0
25	Financial Center SSC	62,573	4,814	0	0
26	Asbestos Removal (net of taxes)	20,955	1,075	0	0
27	Demutualization(net of taxes)	(107,698)	(63,134)	(18,855)	0
28	Pension Actuarial Study (net of taxes)	138,356	168,635	157,703	145,400
29	Sub-total	<u>5,400,543</u>	<u>5,572,366</u>	<u>5,861,536</u>	<u>5,855,094</u>
30					
31	Rate Base before EB Cap. Adjustment	100,971,909	114,894,959	126,439,827	128,146,378
32					
33	Earnings Base/Capitalization Adjustment	<u>(1,200,826)</u>	<u>(1,200,826)</u>	<u>(1,200,826)</u>	<u>(1,200,826)</u>
34					
35	Rate Base	<u>\$99,771,082</u>	<u>\$113,694,133</u>	<u>\$125,239,001</u>	<u>\$126,945,552</u>
36					
37					
38					
39					
40					

**Cash Working Capital**

Long Island American Water  
 Case 11-W-\_\_\_\_  
 Witness Responsible: J. M. Watkins

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 10  
 Page 2 of 3

Line No.	Reference No.	Twelve Months Ended			
		12/31/2010	12/31/2011	12/31/2012	3/31/2013
1	(1)	(2)	(3)	(4)	(5)
2	Total Operation and Maintenance Expense	\$21,910,216	\$22,772,733	\$23,621,056	\$23,826,417
3					
4	Less: Uncollectibles	273,802	310,091	327,229	367,949
5	Amortization of:				
6	Rate Case Expense 2011	120,000	30,000	175,000	233,333
7	Tank Painting	32,884	32,884	32,884	32,884
8	Asbestos Removal	46,330	11,583	0	0
9	Pension Actuarial Study	0	0	72,333	96,444
10					
11	Net Operation and Maintenance Expenses	21,437,199	22,388,176	23,013,610	23,095,806
12					
13	Weighted Billing Factor	0.125	0.125	0.125	0.125
14					
15	Total Cash Working Capital	\$2,679,650	\$2,798,522	\$2,876,701	\$2,886,976
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					

**Earnings Base / Capitalization Differential**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: J. M. Watkins**

**Base Year: Twelve Months Ended: 12/31/10**  
**Exhibit 10**  
**Page 3 of 3**

Line No.	Twelve Months Ended		Changes
	12/31/2010	3/31/2013	
1	(1)	(2)	(3)
2			
3	\$100,971,909	\$128,146,378	<u>\$27,174,469</u>
4			
5			\$107,000,105
6			
7			7,229,023
8			
9			<u>99,771,082</u>
10			
11			
12			<u>27,174,469</u>
13			
14			126,945,552
15			
16			<u>128,146,378</u>
17			
18			<u><u>(\$1,200,826)</u></u>
19			
20			
21			
22			
23	Notes:		
24	(1) 13 month averages 12/31/2010 - see separate worksheets		
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
35			

Tariff Comparison - Present vs. Proposed Rates

Long Island American Water  
 Case 11-W-\_\_\_\_\_  
 Witness Responsible: R. A. Engle

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 11  
 Page 1 of 5

Line No.	Description		Present Rates Monthly	Proposed Rates Monthly
	(1)	(2)	(3)	(4)
1				
2	Service Classification No. 1 - Residential Customers			
3				
4	Customer Service Charge			
5	<u>Meter Size</u>			
6	5/8"		\$9.39	\$11.22
7	3/4"		10.72	12.81
8	1"		12.76	15.25
9	1 1/2"		24.83	29.67
10	2"		27.87	33.31
11				
12	<u>Consumption Charges</u>			
13	Summer			
14	May 1 - September 30	First 5,000 Gallons (15,000 Quarterly)	\$3.5046	\$4.1883
15		Over 5,000 Gallons (15,000 Quarterly)	4.3838	5.2391
16	Winter			
17	October 1 - April 30	All Consumption	\$3.5046	\$4.1883
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				

**Tariff Comparison - Present vs. Proposed Rates**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: R. A. Engle**

**Base Year: Twelve Months Ended: 12/31/10**  
**Exhibit 11**  
**Page 2 of 5**

Line No.	Description	<u>Present Rates</u> Monthly	<u>Proposed Rates</u> Monthly
1	(1) (2)	(3)	(4)
2	Service Classification No. 1A - Commercial and Industrial Customers		
3			
4	Customer Service Charge		
5	<u>Meter Size</u>		
6	5/8"	\$9.39	\$11.22
7	3/4"	10.72	12.81
8	1"	12.76	15.25
9	1 1/2"	24.83	29.67
10	2"	27.87	33.31
11	3"	60.82	72.69
12	3" Compound	95.56	114.20
13	4" Compound	108.86	130.10
14	6" Compound	108.57	129.75
15	8" Compound	146.76	175.39
16	5/8" & 2" (1)	29.33	35.05
17	1" & 1 1/2" (1)	30.41	36.34
18	1 1/2" & 1 1/2" (1)	37.61	44.95
19	1 1/2" & 2" (1)	40.65	48.58
20	2" & 2" (1)	43.69	52.21
21	3" & 3" (1)	169.67	202.77
22	4" & 4" (1)	196.23	234.51
23	Note (1): Not available after 1/1/1981		
24			
25	<u>Consumption Charges</u>		
26	Summer		
27	May 1 - September 30	\$4.3838	\$5.2391
28	Over 34,000 Gallons (102,000 Quarterly)	3.5046	4.1883
29	Winter		
30	October 1 - April 30	\$3.5046	\$4.1883
31	Over 34,000 Gallons (102,000 Quarterly)	2.9221	3.4922
32			
33			
34			
35			

Tariff Comparison - Present vs. Proposed Rates

Long Island American Water  
 Case 11-W-\_\_\_\_\_  
 Witness Responsible: R. A. Engle

Base Year: Twelve Months Ended: 12/31/10  
 Exhibit 11  
 Page 3 of 5

Line No.	Description	Present Rates		Proposed Rates	
		Quarterly	Yearly	Quarterly	Yearly
1	(1)	(2)	(3)	(4)	(5)
2	Service Classification No. 2 & 6 - Private Fire Service				
3					
4	Rate per Hydrant per Year		\$656.38		\$784.44
5					
6	Flat Rate				
7	2" Fire Connection or less	\$39.66		\$47.40	
8	3" Fire Connection	99.14		118.48	
9	4" Fire Connection	198.31		237.00	
10	6" Fire Connection	396.63		474.01	
11	8" Fire Connection	793.19		947.94	
12	10" Fire Connection	1,586.47		1,896.00	
13	12" Fire Connection	3,172.95		3,792.00	
14	16" Fire Connection	6,345.89		7,584.00	
15					
16					
17	Service Classification No. 3 - Lawn Sprinklers				
18	Season: May 1 to October 31		<u>Per Season</u>		<u>Per Season</u>
19					
20	All Usage		\$4.3838		\$5.2391
21					
22	<u>Meter Size</u>				
23	1"		\$138.83		\$165.92
24	1 1/2"		245.60		293.52
25	2"		282.11		337.15
26					
27					
28	Service Classification No. 4 - Public Fire Service				
29					
30	Rate per Hydrant per Year		\$656.38		\$784.44
31					
32					
33					
34					
35					

**Tariff Comparison - Present vs. Proposed Rates**

**Long Island American Water**  
**Case 11-W-\_\_\_\_\_**  
**Witness Responsible: R. A. Engle**

**Base Year: Twelve Months Ended: 12/31/10**  
**Exhibit 11**  
**Page 4 of 5**

Line No.	Description	Unit	Present Rates	Proposed Rates
1	(1)	(2)	(3)	(4)
2	Service Classification No. 5			
3				
4	1 - Water used in constructing one or two story dwellings			
5	Frame	Each Structure	\$72.71	\$86.90
6	Frame and half stucco	Each Structure	96.94	115.85
7	All stucco, cement or cinder block, hollow tile, brick veneer or var. combinations	Each Structure	121.18	144.82
8	Brick	Each Structure	145.40	173.77
9				
10	2 - Structures other than dellings			
11	Concrete, stone, terra cotta, other masonry	Per cu. yd. of masonry	\$0.82	\$0.98
12	Brick	Per 1,000 bricks	1.54	1.84
13				
14	3 - Road construction			
15	Concrete, macadam or other roads	Per 100 sq. ft.	\$2.83	\$3.38
16	Sidewalk	Per 100 sq. ft.	2.83	3.38
17	Curbing	Per 100 sq. ft.	3.02	3.61
18				
19	4 - Flooding ditches			
20	Ditch 2' x 3'	Per 100 lineal feet	\$15.22	\$18.19
21				
22	5 - Jetting planks			
23	Minimum rate - for four or less planks		\$16.04	\$19.17
24	After first four planks, thereafter		1.13	1.35
25				
26	6 - Jetting spiles			
27	Minimum rate - for four or less spiles		\$16.04	\$19.17
28	After first four spiles, thereafter		2.42	2.89
29				
30	7 - Water drawn from hydrants for purposes other than fire protection and for			
31	other than specified above	Rate per 1,000 gallons	\$3.98	\$4.76
32				
33	Minimum charge payable in advance for which the customer will be entitled to use		\$79.67	\$95.21
34	20,000 gallons of water in the period stated in the permit. Water in excess of such allowance			
35	will be billed at the rate above stated, at the expiration of the permit, and the bill thereof			
36	will be due and payable when rendered. The quantities of water used will be estimated.			
37				
38	Hydrant Permits (In addition to the above charges)			
39	Per hydrant	Per Day	\$16.04	\$19.17
40	Per services of Inspector (when required by Company)	Per Day	121.18	144.82



Long Island American Water  
Exhibit 12  
Index to Workpapers

<u>Workpaper Tab</u>	<u>Witness Responsible</u>	<u>Schedule Name</u>
1	Engle	Statement of Pro Forma Operating Revenue
2	Engle	Customer Increase Adjustment
3	Engle	Consumption Normalization
4	Engle	Payroll
5	Casillo	Power
6	Casillo	Fuel
7	Casillo	Chemicals
8	Bozman	Invoices
9	Engle	Group Insurance
10	Casillo	Post-Retirement Other than Pensions (PBOP's)
11	Casillo	Pensions
12	Engle	401k
13	Engle	Defined Contribution Plan
14	Engle	Employee Stock Purchase Plan
15	Engle	Retiree Medical
16	Conroy	Service Company Expense
17	Bozman	Insurance Other Than Group
18	Conroy	Uncollectible Expense
19	Bozman	Rate Case Expense
20	Bozman	Rents
21	Conroy	Leased Vehicles
22	Casillo	Overearnings Adjustment
23	Bozman	Customer Outreach and Education Plan
24	Bozman	Postage
25	Bozman	Audit Fees
26	Casillo	Amortization of Pension Actuarial Studies
27	Watkins	Depreciation
28	Casillo	Property Tax
29	Engle	PSC Assessment
30	Engle	Payroll Taxes
31	Watkins	Rate Base

Long Island American Water  
RESIDENTIAL  
Bill Analysis for the 12 Months Ended December 31, 2010:

Exhibit 12  
Tab 1  
Page 1 of 6

Number of Bills		Totals
Monthly	5/8"	775,027
	3/4"	31,845
	1"	14,106
	1-1/2"	1,186
	2"	294
Total Meters		<u>822,458</u>
Consumption		
Summer Usage		
	First 5,000 Gal	1,542,115.6
	Over 5,000 Gal	2,688,671.3
Winter Usage		
		<u>3,148,110.4</u>
Total		<u>7,378,897.3</u>

Number of Bills		Totals
Monthly	5/8"	38,537
	3/4"	5,811
	1"	5,361
	1-1/2"	5,123
	2"	1,977
	3"	229
Compound	3"	48
Compound	4"	24
Compound	6"	0
Compound	8"	12
	5/8" & 2"	0
	1" & 1 1/2"	0
	1 1/2" & 1 1/2"	497
	1 1/2" & 2"	13
	2" & 2"	710
	3" & 3"	93
	4" & 4"	25
Total Bills		<u>58,460</u>

Consumption	
Summer Usage	
First 34,000 Gal	270,723.0
Over 34,000 Gal	413,194.7
Winter Usage	
First 34,000 Gal	327,471.2
Over 34,000 Gal	<u>344,974.0</u>
Total	<u>1,356,362.8</u>

Number of Bills		Totals
Monthly	5/8"	59
	3/4"	0
	1"	61
	1-1/2"	137
	2"	48
	3"	0
Compound	3"	0
Compound	4"	0
Compound	6"	12
Compound	8"	12
	5/8" & 2"	0
	1" & 1 1/2"	0
	1 1/2" & 1 1/2"	0
	1 1/2" & 2"	0
	2" & 2"	12
	3" & 3"	0
	4" & 4"	0
Total Bills		<u>341</u>

Consumption	
Summer Usage	
First 34,000 Gal	2,966.3
Over 34,000 Gal	33,501.0
Winter Usage	
First 34,000 Gal	4,355.7
Over 34,000 Gal	<u>47,064.7</u>
Total	<u>87,887.6</u>

Number of Bills		Totals
Monthly	5/8"	679
	3/4"	352
	1"	678
	1-1/2"	816
	2"	775
	3"	249
Compound	3"	145
Compound	4"	84
Compound	6"	25
Compound	8"	12
	5/8" & 2"	0
	1" & 1 1/2"	0
	1 1/2" & 1 1/2"	97
	1 1/2" & 2"	0
	2" & 2"	289
	3" & 3"	24
	4" & 4"	0
Quarterly	5/8"	0
	3/4"	0
	1"	0
Total Bills		<u>4,225</u>

Consumption	
Summer Usage	
First 34,000 Gal	35,184.0
Over 34,000 Gal	204,662.9
Winter Usage	
First 34,000 Gal	33,304.1
Over 34,000 Gal	<u>168,418.5</u>
Total	<u>441,569.4</u>

Long Island American Water  
 Private and Public Fire  
 Bill Analysis for the 12 Months Ended December 31, 2010:

Exhibit 12  
 Tab 1  
 Page 5 of 6

Number of Bills		Totals
Monthly	2"	227
	3"	20
	4"	1,679
	6"	977
	8"	262
	10"	4
	12"	4
	16"	
	Total	<u>3,173</u>
	Private Fire Hydrants	132
Public	Monthly	3,270
Public	Quarterly	1,246
Public	Annual	26

Long Island Water Corporation  
 Lawn Sprinkler Service  
 Bill Analysis for the 12 Months Ended December 31, 2010:

Exhibit 12  
 Tab 1  
 Page 6 of 6

Number of Bills	Residential	Commercial	OPA	Totals
1"	460	21	2	483
1-1/2"	94	30	1	125
2"	10	11	5	26
Total Bills	<u>564</u>	<u>62</u>	<u>8</u>	<u>634</u>
Consumption				
All Usage	<u>152,292.5</u>	<u>48,270.1</u>	<u>6,910.3</u>	<u>207,472.8</u>
Total	<u>152,292.5</u>	<u>48,270.1</u>	<u>6,910.3</u>	<u>207,472.8</u>

Long Island American Water  
Residential Growth

Exhibit 12  
Tab 2

Year	Residential Customers at 12/31	Residential Growth
2007	67,834	
2008	67,886	52
2009	67,883	(3)
2010	67,907	24
	Total Growth	<u>73</u>
	Average Growth	<u><u>24</u></u>
	Cust bills	<u><u>288</u></u>

In 000 Gallons	Case 07-W-0508			Per Bill Analysis 2010	2009	2008	2007	Case 04-W-0577		Per Bill Analysis 2006	2005	2004	Per Bill Analysis 2003	7 year average (2003-2008 & 2010)	Normalization Adjustment
	Last Case based on 7 year avg.	Last Case 7 year avg. Percent	2010 percent					Last Case based on 7 year avg.	Last Case 7 year avg. Percent						
Residential				7,378,897	6,664,278	7,680,557	7,534,577	7,437,912	100.00%	7,623,471	7,653,588	6,980,065	6,964,663	7,402,260	23,363
Winter	3,690,179	49.78%	42.66%	3,148,110	3,143,480	3,726,633	3,419,325	3,810,772	51.23%	3,162,674	3,921,272	3,576,197	3,555,547	3,501,394	353,284
Summer- 1st block	1,630,564	22.00%	20.90%	1,542,116	1,507,396	1,523,677	1,420,489	1,584,069	21.30%	2,003,233	1,630,002	1,486,560	1,465,775	1,581,693	39,577
Summer 2nd block	2,092,569	28.23%	36.44%	2,688,671	2,013,402	2,430,248	2,694,763	2,043,071	27.47%	2,457,564	2,102,314	1,917,308	1,943,341	2,319,173	(369,498)
Commercial/Industrial/OPA															
Winter - 1st block	365,777	17.71%	4.95%	365,130	370,922	430,526	409,229	344,740	16.43%	463,753	335,836	341,778	385,721	390,282	25,152
Winter - 2nd block	682,489	33.04%	7.60%	560,456	599,521	717,833	752,073	684,797	32.64%	661,468	667,109	678,913	717,273	679,304	118,848
Summer 1st block	322,094	15.59%	4.19%	308,875	295,873	373,407	335,520	330,151	15.74%	299,837	321,623	327,314	316,264	326,120	17,245
Summer 2nd block	695,301	33.66%	8.83%	651,359	575,682	661,304	726,690	738,370	35.19%	575,584	719,298	732,026	626,953	670,459	19,100
Commercial	2,065,661	100.00%	25.56%	1,885,820	1,841,998	2,183,069	2,223,512	2,098,058	100.00%	2,000,642	2,043,866	2,080,031	2,046,210	2,066,164	180,344
Lawn Sprinklers	201,934			207,473	158,102	198,576	203,879	216,393		210,832	183,635	192,370	162,110	194,125	(13,348)
Total	9,680,907			9,472,190	8,664,378	10,062,202	9,961,967	9,752,363		9,834,945	9,881,089	9,252,466	9,172,983	9,662,549	190,359

**LONG ISLAND AMERICAN WATER  
Payroll**

Public Version  
Exhibit 12  
Tab 4

Classification (1)	No of Empl (2)	Total Annual Payroll (3)
Payroll - 1/1/2011 to 12/31/2011		
Union	70.50	
Nonunion	24.50	
Mileage		
Meals	\$8.00 2,671.00	
Total Payroll	<u>95.00</u>	<u>8,128,706</u>
Percent Chargeable to Capital and Other		16.98%
Amount Chargeable to Capital and Other		<u>1,380,254</u>
Pro Forma Chargeable to Operating Expenses		<u><u>\$6,748,452</u></u>
Payroll - 1/1/2012 to 12/31/2012		
Union	70.50	
Nonunion	24.50	
Mileage		
Meals	\$8.00 2,671.00	
Total Payroll	<u>95.00</u>	<u>8,420,271</u>
Percent Chargeable to Capital and Other		16.98%
Amount Chargeable to Capital and Other		<u>1,429,762</u>
Pro Forma Chargeable to Operating Expenses		<u><u>\$6,990,509</u></u>
Payroll - 4/1/2012 to 3/31/2013		
Union	70.50	
Nonunion	24.50	
Mileage		
Meals	\$8.00 2,671.00	
Total Payroll	<u>95.00</u>	<u>8,472,488</u>
Percent Chargeable to Capital and Other		16.98%
Amount Chargeable to Capital and Other		<u>1,438,628</u>
Pro Forma Chargeable to Operating Expenses		<u><u>\$7,033,860</u></u>

**LONG ISLAND AMERICAN WATER  
NON-UNION PAYROLL  
2011 RATE CASE**

Public Version

Classification (1)	No of Empl (2)	Annual Salary (3)	Incentive Compensation (4)	Long Term Incentive (5)	Earnings Subject to				Group Life Insurance (9)
					7.65% FICA/Medicare \$106,800 (6)	Federal Unemployment .8%-\$7,000 (7)	State 2.1%-\$8,500 (8)		
Chemist I (N)	N	1.0							
Dir Operations State	N	1.0							
Lab Tech (N)	N	0.5							
Mgr Engrg - Technical Services	N	1.0							
Mgr Field Operations	N DC	1.0							
Mgr Production	N DC	1.0							
Mgr Wtr Qlty & Envrn Cmpl	N	1.0							
President (Medium States)	N	1.0							
Princ Analyst Financial	N DC	1.0							
Project Mgr Engr	N	1.0							
Specialist Operations (N)	N	1.0							
Specialist Operations (N)	N DC	1.0							
Specialist Operations (N)	N	1.0							
Specialist Operations (N)	N DC	1.0							
Specialist Operations (N)	N	1.0							
Sr Construction Inspector	N	1.0							
Sr Construction Inspector	N DC	1.0							
Supt Opns II	N DC	1.0							
Supt Opns II	N DC	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Opns II	N	1.0							
Supvr Production	N	1.0							
<b>SUBTOTAL</b>	<b>24.5</b>	<b>2,071,979</b>	<b>233,751</b>	<b>16,800</b>	<b>2,322,530</b>	<b>2,042,536</b>	<b>175,000</b>	<b>212,500</b>	<b>3,035,000</b>
Overtime					8,147	8,147			
<b>TOTAL NON-UNION</b>		<b>\$2,071,979</b>	<b>\$233,751</b>	<b>\$16,800</b>	<b>\$2,330,677</b>	<b>\$2,050,683</b>	<b>\$175,000</b>	<b>\$212,500</b>	<b>\$3,035,000</b>

**LONG ISLAND AMERICAN WATER  
NON-UNION PAYROLL  
2011 RATE CASE**

Public Version

Classification (1)	No of Empl (2)	Annual Salary (3)	Incentive Compensation (4)	Long Term Incentive (5)	Earnings Subject to				Group Life Insurance (9)
					7.65% FICA/Medicare \$106,800 (6)	Federal Unemployment .8%-\$7,000 (7)	State 2.1%-\$8,500 (8)		
Chemist I (N)	N	1.0							
Dir Operations State	N	1.0							
Lab Tech (N)	N	0.5							
Mgr Engrg - Technical Services	N	1.0							
Mgr Field Operations	N DC	1.0							
Mgr Production	N DC	1.0							
Mgr Wtr Qlty & Envrn Cmpl	N	1.0							
President (Medium States)	N	1.0							
Princ Analyst Financial	N DC	1.0							
Project Mgr Engr	N	1.0							
Specialist Operations (N)	N	1.0							
Specialist Operations (N)	N DC	1.0							
Specialist Operations (N)	N	1.0							
Specialist Operations (N)	N DC	1.0							
Specialist Operations (N)	N	1.0							
Sr Construction Inspector	N	1.0							
Sr Construction Inspector	N DC	1.0							
Supt Opns II	N DC	1.0							
Supt Opns II	N DC	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Opns II	N	1.0							
Supvr Production	N	1.0							
<b>SUBTOTAL</b>	<b>24.5</b>	<b>2,134,140</b>	<b>240,765</b>	<b>17,304</b>	<b>2,392,209</b>	<b>2,081,383</b>	<b>175,000</b>	<b>212,500</b>	<b>3,113,000</b>
Overtime					8,391	8,391			
<b>TOTAL NON-UNION</b>		<b>\$2,134,140</b>	<b>\$240,765</b>	<b>\$17,304</b>	<b>\$2,400,600</b>	<b>\$2,089,774</b>	<b>\$175,000</b>	<b>\$212,500</b>	<b>\$3,113,000</b>

**LONG ISLAND AMERICAN WATER  
NON-UNION PAYROLL  
2011 RATE CASE**

Public Version

Classification (1)	No of Empl (2)	Annual Salary (3)	Incentive Compensation (4)	Long Term Incentive (5)	Earnings Subject to				Group Life Insurance (15)
					7.65% FICA/Medicare \$106,800 (6)	Federal Unemployment .8%-\$7,000 (7)	State 2.1%-\$8,500 (8)		
Chemist I (N)	N	1.0							
Dir Operations State	N	1.0							
Lab Tech (N)	N	0.5							
Mgr Engrg - Technical Services	N	1.0							
Mgr Field Operations	N DC	1.0							
Mgr Production	N DC	1.0							
Mgr Wtr Qlty & Envrn Cmpl	N	1.0							
President (Medium States)	N	1.0							
Princ Analyst Financial	N DC	1.0							
Project Mgr Engr	N	1.0							
Specialist Operations (N)	N	1.0							
Specialist Operations (N)	N DC	1.0							
Specialist Operations (N)	N	1.0							
Specialist Operations (N)	N DC	1.0							
Specialist Operations (N)	N	1.0							
Sr Construction Inspector	N	1.0							
Sr Construction Inspector	N DC	1.0							
Supt Opns II	N DC	1.0							
Supt Opns II	N DC	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Field Operations	N	1.0							
Supvr Opns II	N	1.0							
Supvr Production	N	1.0							
<b>SUBTOTAL</b>	<b>24.5</b>	<b>2,150,154</b>	<b>242,576</b>	<b>17,434</b>	<b>2,410,164</b>	<b>2,091,397</b>	<b>175,000</b>	<b>212,500</b>	<b>3,205,000</b>
Overtime					8,454	8,454			
<b>TOTAL NON-UNION</b>		<b>\$2,150,154</b>	<b>\$242,576</b>	<b>\$17,434</b>	<b>\$2,418,618</b>	<b>\$2,099,851</b>	<b>\$175,000</b>	<b>\$212,500</b>	<b>\$3,205,000</b>

Exhibit 12  
Tab 4

Public Version

LONG ISLAND AMERICAN WATER  
UNION PAYROLL  
2011 RATE CASE

Classification (1)	No of Empl (2)	Rate (3)	\$ (4) (5)		Pay Adj for Working Above Normal Job (6)	12/31/2011 Longevity Payment (7)	Total Annual Payroll (8)	Earnings Subject to (9) (10) (11)			Group Life Insurance (12)	
			Regular	Shift Prem				7.65% FICA/Medicare \$106,800	Unemployment Federal .8%-\$7,000	State 2.1%-\$8,500		
UNION - 1/1/2011 to 12/31/2011			Hours =	2,080	Shift Prem= \$1.50							
Auto Mechanic	U	1.00	\$37,103	\$77,174	\$2,195	\$0	\$350	\$79,719	\$79,719	\$7,000	\$8,500	\$100,000
Boom Truck Operator	U	1.00	34,073	70,872	0	0	525	71,397	71,397	7,000	8,500	90,000
Building Services Janitor	U	1.00	28,804	59,912	0	0	0	59,912	59,912	7,000	8,500	75,000
Business Clerk	U	1.00	32,527	67,656	0	0	525	68,181	68,181	7,000	8,500	86,000
Comm Investigator	U	1.00	33,247	69,154	0	0	700	69,854	69,854	7,000	8,500	88,000
Daylist Clerk	U	1.00	31,293	65,089	0	3,940	700	69,729	69,729	7,000	8,500	88,000
Distribution Clerk	U	1.00	28,327	58,920	0	0	525	59,445	59,445	7,000	8,500	75,000
Equipment Operator	U	1.00	36,925	76,804	0	0	700	77,504	77,504	7,000	8,500	97,000
Equipment Operator	U	1.00	36,925	76,804	1,404	0	700	78,908	78,908	7,000	8,500	99,000
M & S Storekeeper	U	1.00	34,736	72,251	0	0	700	72,951	72,951	7,000	8,500	92,000
Maintenance Mechanic	U	1.00	36,925	76,804	0	0	700	77,504	77,504	7,000	8,500	97,000
Maintenance Mechanic B	U	1.00	33,858	70,425	2,227	0	700	73,352	73,352	7,000	8,500	92,000
Maintenance Mechanic B	U	1.00	33,858	70,425	0	0	350	70,775	70,775	7,000	8,500	89,000
Maintenance Mechanic B	U	1.00	33,858	70,425	0	0	525	70,950	70,950	7,000	8,500	89,000
Maintenance Mechanic B	U	1.00	33,858	70,425	0	0	0	70,425	70,425	7,000	8,500	89,000
Maintenance Mechanic B	U	1.00	33,858	70,425	0	0	525	70,950	70,950	7,000	8,500	89,000
Meter Tester	U	1.00	32,477	67,552	0	0	700	68,252	68,252	7,000	8,500	86,000
Oilier-Plant Helper	U	1.00	31,901	66,354	1,884	0	0	68,238	68,238	7,000	8,500	86,000
Oilier-Plant Helper	U	1.00	31,901	66,354	588	452	0	67,394	67,394	7,000	8,500	85,000
Oilier-Plant Helper	U	1.00	31,901	66,354	1,500	4	525	68,383	68,383	7,000	8,500	86,000
Oilier-Plant Helper	U	1.00	31,901	66,354	1,212	1,451	0	69,017	69,017	7,000	8,500	87,000
Oilier-Plant Helper	U	1.00	31,901	66,354	852	1,488	0	68,694	68,694	7,000	8,500	86,000
Oilier-Plant Helper	U	1.00	31,901	66,354	1,824	0	525	68,703	68,703	7,000	8,500	86,000
Oilier-Plant Helper	U	1.00	31,901	66,354	2,052	0	0	68,406	68,406	7,000	8,500	86,000
Oilier-Plant Helper	U	1.00	31,901	66,354	876	1,160	0	68,390	68,390	7,000	8,500	86,000
Oilier-Plant Helper	U	1.00	31,901	66,354	564	2,536	525	69,979	69,979	7,000	8,500	88,000
Senior Utility Man A	U	1.00	36,925	76,804	0	0	700	77,504	77,504	7,000	8,500	97,000
Senior Utility Man A	U	1.00	36,925	76,804	0	0	700	77,504	77,504	7,000	8,500	97,000
Senior Utility Man A	U	1.00	36,925	76,804	0	0	700	77,504	77,504	7,000	8,500	97,000
Senior Utility Man A	U	1.00	36,925	76,804	0	0	700	77,504	77,504	7,000	8,500	97,000
Senior Utility Man A	U	1.00	36,925	76,804	0	0	700	77,504	77,504	7,000	8,500	97,000
Station Attendant A	U	1.00	35,830	74,526	912	0	525	75,963	75,963	7,000	8,500	95,000
Station Attendant A	U	1.00	35,830	74,526	1,536	0	700	76,762	76,762	7,000	8,500	96,000
Station Attendant A	U	1.00	35,830	74,526	1,908	0	700	77,134	77,134	7,000	8,500	97,000
Station Attendant A	U	1.00	35,830	74,526	1,884	0	700	77,110	77,110	7,000	8,500	97,000
Station Attendant B	U	1.00	33,565	69,815	1,824	0	0	71,639	71,639	7,000	8,500	90,000
Station Attendant B	U	1.00	33,565	69,815	2,136	0	0	71,951	71,951	7,000	8,500	90,000
Station Attendant B	U	1.00	33,565	69,815	660	0	0	70,475	70,475	7,000	8,500	89,000
Station Attendant B	U	1.00	33,565	69,815	1,802	0	0	71,617	71,617	7,000	8,500	90,000
Station Attendant B	U	1.00	33,565	69,815	0	0	0	69,815	69,815	7,000	8,500	88,000
Utility Man - Meter Service	U	1.00	32,992	68,623	788	0	525	69,936	69,936	7,000	8,500	88,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	700	69,323	69,323	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	525	69,148	69,148	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	525	69,148	69,148	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	525	69,148	69,148	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	525	69,148	69,148	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	525	69,148	69,148	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	700	69,323	69,323	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	525	69,148	69,148	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	525	69,148	69,148	7,000	8,500	87,000
Utility Man - Meter Service	U	1.00	32,992	68,623	0	0	525	69,148	69,148	7,000	8,500	87,000
Utility Man I	U	1.00	32,992	68,623	0	333	525	69,481	69,481	7,000	8,500	87,000
Utility Man I	U	1.00	32,992	68,623	0	415	175	69,213	69,213	7,000	8,500	87,000
Utility Man I	U	1.00	32,992	68,623	0	632	525	69,780	69,780	7,000	8,500	88,000
Utility Man I	U	1.00	32,992	68,623	0	591	525	69,739	69,739	7,000	8,500	88,000
Utility Man I	U	1.00	32,992	68,623	0	745	350	69,718	69,718	7,000	8,500	88,000
Utility Man I	U	1.00	32,992	68,623	0	349	525	69,497	69,497	7,000	8,500	87,000
Utility Man I	U	1.00	32,992	68,623	0	34	350	69,007	69,007	7,000	8,500	87,000
Utility Man I	U	1.00	32,992	68,623	0	3,579	525	72,727	72,727	7,000	8,500	91,000
Utility Man I	U	1.00	32,992	68,623	0	2,918	525	72,066	72,066	7,000	8,500	91,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	48	310	175	66,111	66,111	7,000	8,500	83,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	0	0	0	65,578	65,578	7,000	8,500	82,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	0	0	0	65,578	65,578	7,000	8,500	82,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	2,076	0	0	67,654	67,654	7,000	8,500	85,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	396	0	0	65,974	65,974	7,000	8,500	83,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	0	15	0	65,593	65,593	7,000	8,500	82,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	0	165	525	66,268	66,268	7,000	8,500	83,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	2,066	0	0	67,644	67,644	7,000	8,500	85,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	0	0	350	65,928	65,928	7,000	8,500	83,000
Utility Man II, Util/Meter SV	U	1.00	31,528	65,578	1,824	0	350	67,752	67,752	7,000	8,500	85,000
Utility Man II, Util/Meter SV	U	1.00	29,900	62,192	0	0	0	62,192	62,192	7,000	8,500	78,000
Oilier-Plant Helper - Summer	U	1.50	19,141	59,720	0	0	0	59,720	59,720	10,500	12,750	
Utility Man II, Util/Meter SV - Summer	U	1.00	17,940	37,315	0	0	0	37,315	37,315	7,000	8,500	
SUBTOTAL			70.50	4,791,117	37,038	21,117	26,600	4,875,872	4,875,872	493,500	599,250	6,004,000
Overtime								898,796	898,796			
TOTAL UNION				\$4,791,117	\$37,038	\$21,117	\$26,600	\$5,774,668	\$5,774,668	\$493,500	\$599,250	\$6,004,000



Exhibit 12  
Tab 4

Public Version

LONG ISLAND AMERICAN WATER  
UNION PAYROLL  
2011 RATE CASE

Classification (1)	No of Empl (2)	Rate (3)	\$ Regular (4)	Shift Prem (5)	Pay Adj for Working Above Normal Job (6)	3/31/2013 Longevity Payment (7)	Total Annual Payroll (8)	Earnings Subject to			Group Life Insurance (12)
								7.65% FICA/Medicare \$106,800 (9)	Unemployment Federal .8%-\$7,000 (10)	State 2.1%-\$8,500 (11)	
				Shift Prem=							
			Hours =	2,080							
Auto Mechanic					U		1.00				
Boom Truck Operator					U		1.00				
Building Services Janitor					U DC		1.00				
Business Clerk					U		1.00				
Comm Investigator					U		1.00				
Daylist Clerk					U		1.00				
Distribution Clerk					U		1.00				
Equipment Operator					U		1.00				
Equipment Operator					U		1.00				
M & S Storekeeper					U		1.00				
Janitor					U		1.00				
Maintenance Mechanic B					U		1.00				
Maintenance Mechanic B					U		1.00				
Maintenance Mechanic B					U		1.00				
Maintenance Mechanic B					U DC		1.00				
Meter Tester					U		1.00				
Oiler-Plant Helper					U DC		1.00				
Oiler-Plant Helper					U DC		1.00				
Oiler-Plant Helper					U		1.00				
Oiler-Plant Helper					U DC		1.00				
Oiler-Plant Helper					U DC		1.00				
Oiler-Plant Helper					U		1.00				
Oiler-Plant Helper					U DC		1.00				
Oiler-Plant Helper					U DC		1.00				
Oiler-Plant Helper					U		1.00				
Senior Utility Man A					U		1.00				
Senior Utility Man A					U		1.00				
Senior Utility Man A					U		1.00				
Senior Utility Man A					U		1.00				
Station Attendant A					U		1.00				
Station Attendant A					U		1.00				
Station Attendant A					U		1.00				
Station Attendant A					U		1.00				
Station Attendant B					U DC		1.00				
Station Attendant B					U DC		1.00				
Station Attendant B					U DC		1.00				
Station Attendant B					U DC		1.00				
Station Attendant B					U DC		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man - Meter Service					U		1.00				
Utility Man I					U		1.00				
Utility Man I					U DC		1.00				
Utility Man I					U		1.00				
Utility Man I					U		1.00				
Utility Man I					U		1.00				
Utility Man I					U		1.00				
Utility Man I					U		1.00				
Utility Man I					U		1.00				
Utility Man I					U		1.00				
Utility Man I					U		1.00				
Utility Man II, Util/Meter SV					U		1.00				
Utility Man II, Util/Meter SV					U DC		1.00				
Utility Man II, Util/Meter SV					U DC		1.00				
Utility Man II, Util/Meter SV					U DC		1.00				
Utility Man II, Util/Meter SV					U DC		1.00				
Utility Man II, Util/Meter SV					U DC		1.00				
Utility Man II, Util/Meter SV					U		1.00				
Utility Man II, Util/Meter SV					U DC		1.00				
Utility Man II, Util/Meter SV					U		1.00				
Utility Man II, Util/Meter SV					U		1.00				
Utility Man II, Util/Meter SV					U		1.00				
Utility Man II, Util/Meter SV					U DC		1.00				
Oiler-Plant Helper - Summer					U		1.50				
Utility Man II, Util/Meter SV - Summer					U		1.00				
TOTAL UNION							70.50				
Overtime											
TOTAL UNION											

LONG ISLAND AMERICAN WATER  
Capitalized Payroll

Public Version

	<u>Total Payroll</u>	<u>Capitalized &amp; other Payroll</u>	
2008	\$7,355,526	\$1,287,172	<b>17.50%</b>
2009	7,267,836	1,224,765	<b>16.85%</b>
2010	7,512,840	1,246,256	<b>16.59%</b>
2008-2010	<u>\$22,136,202</u>	<u>\$3,758,193</u>	<b>16.98%</b>

**LONG ISLAND AMERICAN WATER  
2011 RATE CASE  
INCENTIVE COMPENSATION**

Public Version

based on salaries from 1/1/2011 to 12/31/11

Title	Salary Grade	Salary	Incentive Percentage	Incentive Pay
<b>Non-Union</b>				
Chemist I (N)	L11			
Dir Operations State	L06			
Lab Tech (N)	L13			
Mgr Engrg - Technical Services	L06			
Mgr Field Operations	L08			
Mgr Production	L06			
Mgr Wtr Qlty & Envrn Cmpl	L07			
President (Medium States)	L05			
Princ Analyst Financial	L07			
Project Mgr Engr	L08			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Sr Construction Inspector	L09			
Sr Construction Inspector	L09			
Supt Opns II	L08			
Supt Opns II	L08			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Opns II	L09			
Supvr Production	L09			
<b>Non-Union Total</b>		<b><u>\$2,071,979</u></b>		<b><u>\$233,751</u></b>

**LONG ISLAND AMERICAN WATER**  
**2011 RATE CASE**  
**INCENTIVE COMPENSATION**  
based on salaries from 1/1/2012 to 12/31/12

Public Version

Title	Salary Grade	Salary	Incentive Percentage	Incentive Pay
<b>Non-Union</b>				
Chemist I (N)	L11			
Dir Operations State	L06			
Lab Tech (N)	L13			
Mgr Engrg - Technical Services	L06			
Mgr Field Operations	L08			
Mgr Production	L06			
Mgr Wtr Qlty & Envrn Cmpl	L07			
President (Medium States)	L05			
Princ Analyst Financial	L07			
Project Mgr Engr	L08			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Sr Construction Inspector	L09			
Sr Construction Inspector	L09			
Supt Opns II	L08			
Supt Opns II	L08			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Opns II	L09			
Supvr Production	L09			
<b>Non-Union Total</b>		<b><u>\$2,134,140</u></b>		<b><u>\$240,765</u></b>

**LONG ISLAND AMERICAN WATER**  
**2011 RATE CASE**  
**INCENTIVE COMPENSATION**

Public Version

based on salaries from 4/1/2012 to 3/31/13

Title	Salary Grade	Salary	Incentive Percentage	Incentive Pay
<b>Non-Union</b>				
Chemist I (N)	L11			
Dir Operations State	L06			
Lab Tech (N)	L13			
Mgr Engrg - Technical Services	L06			
Mgr Field Operations	L08			
Mgr Production	L06			
Mgr Wtr Qlty & Envrn Cmpl	L07			
President (Medium States)	L05			
Princ Analyst Financial	L07			
Project Mgr Engr	L08			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Specialist Operations (N)	L10			
Sr Construction Inspector	L09			
Sr Construction Inspector	L09			
Supt Opns II	L08			
Supt Opns II	L08			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Field Operations	L09			
Supvr Opns II	L09			
Supvr Production	L09			
<b>Non-Union Total</b>		<b><u>\$2,150,154</u></b>		<b><u>\$242,576</u></b>

**Long Island Water Company  
Union Overtime**

Public Version  
Exhibit 12  
Tab 4

Job Title	2008		2009		2010	
	Hours	Amount	Hours	Amount	Hours	Amount
Auto Mechanic	138.50	\$7,200.14	161.00	\$8,381.96	193.50	\$10,404.89
Boom Truck Operator	659.50	31,292.94	579.00	29,060.32	545.50	28,699.10
Building Services Janitor			6.50	227.23		
Business Clerk	13.50	587.90	3.00	136.65	5.00	235.70
Car Washer	17.00	681.05				
Comm Investigator	351.00	15,567.98	142.50	6,633.96	105.50	5,083.30
Customer Service Analyst	127.00	6,297.54	198.00	10,141.61	70.50	3,760.55
Daylist Clerk	68.50	2,831.60			18.00	839.52
Distribution Clerk	228.00	8,668.40	125.50	4,975.50		
Equipment Operator	1,754.50	90,930.67	1,501.00	82,530.14	1,434.00	83,373.14
M & S Storekeeper	90.00	4,231.67	187.00	9,093.57	46.00	2,315.77
Maintenance Mechanic	223.50	11,289.21	194.50	10,108.39	195.00	10,462.39
Maintenance Mechanic B	491.00	21,773.61	331.50	15,714.38	482.00	23,677.81
Meter Tester	5.00	213.30	2.50	113.69		
Oiler-Plant Helper	1,281.00	55,139.62	1,407.00	63,096.76	1,491.50	68,404.91
Senior Utility Man A	2,152.00	111,303.72	1,904.50	104,106.17	1,674.50	96,352.46
Station Attendant A	946.50	46,645.95	1,164.50	59,748.49	1,268.50	67,945.22
Station Attendant B	471.50	22,225.89	642.00	32,078.68	672.50	35,856.61
Utility Man - Meter Service	3,536.50	156,491.59	2,679.00	123,762.58	1,500.50	71,840.60
Utility Man I	4,412.00	202,056.19	3,485.50	169,825.22	2,606.50	134,206.60
Utility Man II, Util/Meter SV	2,524.50	107,175.46	2,475.50	113,614.48	2,615.50	127,544.00
<b>Total</b>	<b>19,491.00</b>	<b>\$902,604.43</b>	<b>17,190.00</b>	<b>\$843,349.78</b>	<b>14,924.50</b>	<b>\$771,002.57</b>

	2008	2009	2010	Average	Total Overtime
Total OT Hours	19,491.00	17,190.00	14,924.50	17,201.83	
Total OT Dollars	\$902,604.43	\$843,349.78	\$771,002.57	\$838,985.59	
Average Hourly Rate	\$46.31	\$49.06	\$51.66	\$48.77	
Increase for 2010		3.50%	103.50%	\$50.48	\$868,349
Increase for 2011		3.50%	103.50%	\$52.25	\$898,796
Increase for 2012					
Increase for 2013					
12 Months Ending 3/31/13					

**Long Island Water Company  
Non-Union Overtime**

Public Version  
Exhibit 12  
Tab 4

Job Title	2008		2009		2010	
	Hours	Amount	Hours	Amount	Hours	Amount
CAD Tech (N)	1.00	\$22.20	0.00	\$0.00	0.00	\$0.00
Chemist I (N)	0.00	0.00	27.50	1,035.10	40.00	1,520.75
Lab Analyst (N)	81.00	4,165.13	12.50	468.31	0.00	0.00
Specialist Operations (N)	125.35	3,738.71	136.00	5,445.23	162.50	6,670.23
	<u>207.35</u>	<u>\$7,926.04</u>	<u>176.00</u>	<u>\$6,948.64</u>	<u>202.50</u>	<u>\$8,190.98</u>

	2008	2009	2010	Average	Total Overtime
Total OT Hours	207.35	176.00	202.50	195.28	
Total OT Dollars	\$7,926.04	\$6,948.64	\$8,190.98	\$7,688.55	
Average Hourly Rate	\$38.23	\$39.48	\$40.45	\$39.37	
Increase for 2010		2.99%	102.99%	\$40.55	\$7,919
Increase for 2011		2.90%	102.90%	\$41.72	\$8,147
Increase for 2012		3.00%	103.00%	\$42.97	\$8,391
Increase for 2013		3.00%	103.00%	\$44.26	
12 Months Ending 3/31/13					\$8,454

Agreement Between  
LONG ISLAND - AMERICAN WATER CORPORATION  
and  
UTILITY WORKERS UNION OF AMERICA  
A.F.L.- C.I.O. LOCAL 365  
Effective: January 1, 2008 through December 31, 2011

5/13/08

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AGREEMENT made as of the 1st day of January, 2008, by and between LONG ISLAND – AMERICAN WATER CORPORATION, having its office at 733 Sunrise Highway, Lynbrook, New York 11563, hereinafter called the Company, and UTILITY WORKERS UNION OF AMERICA, A.F.L. - C.I.O., LOCAL 365, having its office at 16 Grand Avenue, Lynbrook, New York 11563, hereinafter called the Union.

WITNESSETH:

WHEREAS, the Company is engaged in furnishing an essential public service vital to the health, safety and comfort of the population of the communities which the Company supplies; and

WHEREAS, the Company and its employees have a high degree of responsibility to the public in so serving the public without interruption of this essential service; and

WHEREAS, it is therefore essential to the harmonious labor relationship of the Company and its employees that disputes arising between the Company and its employees be adjusted and settled in an orderly manner without interruption of service; and

WHEREAS, both parties recognize the mutual responsibility of service to the public, IT IS, in consideration of the premises and the mutual agreements and promises hereinafter contained, agreed as follows:

ARTICLE I: RECOGNITION

Section 1 - Recognition of the Union: The Company hereby recognizes the Union as the sole and exclusive bargaining agent in all matters pertaining to wages, hours, working and other conditions of employment for the following employees:

- (a) All employees employed by the Company in the Commercial Department (excluding Confidential Secretary and confidential and supervisory employees); and
- (b) All employees employed by the Company in the Distribution Department, Engineering and in the Production and Purification Plants (excluding two (2) Confidential Secretarial-Stenographers, foremen, chemist, draftsmen and supervisory employees).

Section 2 - Recognition of Company Rights and Responsibilities: The Company shall exercise its right to issue, amend and revise reasonable policies and rules not set forth in this Agreement; and to employ, promote, transfer, demote, discipline and discharge employees in the interest of good service and proper conduct of the business, subject to the terms and provisions of this Agreement, and further subject to applicable federal, state and local laws prohibiting discrimination in employment with regard to race, color, religion, national origin, disability, sex or age.

ARTICLE II: UNION SECURITY

Section 1 - All employees shall be required to become members of the Union thirty (30) days after the date of hiring as a condition of employment and all employees who are or become

members of the Union shall remain members in good standing for the duration of this Agreement.

Section 2 - The Union shall promptly furnish the Company individual witnessed statements signed by the employees which will authorize the deduction of Union dues by the Company in the amount certified by the Treasurer of the Union, for employees who are or who become members of the Union. The Company shall deduct union dues weekly from the pay of such employees who are Union members and remit the same every four (4) weeks to the Treasurer of the Union.

Section 3 - Union notices of a non-controversial nature may be posted on Company property in space reserved for Union notices. Such posting will be made by the Company and shall be subject to the Company approval.

Section 4 - Apart from adjustment of grievances under the grievance procedure, there shall be no Union activity on Company time.

### ARTICLE III: NEW EMPLOYEES

- A. The Company is the final judge of a new employee's qualifications for employment.
- B. It is mutually agreed that the Company shall not be hampered in the selection of new employees.
- C. New employees shall be on probation for a period of six months and, if retained, their seniority shall relate back to the date of employment. After the probationary period, new employees shall enjoy all rights granted to employees generally.
- D. The Company will furnish the Union with the name, address and job classification for all new employees hired, within one week of the date of starting work.
- E. Should the Company release or dismiss a new employee within the six-month probationary period, such release or dismissal shall not be subject to review through the grievance procedure.

### ARTICLE IV: STRIKES AND LOCKOUTS

In furtherance of harmonious relations among employees, management and public, it is mutually agreed that there shall be no strikes, cessations of work, slow-down, boycotts or lockouts during the term of this Agreement, or for a period of sixty (60) days thereafter provided negotiations are in progress for any changes or renewal of this Agreement.

### ARTICLE V: GENERAL POLICY

Should any Presidential or Governmental proclamation, directive or regulation or any valid Federal or State law or the final determination of any Board or Court of competent jurisdiction affect any provision of this Agreement, the provision or provisions so affected shall be made to conform to the proclamation, directive or regulation, law or determination, but otherwise this Agreement shall continue in full force and effect.

#### ARTICLE VI: GRIEVANCE PROCEDURE

Section 1 - The Union shall furnish the Company with the names of its officers, departmental representatives and the members of the Grievance Committee.

Section 2 - A national representative of the Union, duly designated for the purpose, may participate in all negotiations with the Company as a member of the Union Grievance Committee.

Section 3 - Should any dispute or grievance arise between the Company and its employees with regard to the application or interpretation of the terms of this Agreement, such dispute or grievance shall be settled in the following manner:

STEP 1: Any difference or dispute relating to a single employee or department shall be referred in the first instance by such employee or employees, or their departmental representatives, to his, her or their department head, and if such issue is not satisfactorily determined within five (5) days after such reference, then such employee or employees shall address his, her or their complaint in writing on a form provided by the Union to the Grievance Committee of the Union. The Company will furnish the Union with a memorandum of all grievance cases which are settled under this step of grievance procedure where there is no shop steward present.

STEP 2: On an issue brought to the attention of the Union Grievance Committee by written complaint as mentioned in Step 1 and on all other disputes or grievances in respect to the application or interpretation of the terms of this Agreement, the Union Grievance Committee, in the case of a dispute or grievance of an employee or the Union, shall notify the President and General Manager of the Company in writing that it seeks a conference for the purpose of adjusting the same, such written notice to be accompanied by a copy of the complaint. The President and General Manager shall forthwith notify the Grievance Committee of the place and date of such conference. In the case of a dispute or grievance of the Company, the Company shall notify the Union Grievance Committee in writing that it seeks a conference for the purpose of adjusting the same, such written notice to be accompanied by a copy of the complaint and the Union Grievance Committee shall forthwith notify the President and General Manager of the Company in writing of the place and date of such conference. The decision reached by one party under this step shall be submitted to the other party in writing within five (5) working days of the meeting referred to herein, unless the answering party requests an extension and the extension is mutually agreed to.

STEP 3: If the decision under Step 2 is not acceptable to either party, in whole or in part, either party shall have the right to submit the difference or dispute to arbitration as provided in Article VII of this Agreement, provided such submission is made within sixty (60) days of the written decision under Step 2.

Section 4 - Should the Union claim, within five (5) days after the suspension or discharge of an employee, that the Company acted outside of its rights and responsibilities as outlined in Article I, Section 2, and that the employee was unjustly suspended or discharged, then the issue shall be adjudicated as a grievance, commencing at Step 2 of the grievance procedure.

Section 5 - Employees shall be paid their regular basic rate of pay for such time as they may spend during working hours attempting to adjust the issues under the grievance procedure.

Section 6 - The President and General Manager may, when necessary, appoint another person to act in his or her stead, and such party shall have full power to act in all matters arising under this Article.

## ARTICLE VII: ARBITRATION

Section 1 - Except where specifically otherwise herein agreed, no question or dispute, difference or disagreement is to be submitted to arbitration until the proceedings set forth in Article VI have been complied with.

Section 2-A - In the event of written notice by either party to the other that arbitration is requested, the matter shall be referred to an arbitrator designated by the American Arbitration Association.

Section 2-B - The Company and the Union shall bear equally the expense of such arbitration. Should one party cancel the arbitration beyond the arbitrator's minimum cancellation period, then that party shall be responsible for any and all cancellation charges by the arbitrator and the American Arbitration Association, unless both parties agree to split the cost, or either party agrees to assume said fees and costs as part of the settlement.

Section 2-C - The decision of the arbitrator shall be binding upon the Union and the Company.

Section 2-D - Such arbitration shall be an arbitration conducted under the rules of the American Arbitration Association. The arbitrator to whom any grievance shall be submitted in accordance with the provisions of this Section shall have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as shall be necessary to the determination of such grievance, but he shall not have jurisdiction or authority to, in any way, vary or modify the provisions of this Agreement. Any matter referred to the arbitrator on which he or she has no power to rule shall be referred back to the parties without decision.

Section 2-E - Employees whose presence is required shall be paid their basic rate of pay while engaged in arbitration.

## ARTICLE VIII: SENIORITY

Section 1 - Seniority is the right accruing to employees through length of service which entitles them to consideration in promotions, transfers, vacations, lay-offs and rehiring. Seniority shall be determined by the length of service with the Company.

Section 2 - It is mutually understood and agreed by all parties hereto that because of the Company's responsibility, hereinbefore mentioned, the management must and shall be the sole judge of an employee's qualification for promotion, subject to the provisions hereof for adjustment of grievance. It is understood, however, that where qualifications are relatively equal, the promotion shall be made on the basis of seniority.

Section 3 - When promotions, demotions or transfers are made, such changes shall be made, where practicable, within departments of the Company.

Section 4 - An employee who is promoted to a higher category of work who is incapable of holding the new position shall be returned to his or her former position without loss of rights, privileges or seniority. Any employee returning to such employee's former position will be prohibited from bidding any other position for one year after the date the employee returns to the former position.

Section 5-A - The Company agrees to post job vacancies and newly created positions within the bargaining unit for a period of five (5) working days. Within five (5) working days after the posting period has expired, unless the time is extended by mutual agreement, the Company will furnish the Union with the name of the successful applicant. The Company agrees to exert every effort to fill vacancies within five (5) working days after notification to the Union of the successful applicant. If it is not possible to do so, the Company shall notify the employee and the Union setting forth the reason for and the possible extent of the delay.

Section 5-B - Employees who bid and are awarded a position will not be eligible to bid any other positions for a period of six (6) months from the date the job was awarded unless mutually agreed upon.

Section 6 - Only continuous service without a break of one year or more, shall be considered for seniority except as otherwise herein provided.

Section 7 - Regardless of length of service a complete loss of seniority shall be incurred by an employee who:

1. Voluntarily terminates his or her employment;
2. Is discharged for cause;
3. Fails to report for work within three (3) days after notice has been sent via certified mail to his or her last known address his or her employment shall be terminated unless the company determines there are extenuating circumstances for the absence.

Section 8 - Upon termination of services for any reason, the Company will notify the Union in writing within five (5) working days, giving the name and classification of the terminated employee.

#### ARTICLE IX: LEAVES OF ABSENCE

Section 1 - The Company, upon request, may grant an employee a leave of absence, without pay, for a period of not exceeding three (3) months, and such employee will not thereby lose his seniority rights, provided he or she returns to work at the end of such leave of absence. A renewal of such leave may be granted by the Company. The Company, however, need not grant a leave of absence to permit an employee to take other employment.

Section 2 - Any member of the Union elected to an office in the Union requiring his absence from duty, or selected as a delegate for specific activity on behalf of the A.F.L. - C.I.O. or its affiliates, necessitating absence from his or her regular work, shall be granted a leave of absence without pay for such time as he or she holds such office not exceeding one (1) year, with the privilege of returning to work at his or her former status with all rights and privileges.

Section 3-A – Maternity, Paternity, Adoption/Foster Care, and Serious Illness. Leave will be granted in accordance with the Federal Family Medical Leave Act (FMLA) and other applicable federal, state, and local laws.

Section 3-B - In cases where FMLA is required for an employee's serious health condition, accumulated sick time and vacation time are to be exhausted prior to going on unpaid leave.

#### ARTICLE X: LAYOFFS – DISCHARGES

Section 1 - Any employee discharged or suspended for cause shall not be entitled to any advance notice but shall be entitled to a written statement indicating his or her status with the Company. The Union shall be notified by the Company of the suspension or discharge of such employee. Wherever feasible, suspensions will be deferred until the Union has had an opportunity to discuss the matter with the Company. If the suspension is not so deferred, the Company will notify the Union as soon as possible.

Section 2 - The Company reserves the right to reorganize or abolish any department or section thereof.

Section 3 - In the event that employees be discontinued in certain jobs due to reorganization of department, changes in systems and methods or due to lack of work, before any new employees are hired, the regular employees so affected shall be given employment in any line of work in other jobs which are available and for which they are qualified.

Section 4 - If jobs presently in the bargaining unit are eliminated as a result of automation, employees so affected will be assigned to other work without a reduction in pay and any reduction in the work force shall be made through normal attrition. This provision shall apply only to employees who were on the Company payroll as of January 1, 2008.

ARTICLE XI: WORKING CONDITIONS

Section 1 - The Company and the Union agree to cooperate in placing in effect and maintaining safety rules and practices, and safety devices and equipment which will eliminate hazards and insure safe working conditions at all times.

Section 2 - If an employee is accepted by the Company for a higher position, such employee shall receive the minimum or starting progression rate or five cents (\$.05) per hour above his or her existing rate, whichever is higher, but in no event more than the maximum rate for the position.

See Memorandum of Agreement for the starting and progression rates in classifications of Oiler-Plant Helper and Meter Reader.

Section 3 - Employees temporarily assigned to higher classifications shall only be paid the higher payroll rate for the performance of two (2) hours or more of work in the higher classification on any workday.

Employees temporarily assigned to lower jobs shall receive no reduction in pay.

Section 4 - Records will be kept of all upgraded time that must be paid the higher rate under the contract. Such time will be credited to the employee for the purposes of movement in progression.

Section 5 - Because of the nature of the Company's operations, it may be necessary to assign employees to any jobs other than on their normal work schedules. For the period of such assignments, the employee will work the normal schedules of any job to which he has been assigned.

Section 6 - In inclement weather, the Company agrees to use good and fair judgment in the assignment of outside work.

Section 7 - In the event of installation of a time clock, time book or time sheets, the failure of the employee to ring the clock or sign his or her time may be cause for disciplinary action by the Company.

Section 8 - In order to comply with DOT regulations for drivers of certain motor vehicles, the attached "CDL Policy" negotiated between the parties will be in effect. When an employee is required to submit to a random test, such employee will be allowed a phone call, where practical, to a Union designee, but said phone call shall not delay testing, and failure of the employee to request a phone call or successfully complete the phone call, shall not hinder or prevent the test.

Section 9 – Beginning on June 30, 2001, all employees holding the positions of Station Attendants “A” and “B” will be required to have and maintain a New York State IIB Water Treatment Plant Operator’s license.

The Company will pay for the course and the time to take the course for all those currently in the Station Attendant “A” and “B” positions. The Company will pay for the course for anyone in the production department who wishes to take the test up to a maximum of three times. Thereafter, said employees will be reimbursed for the cost of the course upon passing the test. All other employees who wish to take the test, must take the course on their own time and at their own expense. The Company will reimburse all other employees the cost of the course when and if an employee passes the test.

Section 9B – Effective March 31, 2008 the company shall create the position of Maintenance Mechanic B, with a schedule of Sunday through Thursday, with working hours of 4:00 PM to midnight and will be subject to shift differential as called for in the contract.

Section 9C – Effective March 30, 2008 the Company shall eliminate the position of Car Washer. Through effects bargaining, the parties agreed to transfer the incumbent to the newly created Maintenance Mechanic B position. The incumbent’s wages shall be adjusted in a three year progression during which time his base wage will increase by \$1.475 per hour exclusive of the general wage increases. It is understood by the parties that this progression shall apply only to this situation and that it shall not apply to any other Maintenance Mechanic B positions. When the incumbent vacates the Maintenance Mechanic B position, it is understood that it will be posted and normal bid, wage, and shift procedures will apply.

## ARTICLE XII: VACATIONS

Section 1 - Employees having at least one year of service shall receive a vacation of two (2) weeks with pay. Employees who have five (5) years of service shall receive three weeks vacation with pay. Employees with fourteen (14) years of service shall receive four (4) weeks vacation with pay. Employees with twenty-one (21) years of service shall receive five (5) weeks vacation with pay.

Vacation allowance will be limited to five (5) weeks per calendar year, with two exceptions: (a) employees who are currently eligible to receive six (6) weeks of vacation based on their having attained thirty-five (35) years of service will continue to be eligible to receive six (6) weeks of vacation; and (b) employees who obtain at least nine (9) years of service on or before December 31, 2005 will be eligible to receive six (6) weeks of vacation after attaining thirty-five (35) years of service.

Vacation allowances in excess of two (2) weeks shall be taken at a time at the discretion of the Company. This does not preclude an employee from receiving more than two weeks vacation, provided an orderly operation of the department is secured. Employees who are entitled to three or more weeks vacation in any year will be allowed to take up to one of those weeks in single days at the Company’s discretion in accordance with the procedures on weekly vacation.

Section 2 - Employees hired in November and December will be entitled to one (1) week vacation with pay after six (6) months of employment. Those employees shall not be entitled to

additional vacation allowance until the January 1 following their first year anniversary.

Section 3 - Weekly vacation pay shall be at the rate of forty (40) times the regular hourly wage.

Section 4 - The Company will grant vacation periods on a departmental seniority basis, or on any mutually agreed on plan, at the time desired by the employee, provided that orderly operation of the department is secured.

Section 5 - Holidays occurring during the vacation period shall not be counted in computing the vacation period; therefore, the vacation period shall be extended one day for each holiday which falls within the scheduled period. These days may be scheduled at other times provided such scheduling does not interfere with the orderly operation of the department.

Section 6 - Vacation schedules shall be established not later than March 31st of each year, with selection by employees to be completed by March 1st, except when changed by mutual agreement. An employee leaving the employ of the Company on or before December 31st shall not be entitled to vacation pay for the vacation which would be taken in the following year had he or she remained in the employ of the Company. An employee leaving the employ of the Company after December 31st shall be entitled to vacation pay for the vacation to which he or she would be entitled if he or she had remained in the employ of the Company, based on length of service at the time of termination of employment.

An employee who is not receiving wages or otherwise being compensated for lost time by the Company after December 31 shall not be entitled to vacation or vacation pay in the year following that December 31 until and unless he or she returns to work. When he or she returns to work, he or she will be entitled to all such pay.

Section 7-A - If an employee is sick during a vacation period, such illness will not result in a re-scheduled vacation unless the illness existed prior to the end of the employee's working hours immediately preceding the vacation week and such fact was made known to the Company. A vacation will not be re-scheduled because of illness unless requested by the employee before the end of his or her working hours on the last scheduled day of work immediately proceeding the vacation week.

Section 7-B - An employee who becomes sick during his or her vacation period and is still sick at the conclusion of his or her vacation period, will receive his or her allowable sick leave starting with the first regular work day following the termination of his or her vacation period.

Section 7-C - When an employee is unable to take vacation due to illness, injury or personal emergency before year end, the employee will take such vacation within 45 calendar days from January 1 of the new year or the last day of absence, whichever is later. Should the Company be unable to allow the employee to take the vacation within this timeframe, it will be taken at a mutually agreed time.

ARTICLE XIII: HOLIDAYS AND HOLIDAY PAY

Section 1 - The following days shall be deemed to be paid holidays for all employees covered by this Agreement: New Year's Day, Martin Luther King Jr.'s Birthday, Presidents Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day.

Section 2 - If any of the above holidays falls on a Sunday, then the following Monday shall for all purposes be deemed a holiday. If any of the above holidays falls on a Saturday, then the previous Friday shall for all purposes be deemed a holiday.

Section 3 - Any employee who works on any of the above holidays, in addition to straight time pay for the holiday, shall receive compensation at the rate of one and one-half (1 1/2) times the straight time rate for hours worked, but in no case less than two (2) hours at one and one-half (1 1/2) times the straight time rate in addition to straight time pay for the holiday, except when December 25th falls between Monday and Friday inclusive when compensation shall be at the rate of double time in addition to straight time pay for the holiday. Any employee whose regular shift includes Saturday, December 25, shall receive one and one-half (1 1/2) times the straight time rate for the time worked.

Section 4 - Employees on probationary status will not receive pay for holidays until and unless he or she is retained beyond the six-month probationary period. For work performed on such holidays during probationary period, probationary employees will be paid at one and one-half (1 1/2) times the employee's normal rate or as otherwise specified in this Agreement.

Section 5 - All employees eligible to receive paid holidays as per Section 1, will also be entitled to receive one floating holiday, which will require at least 72 hours notice and will be granted provided that orderly operation of the department will be maintained. The Company having to pay overtime will not alone be sufficient to deny an employee a floating holiday. An approved Floating Holiday for shift workers may be used on any shift.

ARTICLE XIV - SICK LEAVE AND DISABILITY

Section 1-A.I. Employees who may not, from time to time, be able to perform their work on account of personal illness will be entitled to sick leave for regular time not worked at full wages (excluding overtime), in accordance with the following schedules and rules:

FOR EMPLOYEES HIRED BEFORE JANUARY 1, 1996

<u>LENGTH OF SERVICE</u>		<u>ANNUAL SICK LEAVE ALLOWANCE</u>
<u>At Least</u>	<u>Less Than</u>	
1 year	3 years	1 week at full pay

3 years	5 years	2 weeks at full pay
5 years or more		3 weeks at full pay

FOR EMPLOYEES HIRED ON OR AFTER JANUARY 1, 1996

<u>LENGTH OF SERVICE</u>		<u>ANNUAL SICK LEAVE ALLOWANCE</u>
<u>At Least</u>	<u>Less Than</u>	
1 year	3 years	1 week at full pay
3 years	10 years	2 weeks at full pay
10 years or more		3 weeks at full pay

Section 1-A.2. An employee will not accrue any sick leave allowance for or during the time that the employee is on a no-pay status (except for Union business and military leave). The accrual will be made on a proportional basis when the employee returns to work and will not be booked until such return to work.

Section 1-B. Unused sick leave shall be accumulated from year to year. In the event illness extends beyond the annual allowances stated in Section 1-A., employees may draw on such accumulated sick time. (Any sick leave already accumulated shall not be taken away.)

Section 1-C.1. Personal illness as used herein shall mean incapacity of the employee because of sickness, accidental or other personal injury, and shall include injury arising out of and in the course of employment with the Company, subject, however, to the provisions of Section 4 of this Article.

Section 1-C.2. No sick leave allowance shall be paid for personal injury arising from participation in outside gainful occupation, or where the employee receives outside compensation (other than from his personal insurance) for any personal injury, or when disability arises from any willful act deemed by the parties hereto to be sufficient reason to nullify sick leave allowance.

Section 1-D. An employee who fails to call in an absence prior to the beginning of his or her shift shall not be eligible for sick pay on that particular day unless the company determines that extenuating circumstances exist.

Section 1-E. Any employee found to have abused the sick leave privilege shall be subject to disciplinary action.

Section 1-F. The Company may send a nurse or doctor to the home of any employee claiming sick leave benefits and may also require an employee to furnish a doctor's certificate or other evidence satisfactory to the Company covering each sick leave for which he or she is paid.

Section 1-G. Sickness in immediate family which necessitates the employee's presence at home may be charged to sick leave, not to exceed one day per occurrence.

Section 2 - If an employee is disabled (through illness, accident or other personal injury not involving Workers' Compensation) and is no longer able to perform the regular functions of his or her job, the Company will endeavor to assign such employee to work within his or her capabilities. At such time the Company will negotiate with the Union on the wage rate to be paid the employee in his or her new assignment, giving due consideration to the employee's service record with the Company.

Section 3 - Between January 1, 2004 and June 30, 2004, if an employee is judged to be unable to continue work as a result of total and permanent disability due to illness or accident not compensable under the Workers' Compensation Act, he or she shall, if he or she has completed ten (10) or more years of service with the Company, be entitled to a disability pension as long as he or she continues disabled, but in no event beyond attainment of age 65.

No employee will be considered totally and permanently disabled unless judged so by competent medical authority. If any difference shall arise between the Company and any employee as to whether such employee is or continues totally and permanently disabled, such difference shall be resolved as follows:

The employee shall be examined by a physician appointed for the purpose by the Company and by a physician appointed for the purpose by a duly authorized representative of the Union. If they shall disagree concerning whether the employee is permanently incapacitated, that question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician, after examination of the participant and consultation with the other physicians shall decide such question. The fees and expenses of the third physician shall be shared equally by the Company and the Union.

For disability pensions commencing between January 1, 2004 and June 30, 2004, the amount of disability pension will be a percentage of the employee's basic compensation as defined below equal to 1.75% for each year of service with the Company (service of less than one year will be prorated) or \$150 a month, whichever is greater. Effective July 1, 2004, the American Water Pension Plan rules regarding pension benefits for total and permanent disability will take effect.

Basic compensation for disability pensions started prior to July 1, 2004 will be the average of the employee's basic wages for the years 2000, 2001, 2002 and 2003.

Payment of the disability pension will commence following exhaustion of all other temporary disability and/or wage continuation benefits payable by the Company.

If an employee receiving a disability pension is deemed able to perform work for the Company without impairment to his or her physical condition, such work will be made available to

him or her and his or her disability payments will cease at that time.

If an employee has been returned to the active payroll and is again judged to be permanently disabled, his or her disability pension will be determined on the formula herein stated, but in no event shall the allowance for the second or subsequent disabilities be less than the allowance he or she received from his first disability.

The benefit described above will be paid out of the payroll account just as if the employee had continued working. The Company reserves the right to transfer any portion of the obligation incurred above to the pension plan or to such other alternative arrangement as it may deem desirable. Such transfer will in no way alter the commitment set forth above.

For disability pensions commencing on or after July 1, 2004, the American Water Pension Plan rules regarding disability pension benefits will apply and the Long Island – American Water disability pension provisions will no longer be in effect.

Section 4 - Additional Compensation for Compensable Injuries

A. In case of injury and disability arising out of and in the course of employment for which the employee is entitled to compensation under the Workers' Compensation Act of New York State, the Company will pay to the employee, as a general policy, one hundred percent (100%) of the amount payable under said Act without any deductions for taxes and eighty-five percent (85%) of the difference between the employee's full wages, excluding overtime, and benefits payable under said Act. Payments shall be made for such period of time as the Company, at its option, deems desirable, but in no case shall the period be less than six (6) weeks, if the injury requires absence from work for such period. Additional compensation from sick leave shall not be made for such period. In the event the employee's injury requires absence from work beyond six (6) weeks the Company may pay to the employee the amount by which the employee's full wages, excluding overtime, exceeds the amount of the benefits payable under said Act, and if the Company makes such payments the Company may charge the employee's sick leave accrual for the difference between the amount by which such payments exceeds the amount of the benefits payable under said Act.

B. Any contribution made by the Company under the provisions of Section 4-A shall be a charge against the sick leave of the employee if it is established that the accident was a result of the employee's negligence or was brought about by disobedience of the Company's safety rules and regulations.

ARTICLE XV: NORMAL WORK WEEK

All regular employees shall work a normal week of forty (40) hours, consisting of five (5) days of eight (8) hours each from Monday to Friday, except that:

(1) Certain employees in the Distribution Department and in the Production Department shall work a normal work week of five (5) eight (8) hour days on rotating shifts on the present schedule or on any new schedule approved by a majority of such employees and by the Company.

(2) Meter readers hired from outside the Company or successful bidders after January 1, 1981 can be required, at the discretion of the Company, to work a schedule which could include weekends and hours other than 8 A.M. to 4:30 P.M., provided that notice of any change of work days shall be given by 4:30 P.M. on the previous Thursday.

(3) Administration clerks hired from outside the Company or successful bidders after January 1, 1987 can be required, at the discretion of the Company, and with 24 hours notice, to work a schedule which could include hours other than 8 A.M. to 5 P.M., but not outside 7 A.M. to 11 P.M. nor on weekends. This scheduling shall be made in accordance with the principle of seniority.

(4) Employees in the Utility Person-Meter Service classification hired from outside the Company or successful bidders after January 1, 1984 can be required, at the discretion of the Company, and with 24 hours notice, to work a schedule which could include hours other than 8 A.M. to 4:30 P.M., but not outside 7 A.M. to 8 P.M. nor on weekends. This requirement shall be limited to two people at any time with the understanding that the senior employee in the position would have the first option to opt out.

Employees in the Utility Person Meter Service classification hired from outside the Company or successful bidders after January 1, 1993 can be required at the discretion of the Company, and with 48 hours notice, to work a schedule which could include hours other than 7 A.M. to 8 P.M. Monday through Friday but not outside of 7 A.M. to 10 P.M. on Monday through Friday and 8 A.M. to 4:30 P.M. on Saturday. This requirement shall be limited to two people at any time with the understanding that the senior employee in the position would have the first option to opt out. In addition, the Company agrees not to require more than two people in this position to work schedules outside of the normal 8 A.M.-4:30 P.M. shift.

(5) Customer Service Clerks hired from outside the Company, or successful bidders after March 1, 1990, can be required, at the discretion of the Company, and with 24 hours notice, to work a schedule which could include hours other than 8 A.M. to 5 P.M., but not outside 8 A.M. to 8 P.M. This scheduling, where practical, will be made in accordance with the principle of seniority.

(6) The following special work conditions will apply if the Company begins a program to install remote or radio read meters, and will continue for the duration of the program:

The Company may change the normal work week hours for meter service and meter shop to include the following hours:

7:00 A.M. to 8:00 P.M. – Monday through Friday

7:00 A.M. to 4:30 P.M. – Saturday

Meter shop employees will work Saturdays and late nights only when installing remote or radio read meters and will be upgraded to Utility Person-Meter Service position if they hold a lower paying position.

If the Company orders Saturday work for meter installation or meter service

work, the employer may utilize up to a total of eight (8) employees including the employees described in Article XV, Section 5. The employer shall not assign more than two (2) of the eight (8) employees to meter service orders other than the installation of remote or radio read meters. When possible, the employer shall use five (5) meter service personnel and three (3) meter shop personnel to have the compliment of eight (8), but this shall not inhibit the right of the employer to require eight (8) employees to work.

The number of employees that the employer may utilize for the shifts shall increase by one (1) with the addition of every two (2) employees added to the meter service department.

(7) In the event traffic becomes an issue at Plant 5 when the meter service and shop personnel are relocated to the new meter shop, the Company may shift the work schedule for both meter service and meter shop personnel who currently work 8:00 A.M. to 4:30 P.M. These employees may be required to start and end their work day up to 30 minutes earlier. They will continue to work an eight (8) hour day and have a one-half (1/2) hour lunch period in addition.

(8) When employees attend training or special programs required by the Company (or mandated by regulations to obtain and hold certifications), management will have the flexibility to reschedule an employee's work hours to accommodate training. For this training purpose only, seven days notice will be given for the change in schedule. Unless mutually agreed by Company and employee, training will not be scheduled for a holiday week. This will be limited to five occurrences of shift change per year with the exception of initial training for any required certification. Should the Company violate the agreement guidelines, the Union may use grievance procedure.

## ARTICLE XVI: OVERTIME

Section 1 - Any work performed in excess of the normal work day or the normal work week shall be considered overtime and shall be paid for at the rate of one and one-half (1 1/2) times the straight time rate, except as otherwise herein provided. Employees who work in excess of twelve (12) consecutive hours (excluding normal meal period) shall receive double time pay for all hours worked in excess of twelve (12) paid hours.

Section 2 - Any employee whose regular shift includes a Sunday shall receive one and one quarter (1 1/4) times the straight time rate for the time worked, except on Easter Sunday and Sunday, December 25th, when the compensation shall be at the rate of one and one-half (1 1/2) times the straight time rate.

Section 3 - A. All employees called in for extra work on a Sunday shall receive compensation at the rate of one and one-half (1 1/2) times the straight time rate for the hours worked, but in no case for less than two (2) hours at one and one-half (1 1/2) times the straight time rate, except as herein otherwise provided.

Section 3 - B. It is agreed that due to the nature of the Company's business, employees will be called out for work on order of the Company in the event of emergency, and in such cases employees will be compensated for the time worked at the rate of one and one-half (1

1/2) times the straight time rate for the time worked, but shall receive a minimum of two (2) hours at one and one-half (1 1/2) times the straight time rate, except that on calls between 11 P.M. and 6 A.M., a minimum of four (4) hours at one and one-half (1 1/2) times the straight time rate shall be applicable.

Section 3 - C. On Easter Sunday and Sunday, December 25th, compensation shall be at the rate of two (2) times the straight time rate in all places where one and one-half (1 1/2) times the straight time rate is mentioned in this Section 3.

Section 4 - Overtime work in any section shall be equalized among the sectional employees so far as practical so that the hours of work will not be excessive. No overtime will be paid except for work in excess of eight (8) hours in one (1) day or forty (40) hours in one (1) week.

Section 5 - Extended Overtime. Employees who may be required to work overtime shall not be penalized for such overtime work by being required to take time off during their regular work week schedule. If any employee has worked sixteen (16) consecutive hours or more in a twenty-four (24) hour period, such employee shall not, in such case, be permitted to work until he or she has had eight (8) hours rest. In the event any part of the eight (8) hours' rest period following sixteen (16) or more consecutive hours worked coincides with such employee's normal schedule of hours, he or she shall receive such employee's regular hourly pay for such hours.

Any employee who returns to work within two (2) hours of leaving work will be deemed to have worked "consecutive hours" for the purpose of this Article only, and will receive regular rate of pay for such time.

If an employee requests to be relieved due to fatigue, he or she will be excused using his or her sick time. Such sick time will not be charged as an occurrence.

The Company shall make every effort to ensure that employees not work more than 16 hours in any 24 hour period.

Section 6 - Meal Allowance. The Company agrees to provide a meal or pay \$8.00 allowance towards same for work performed after hours, provided the employee works at least two (2) hours after normal work schedule; thereafter an additional meal or allowance in the same amount shall be made for each additional four (4) hours of such work. In cases where employees are called in to work outside of their normal work schedule, the Company shall provide the meal or allowance after four (4) hours of work and at four (4) hour intervals thereafter. If the Company gives the employee sufficient time notice before being called in, the employee is not entitled to a meal allowance subject to special provisions in the Memorandum of Agreement.

## ARTICLE XVII: WAGES

Section 1 - During the term of this Agreement, the wages for all positions covered hereunder shall be as listed in Schedules hereto annexed and made a part hereof. General wage increases shall be effective January 1<sup>st</sup> of each year of this contract and shall be as follows: January 1, 2008 – 3.25%; January 1, 2009 – 3.25%; January 1, 2010 – 3.50%; January 1, 2011 – 3.50%

Section 2 - Such pay shall be paid weekly by direct deposit to the employees' bank accounts or at the place where the employees report for work, during regular working hours on every Thursday for the week ending and including the previous Friday at midnight. As soon as administratively possible, the pay period shall change from weekly to biweekly, with payday on the Friday following the end of the pay period. The pay period will begin on Monday and end on Sunday of the following week. For those that use direct deposit, LIW will see that the funds are transferred by 8:00 A.M. on Friday. If Friday is a legal holiday, the wages shall be payable on the previous day.

Once direct deposit is available, the Company will not be involved in cashing paychecks and employees will no longer cash paychecks on Company time. Pay stubs reflecting gross pay and withholdings will be provided.

#### ARTICLE XVIII: TEMPORARY EMPLOYEES

Section 1 - Temporary employees are workers employed for specific temporary jobs or emergencies and whose work continues for a continuous period of less than six months. By mutual agreement between the Union and the Company, the period of "temporary" status for a specified job may be extended.

Section 2 - The Company shall notify the Union of the name, address, nature of this temporary work, and probable duration thereof, within one week after such employees start work.

Section 3 - When a temporary employee is retained as a permanent employee, the seniority of the employee shall start with the date of commencement of temporary service.

Section 4 - Summer help will receive three-fourths of the usual starting rate for the position and will not be entitled to holiday pay.

#### ARTICLE XIX: MILITARY SERVICE

Section 1 - During the term of this Agreement the Company agrees that any employee who may be called into the Armed Forces of the United States shall be granted a leave of absence until such time as such service is terminated, and upon termination thereof or at any time within ninety (90) days thereafter, such employee shall be re-employed by the Company at his

or her former status and with full seniority rights and other privileges, and the time spent in such service shall be considered as accumulative service with the Company and used in determining length of service and seniority. If any employee is disabled by serving in the Armed Forces, such employee, within a reasonable time after recovery, shall be re-employed by the Company at his or her former status, provided he or she is capable of qualifying therefore, with full seniority rights and other privileges. The Company will abide by all federal, state and local laws with respect to military service and leave.

Section 2 - Employees hired to replace those entering the Armed Forces of the United States are to be employed on a temporary basis with the explicit understanding that if they prove satisfactory their jobs will last only until the employees whose duties they have assumed return to work.

Section 3 - During the absence of any regular employees who are serving in the Armed Forces, promotions of employees remaining at work shall be on a temporary basis subject to review upon return to work of employees who have been in the Armed Forces.

#### ARTICLE XX: NIGHT DIFFERENTIAL

Employees whose normal work schedules require work on any but the recognized day schedules shall receive a differential for all hours worked falling between 4:00 P.M. and 8:00 A.M. according to the following schedule:

2008	\$1.35 per hour
2009	\$1.40 per hour
2010	\$1.45 per hour
2011	\$1.50 per hour

#### ARTICLE XXI: BENEFITS

##### Section 1 - Pension Plan

The Pension Plan for American Water Works Company, Inc. and its Designated Subsidiaries ("Pension Plan") shall remain in full force and effect through July 31, 2010. The Pension Plan may thereafter be amended, modified or terminated through negotiations between American Water Company, Inc. and the Utility Workers Union of America. The Union and the Company agree to be bound by the results of any renegotiations of the Pension Plan between the American Water Company, Inc. and the Utility Workers Union of America. Pension issues shall not be subject to any local negotiations, except as specified below in paragraph G.

A. The "Retirement Plan for employees of the Long Island Water Corporation" ("Long Island Plan") was merged into the "Pension Plan for Employees of American Water Works Company, Inc. and its Designated Subsidiaries" ("Pension") effective July 1, 2004. Any retirement benefits earned in the Long Island Plan prior to July 1, 2004 are preserved under law.

B. The benefit percentage formula was changed from 1.75% to 1.6% beginning July 1, 2004. American Water Plan Early Retirement Reduction Factors will apply to entire benefit as set forth in paragraph G below.

C. Average compensation for individuals retiring between July 1, 2004 and December 31, 2005: "Earnings" for pension calculations shall mean average monthly compensation which was actually received over those 60 consecutive months out of the final 120 months of employment that produce the highest average. Compensation includes base salary or hourly wages plus overtime, shift differential and any amount deferred under the Savings Plan for Employees of American Water and its Designated Subsidiaries or a cafeteria plan maintained by the Company.

D. For service on or after January 1, 2006, the Company and the Union agree to be bound by the results of any re-negotiations of the Pension Plan between American Water and the Utility Workers Union of America concerning benefits percentage in the pension formula. For such service each employee shall earn a benefit in each year that is equal to the above negotiated percentage multiplied by compensation for that year, where compensation includes base salary or hourly wages plus overtime, shift differential and any amount deferred under the Savings Plan for Employees of American Water and its Designated Subsidiaries or a cafeteria plan maintained by the Company.

E. All other Pension Plan provisions, such as early retirement benefits (including factors), pre-retirement death benefits, disability benefits and optional forms of benefit (including conversion factors) will apply to bargaining unit participants for all service.

F. The above eligibility will apply to the total benefits as set forth in G (i) + G (ii) below. American Water early retirement reductions will apply to the total benefit as set forth in G (i) + G (ii) below.

G. The following is the benefit formula used to determine the amount that the employee will be entitled to (under the normal form of benefit) each month when retiring at age 65:

- (i) For service earned prior to July 1, 2004: 1.75% times service prior to July 1, 2004 times the 60 consecutive month highest average pay out of the final 120 months of employment as of July 31, 2010 (or as of the date of termination if termination is before July 31, 2010).

Plus

- (ii) For service earned after June 30, 2004, but prior to August 1, 2010: 1.60% times service in this 73-month period times the 60 consecutive month highest average pay out of the final 120 months of employment as of July 31, 2010 (or as of the date of termination if termination is before July 31, 2010).

The parties agree to meet within a reasonable time prior to December 31, 2011 to renegotiate the terms of paragraph G.

### Section 2 – Group Insurance

The American Water System Group Insurance Plan shall be in full force and effect through July 31, 2010. The Plan may thereafter be amended, modified or terminated through negotiations between American Water Works Company, Inc. and the Utility Workers Union of America. The Company and Union agree to be bound by the results of any renegotiation of the Group Insurance Plan between the American Water Works Company, Inc. and the Utility Workers Union of America. Group insurance issues shall not be subject to any local negotiations.

### Section 3 – 401 (k) Savings Plan

The American Water System 401 (k) Savings Plan shall remain in full force and effect through July 31, 2010. The Plan may thereafter be amended, modified or terminated through negotiations between American Water Works Company, Inc. and the Utility Workers Union of America. The Company and Union agree to be bound by the results of any renegotiation of the Group Insurance Plan between the American Water Works Company, Inc. and the Utility Workers Union of America. Group insurance issues shall not be subject to any local negotiations.

Section 4 - When an employee is called for Jury Duty, the employee shall immediately notify his or her supervisor. Employees who are on telephone standby for jury duty must report to work on those days they have not been instructed to report for jury duty. A shift worker, whose jury duty can not be postponed until he or she is scheduled to work the day shift, may switch shifts with the day shift worker who will work the shift of the juror. Employees who have served on jury duty must provide a court document clearly indicating their dates of jury duty.

Section 5 - Time off on an employee's normal work day within the normal 5-day work week without loss of pay, shall be granted in the event of death of the employee's father, mother, father-in-law, mother-in-law, brother, sister, husband, wife, child, grandchild, step parent or step child and also in the case of another relative who was a member of the household wherein the employee resides. Sufficient time off shall be given to cover the period between the death and burial. In the case of step parent or step child, the employee may be required to present reasonable proof of relationship.

Where the deceased was the sister-in-law, brother-in-law, grandmother, grandfather,

aunt, uncle, niece, or nephew of the employee and not a member of the household wherein the employee resides, he or she shall be given one work day or shift day off on the day of the service to attend the service.

An employee who continues absent after the day of burial will not be paid unless a doctor's certificate or other evidence satisfactory to the Company is presented showing that such absence was necessary.

Section 6 - Personal time off will be granted with pay for the following matters if they cannot be taken care of outside normal working hours: (a) attending to legal matters; (b) required appearances in court, except when employee is convicted of a crime or offense; (c) graduations, including police academy and fire academy graduations, or weddings of members of employee's immediate family; (d) required appearance at IRS or Workers' Compensation Board; (e) unusual personal emergency.

Section 7 - Employees with ten (10) years of service or more with the Company will receive a longevity payment of \$175.00 per year. For each five-year increment thereafter, such employee will receive an additional \$175.00 per year up to a maximum of \$700.00 per year, payable on the employee's anniversary date.

## ARTICLE XXII: TERM OF AGREEMENT

This Agreement shall be in full force and effect from January 1, 2008 until December 31, 2011 except as hereafter provided, and shall be renewed automatically from year to year thereafter, unless either party hereto shall give the other party at least sixty (60) days' notice before the end of this contract or of any renewal thereof of termination of the same. Such notice shall be given by registered mail addressed to the office of such party as set forth herein or at such other address as such party may specify in written notice given to the other party.

EXPLANATORY NOTES APPLICABLE TO SCHEDULES I AND II

Agreement Effective January 1, 2008 between

LONG ISLAND - AMERICAN WATER CORPORATION

and

UTILITY WORKERS UNION OF AMERICA A.F.L. - C.I.O. LOCAL 365

- Note (A) Rates indicated are for present incumbent. When he vacates the position, the rate and title of his replacement will be subject to negotiation.
- (a) As a general policy, the day position of Oiler-Plant Helper is not subject to this provision. New employees in this classification shall be assigned to rotating shifts, except when the Company can show need to do otherwise.
  - (b) Rate for certain incumbents covered by Memorandum of Agreement.
  - (c) See Memorandum of Agreement.
- \* New employees shall receive 80% of the established rate; six (6) months after being hired they shall receive 83.33% of the established rate; one (1) year after being hired they shall receive 86.67% of the established rate; eighteen (18) months after being hired they shall receive 90% of the established rate; two (2) years after being hired they shall receive 93.33% of the established rate; thirty (30) months after being hired they shall receive 96.67% of the established rate; three (3) years after being hired they shall receive the established rate.
- The foregoing provisions do not apply where rate ranges have been established, such as Utility Man II and Utility Man-Meter Service (after hours).
- \*\* New employees hired from outside the Company for Station Attendant "B" shall receive 90% of the established rate during the training period and 95% of the established rate during the succeeding two (2) months.
- NOTE: Progression will be in equal steps carried to the nearest 1/2 cent, at six month intervals. The number of progression steps will be determined by dividing the progression period by 6. When steps do not work out equally, the difference will be adjusted in the last step.

Progressions in column A are for employees hired prior to January 1, 1984.

Progressions in column B are for employees hired January 1, 1984 or thereafter.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement the \_\_\_\_ day of \_\_\_\_\_, 2008.

Attest:

LONG ISLAND – AMERICAN WATER

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\_\_\_\_\_  
President

UTILITY WORKERS UNION OF AMERICA  
A.F.L. - C.I.O.

National Representative

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UTILITY WORKERS UNION OF AMERICA  
A.F.L. - C.I.O. LOCAL 365

President

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WITNESS:

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APPROVED:

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National Representative

Memorandum of Agreement between  
LONG ISLAND - AMERICAN WATER CORPORATION  
and  
UTILITY WORKERS UNION OF AMERICA, AFL-CIO, LOCAL 365  
in regard to Application of  
Terms of Agreement Effective January 1, 2008

A. Wage Adjustments

It is hereby mutually agreed that the employees specifically covered herein will not be subject to the maximum wage rates and/or wage progression schedule included in Agreement between us dated January 1, 2004 but shall receive wage adjustments as follows:

1. Janis Wasniewski and Mary Ann McGlynn shall receive \$0.321 per hour more than the rate for Customer Service Clerk for the seventh month through the eighteenth month of this Agreement and for the years beginning July 1 of 2005, and 2006, and beginning January 1 of 2007 respectively, they shall receive the contract rate plus \$0.331 per hour, \$0.341 per hour and \$0.351 per hour, with the understanding that these adjustments apply only to these two named employees.
2. As a matter of policy, job postings are intended for promotion of employees from lower rate jobs to higher paid jobs. No employee will be permitted to bid downward unless such employee has compelling reasons which are satisfactory to the Company.

The rate for any employee bidding downward will be subject to negotiation. This does not apply to single rate jobs.

The Company agrees to negotiate the rate to be paid between the expiration of the posting period and the date of the notice to the Union as provided in Article VIII, Section 5-A.

Any employee bidding and accepted for a lower job in another department will be barred for one year from bidding for any job opening in the department from which he transferred.

B. Rates for Employees Accepted for Oiler-Plant  
Helper or Meter Reader Positions

An employee hired prior to January 1, 1984 who bids upwards to the position of Oiler-Plant Helper or Meter Reader shall receive five (5) cents per hour above his existing rate or the rate that he would receive if he were a new employee, whichever is higher, and shall remain at that rate for

one year before receiving the top rate of pay for the position, except when the rate he carried into the new position is lower than the six-month rate for such position in which case he will receive an adjustment to the six-month rate after six months.

An employee hired January 1, 1984 or thereafter who bids upwards to the position of Oiler-Plant Helper or Meter Reader shall receive five (5) cents per hour above his existing rate or the rate he would receive if he were a new employee, whichever is higher, and shall not receive the maximum rate until he is in the position for three years. If the rate he carries into the new position is based on his existing rate plus five (5) cents per hour, and such rate is greater than any of the normal progression rates for the new position, he shall remain at that rate until such time as the normal progression rate is higher than said rate at which time he will move into the progression rate.

- C. The Union agrees that meal allowances as applicable to clerical workers in Lynbrook office, do not include payment for time not worked during which employees take time out for meals.
- D. The job duties of Utility Man I will be as follows: Shall be qualified and capable of performing any and all duties normally assigned to the Distribution Dept. with only general supervision. Such duties shall include but not be limited to the installation and maintenance of all types of piping, fire hydrants, services, appurtenances and the operation of all types of equipment (other than the Boom Truck and Digger) utilized by the Company in this connection. A driver's license and familiarization with the associated paper work are essential.
- E. Back-up Equipment Operator - The back-up operator will receive pay for a full day on any day the machine is used by him for any period of time.
- F. Back-up Storekeeper - The Company agrees to maintain a Back-up Storekeeper who will substitute for the M&S Storekeeper during any and all periods of his absence whether they be vacation, illness or otherwise. For this work the Back-up Storekeeper will be paid ten (10) cents per hour over the Utility Man II rate. Selection will be limited to the Distribution Department field personnel. In the event the employee selected is a Utility Man II still in progression, he shall receive ten (10) cents per hour over his current progression rate.
- G. The contract provision of there being no meal allowance on pre-scheduled work where the Company has given sufficient advance notice applies only to a normal eight (8) hour work period during which the employee provides himself with one meal as he normally does on a regular work day. On all other overtime work, including extended overtime the meal allowance shall be in accordance with Article XVI, Section 6 of the contract.

IN WITNESS WHEREOF, the above parties hereto have signed  
this Memorandum of Agreement the \_\_\_\_\_ day of \_\_\_\_\_, 2008.

WITNESS:

LONG ISLAND – AMERICAN WATER

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President

UTILITY WORKERS UNION OF AMERICA  
AFL-CIO LOCAL 365

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President

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**LONG ISLAND AMERICAN WATER**

**Seniority List of Office Employees**

<b><u>Rating</u></b>	<b><u>Date of Hiring</u></b>	<b><u>Name</u></b>
1.	July 17, 1972	J. Wasniewski
2.	May 14, 1973	M. McGlynn
3.	February 1, 1988	K. Mastropieri
4.	June 20, 1988	J. Wooster

**Seniority List of Physical Employees**

<b><u>Rating</u></b>	<b><u>Date of Hiring</u></b>	<b><u>Name</u></b>
1.	March 29, 1971	M. Spagnola
2.	November 8, 1972	T. Marr
3.	October 22, 1974	T. Page
4.	January 27, 1975	T. Baal
5.	June 19, 1978	R. Okunewitch
6.	November 27, 1978	F. Krulish
7.	September 17, 1979	S. Fleischer
8.	December 10, 1979	M. Pecora
9.	February 19, 1980	B. Werner
10.	May 10, 1982	J. Lombardo
11.	July 6, 1982	R. Lau
12.	February 14, 1983	M. Kircheim
13.	October 11, 1983	S. Gocinski
14.	November 30, 1983	D. Flannery
15.	May 16, 1984	R. Cribbin
16.	July 29, 1985	J. Ahearne
17.	December 16, 1985	J. Intermor, Jr.
18.	January 27, 1986	D. Cross
19.	March 26, 1986	W. Goehringer
20.	July 10, 1986	K. Jaggs
21.	February 23, 1987	A. Lespier
22.	February 23, 1987	J. LoSchiavo
23.	May 4, 1987	T. McTigue
24.	June 29, 1987	K. Laudage
25.	November 30, 1987	S. Hayes
26.	November 30, 1987	S. Verity
27.	December 1, 1987	B. Smith
28.	January 18, 1988	W. Hammer
29.	February 16, 1988	M. Bohn
30.	June 6, 1988	S. Ward
31.	July 11, 1988	J. Romaine
32.	August 3, 1988	F. Contaldi
33.	March 9, 1989	F. Accardi
34.	April 4, 1989	R. Neidecker
35.	July 31, 1989	S. Garvey
36.	March 26, 1990	R. Zarro
37.	June 25, 1990	T. Stark
38.	June 25, 1990	H. Salley

**LONG ISLAND AMERICAN WATER**

Seniority List of Physical Employees

<u>Rating</u>	<u>Date of Hiring</u>	<u>Name</u>
39.	October 30, 1990	R. Greene
40.	December 3, 1990	C. Burke
41.	January 23, 1991	M. Pergola
42.	August 10, 1992	R. Baldassano
43.	January 23, 1993	C. Shakespeare
44.	November 7, 1994	D. Reicherter
45.	December 13, 1994	R. Rodriguez
46.	February 15, 1995	L. Sinko
47.	July 10, 1995	J. Raimondi
48.	January 2, 1996	C. Szatny
49.	April 27, 1999	R. Ambrosino
50.	November 6, 2001	A. Hongthong
51.	October 14, 2003	J. Banta
52.	January 30, 2006	M. Beauchesne
53.	March 6, 2006	K. Lowry
54.	May 1, 2006	M. Kircheim
55.	August 7, 2006	M. Pecora, Jr.
56.	September 14, 2006	L. Atcosta
57.	October 30, 2006	W. Causey
58.	April 30, 2007	K. Tengensen
59.	August 20, 2007	A. Lantz
60.	November 5, 2007	K. Thorpe
61.	February 19, 2008	M. DeCaro
62.	March 17, 2008	B. Lucas

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**SCHEDULE I  
Of Agreement Effective January 1, 2008 Between  
Long Island American Water  
And  
Utility Workers union of America, A.F.L.- C.I.O., Local 365**

<b>Job Title</b>	<b>Months of Progression</b>		<b><u>January 1, 2008</u></b>		<b><u>January 1, 2009</u></b>		<b><u>January 1, 2010</u></b>		<b><u>January 1, 2011</u></b>	
	<b>A</b>	<b>B</b>	<b><u>Minimum Per Hour</u></b>	<b><u>Maximum Per Hour</u></b>						
	Administration Clerk	42	48	\$22.579	\$30.531	\$23.313	\$31.523	\$24.129	\$32.626	\$24.973
Business Clerk		48	\$24.535	\$29.409	\$25.332	\$30.365	\$26.219	\$31.427	\$27.136	\$32.527
Cashier	18	42	\$25.133	\$27.550	\$25.950	\$28.446	\$26.860	\$29.441	\$27.798	\$30.472
Customer Service Clerk (b)	36	36	\$28.713	\$32.775	\$29.646	\$33.840	\$30.684	\$35.024	\$31.758	\$36.250
Daylist Clerk	12	36	\$26.503	\$28.293	\$27.365	\$29.212	\$28.322	\$30.235	\$29.314	\$31.293
Distribution Clerk	24	48	\$21.163	\$25.611	\$21.851	\$26.433	\$22.616	\$27.369	\$23.408	\$28.327
Junior Clerk	24	48	\$15.979	\$21.049	\$16.498	\$21.733	\$17.076	\$22.493	\$17.673	\$23.280
Telephone Operator (d)	12	36	\$25.007	\$26.606	\$25.820	\$27.471	\$26.724	\$28.433	\$27.659	\$29.220

**SCHEDULE II - a**  
**Of Agreement Effective January 1, 2008 Between**  
**Long Island American Water**  
**And**  
**Utility Workers Union of America, A.F.L.- C.I.O., Local 365**

**Job Classification**

<b>Network Department</b>	<b><u>January 1, 2008</u></b>	<b><u>January 1, 2009</u></b>	<b><u>January 1, 2010</u></b>	<b><u>January 1, 2011</u></b>
Auto Mechanic	\$33.546	\$34.636	\$35.848	\$37.103
Boom Truck Operator	\$30.807	\$31.808	\$32.921	\$34.073
Equipment Operator	\$33.385	\$34.470	\$35.767	\$36.925
Janitor*	\$26.043	\$26.889	\$27.830	\$25.804
M&S Storekeeper	\$31.406	\$32.426	\$33.561	\$34.736
Senior Utility Person "A"	\$33.385	\$34.470	\$35.676	\$36.925
Utility Person I	\$29.829	\$30.798	\$31.876	\$32.992
Utility Person II & Utility Person-Meter Service (after hours)	\$28.505	\$29.432	\$30.462	\$31.528
<b>Customer Field Services Department</b>				
Commercial Investigator	\$30.059	\$31.036	\$32.122	\$33.247
Meter Department Helper*	\$27.038	\$27.917	\$28.894	\$29.905
Meter Mechanic I	\$31.406	\$32.426	\$32.561	\$34.736
Meter Mechanic II	\$29.720	\$30.685	\$31.759	\$32.871
Meter Reader (b), (c)	\$28.465	\$29.390	\$30.419	\$31.483
Meter Tester*	\$29.363	\$30.318	\$31.379	\$32.477
Senior Meter Mechanic (see Note A)	\$32.211	\$33.258	\$34.422	\$35.626
Utility Person – Meter Service	\$29.829	\$30.798	\$31.876	\$32.992
<b>Production Department</b>				
Maintenance Mechanic "A"	\$33.385	\$34.470	\$35.676	\$36.925
Maintenance Mechanic "B"	\$30.612	\$31.606	\$32.713	\$33.858
Oiler-Plant Helper* (a), (c)	\$28.843	\$29.780	\$30.822	\$31.901
Station Attendant "A"	\$32.395	\$33.447	\$34.618	\$35.830
Station Attendant "B"	\$30.347	\$31.333	\$32.430	\$33.565

**SCHEDULE II-b  
Of Agreement Effective January 1, 2008 Between  
Long Island American Water  
And  
Utility Workers Union of America, A.F.L.- C.I.O., Local 365**

<b>Utility Person II &amp; Utility Person-Meter Service (after hours)</b>	<b><u>January 1, 2008</u></b>	<b><u>January 1, 2009</u></b>	<b><u>January 1, 2010</u></b>	<b><u>January 1, 2011</u></b>
Starts at 80%of 24 mos rate	\$21.624	\$22.326	\$23.108	\$20.943
6 mos rate 85% of 24 mos. rate	\$22.976	\$23.723	\$24.553	\$25.413
12 mos rate 90% of 24 mos. rate	\$24.328	\$25.119	\$25.998	\$26.908
18 mos rate 95% of 24 mos rate	\$25.680	\$26.515	\$27.443	\$28.404
24 mos rate	\$27.033	\$27.912	\$28.888	\$29.900
30 mos rate: 24 mos rate plus ¼ difference between 48 mos rate and 24 mos rate	\$27.400	\$28.291	\$29.281	\$30.306
36 mos rate: 24 mos rate plus ½ difference between 48 mos rate and 24 mos rate	\$27.769	\$28.672	\$29.675	\$30.714
42 mos rate: 24 mos rate plus ¾ difference between 48 mos rate and 24 mos rate	\$28.138	\$29.052	\$30.069	\$31.121
48 mos rate	\$28.505	\$29.432	\$30.462	\$31.528

LONG ISLAND AMERICAN WATER  
POWER COSTS FOR 2010, 2011, 2012  
AND RATE YEAR ENDED 3/31/13

Exhibit 12  
Tab 5

		2010	Quantity Change (A)	LIPA Credit & Load Sharing (C)	Normalized Usage	Cost Increase (B)	2011	Cost Increase	2012	Cost Increase	2013	12 Mos. Ended 3/31/13
OPERATIONS												
Source of Supply	0.60%	\$14,320	(\$532)	\$91	\$13,879	\$221	\$14,100	\$224	\$14,324	\$228	\$14,552	\$14,381
Pumping	90.38%	2,157,020	(80,213)	13,635	2,090,442	33,238	2,123,680	33,767	2,157,447	34,303	2,191,750	2,166,023
Water Treatment	5.80%	138,423	(5,148)	875	134,150	2,133	136,283	2,167	138,450	2,201	140,651	139,000
Transmission and Distribution	2.29%	54,653	(2,032)	345	52,966	842	53,808	856	54,664	869	55,533	54,881
Admin and General	0.93%	22,195	(825)	141	21,511	342	21,853	347	22,200	353	22,553	22,288
<b>Total</b>		<b>\$2,386,612</b>	<b>(\$88,750)</b>	<b>\$15,087</b>	<b>\$2,312,948</b>	<b>\$36,776</b>	<b>\$2,349,724</b>	<b>\$37,361</b>	<b>\$2,387,085</b>	<b>\$37,954</b>	<b>\$2,425,039</b>	<b>\$2,396,573</b>

NOTES:

A - Based on pro forma usage	
	mg
Pro Forma Usage	9,662.5
Conversion	109.56%
Pro Forma Pumped	10,586.3
Average 6 Years	\$217.06
	\$2,297,862
Usage Adjustment	(\$88,750)

B - Based on inflation rate =

1.59%

	mg	TOTAL POWER COST	COST PER mg	ALL YEARS	mg billed	
2005	10,875.5	2,044,131.0	\$187.96		9,881.1	110.06%
2006	10,217.3	2,421,348.0	236.99	26.08%	9,834.9	103.89%
2007	10,567.0	2,306,729.2	218.30	-7.89%	9,962.0	106.07%
2008	10,404.0	2,319,770.5	222.97	2.14%	10,062.2	103.40%
2009	10,198.8	2,269,719.2	222.55	-0.19%	8,664.4	117.71%
2010	11,145.3	2,401,698.7	215.49	-3.17%	9,472.2	117.66%
<b>AVERAGE 6 YEARS</b>	<b>63,407.8</b>	<b>13,763,397</b>	<b>\$217.06</b>		<b>57,876.8</b>	<b>109.56%</b>

C - LIPA CREDIT & LOAD SHARING ADDED BACK FOR 2010

		2010	LIPA Credit & Load Sharing Allocation
Add back for 2010 LIPA Credit	\$5,788		
Add back for Load Sharing	9,299		
Total LIPA Credit & Load Sharing	<u>\$15,087</u>		
Total Net Power Cost 2010 per GL	\$2,386,612		
Total LIPA Credit & Load Sharing	15,087		
Adjusted 2010 Power costs	<u>\$2,401,699</u>		
OPERATIONS			
Source of Supply	0.60%	\$14,410	\$91
Pumping	90.38%	2,170,655	13,635
Water Treatment	5.80%	139,299	875
Transmission and Distribution	2.29%	54,999	345
Admin and General	0.93%	22,336	141
<b>Total</b>		<b>\$2,401,699</b>	<b>\$15,087</b>

LONG ISLAND AMERICAN WATER  
 FUEL COSTS FOR 2010, 2011, 2012  
 AND RATE YEAR ENDED 3/31/13

		2010	Quantity Change (A)	Normalized Usage	Cost Increase (B)	2011	Cost Increase (C)	2012	Cost Increase	2013	12 Mos. Ended 3/31/2013
<b>OPERATIONS</b>											
Source of Supply	0.46%	\$1,497	(\$187)	\$1,310	\$640	\$1,950	\$31	\$1,981	\$32	\$2,013	\$1,989
Pumping	67.46%	219,504	(27,432)	192,072	93,885	285,957	4,547	290,504	4,619	295,123	291,659
Water Treatment	5.16%	16,790	(2,098)	14,692	7,181	21,873	348	22,221	353	22,574	22,309
Transmission and Distribution	25.48%	82,908	(10,361)	72,547	35,461	108,008	1,717	109,725	1,745	111,470	110,161
Admin and General	1.44%	4,686	(586)	4,100	2,004	6,104	97	6,201	99	6,300	6,226
<b>Total</b>	<b>100.00%</b>	<b>\$325,385</b>	<b>(\$40,664)</b>	<b>\$284,721</b>	<b>\$139,171</b>	<b>\$423,892</b>	<b>\$6,740</b>	<b>\$430,632</b>	<b>\$6,848</b>	<b>\$437,480</b>	<b>\$432,344</b>

NOTES:

A - Based on pro forma usage	
	mg
Pro Forma Usage	9,662.5
Conversion	<u>109.56%</u>
Pro Forma Pumped	10,586.2
Average 6 Years	<u>\$26.90</u>
	<u>\$284,721</u>
Usage Adjustment	(\$40,664)

B - Based on Actual Price increase over the average of the base year price  
 48.88%

total pumped water	mg	TOTAL FUEL COST	COST PER mg	ALL YEARS	mg billed	
2005	10,875.5	122,496	\$11.26		9,881.1	110.06%
2006	10,217.3	273,161	26.74	137.36%	9,834.9	103.89%
2007	10,567.0	218,184	20.65	-22.77%	9,962.0	106.07%
2008	10,404.0	452,221	43.47	110.51%	10,062.2	103.40%
2009	10,198.8	313,940	30.78	-29.18%	8,664.4	117.71%
2010	11,145.3	325,385	29.19	-5.16%	9,472.2	117.66%
<b>AVERAGE 6 YEARS</b>	<b>63,407.8</b>	<b>1,705,387</b>	<b>\$26.90</b>		<b>57,876.8</b>	<b>109.56%</b>

C - Based on inflation rate = 1.59%

**Weekly New York  
Harbor Ultra-Low  
Sulfur No 2 Diesel  
Spot Price (Dollars  
per Gallon)**

Exhibit 12  
Tab 6  
Page 2 of 2

<b>Date</b>	<b>Spot Price (Dollars per Gallon)</b>
Jan 01, 2010	\$2.108
Jan 08, 2010	2.190
Jan 15, 2010	2.098
Jan 22, 2010	1.994
Jan 29, 2010	1.965
Feb 05, 2010	2.002
Feb 12, 2010	1.974
Feb 19, 2010	2.077
Feb 26, 2010	2.095
Mar 05, 2010	2.139
Mar 12, 2010	2.160
Mar 19, 2010	2.162
Mar 26, 2010	2.148
Apr 02, 2010	2.225
Apr 09, 2010	2.296
Apr 16, 2010	2.273
Apr 23, 2010	2.260
Apr 30, 2010	2.307
May 07, 2010	2.277
May 14, 2010	2.218
May 21, 2010	2.022
May 28, 2010	2.025
Jun 04, 2010	2.071
Jun 11, 2010	2.071
Jun 18, 2010	2.157
Jun 25, 2010	2.144
Jul 02, 2010	2.032
Jul 09, 2010	2.047
Jul 16, 2010	2.082
Jul 23, 2010	2.088
Jul 30, 2010	2.086
Aug 06, 2010	2.229
Aug 13, 2010	2.141
Aug 20, 2010	2.070
Aug 27, 2010	2.064
Sep 03, 2010	2.113
Sep 10, 2010	2.146
Sep 17, 2010	2.176
Sep 24, 2010	2.176
Oct 01, 2010	2.258
Oct 08, 2010	2.335
Oct 15, 2010	2.310
Oct 22, 2010	2.275
Oct 29, 2010	2.274
Nov 05, 2010	2.366
Nov 12, 2010	2.439
Nov 19, 2010	2.336
Nov 26, 2010	2.353
Dec 03, 2010	2.448
Dec 10, 2010	2.475
Dec 17, 2010	2.482
Dec 24, 2010	2.527
Dec 31, 2010	2.529
Jan 07, 2011	2.540
Jan 14, 2011	2.651
Jan 21, 2011	2.680
Jan 28, 2011	2.681
Feb 04, 2011	2.782
Feb 11, 2011	2.777
Feb 18, 2011	2.808
Feb 25, 2011	2.968
Mar 04, 2011	3.112
Mar 11, 2011	3.124
Mar 18, 2011	3.115
Mar 25, 2011	3.145
Apr 01, 2011	3.149
Apr 08, 2011	3.279
Apr 15, 2011	3.268

Apr 15, 2011	\$3.268
Avg Price of 2010	<u>2.195</u>
Cost Inc	\$1.073
% Increase	<u><u>48.88%</u></u>

LONG ISLAND AMERICAN WATER  
CHEMICAL COSTS FOR 2010, 2011, 2012  
AND RATE YEAR ENDED 3/31/13

Exhibit 12  
Tab 7

	2010	Cost Increase (A)	Quantity Change (B)	2011	Cost Increase (A)	2012	Cost Increase (A)	2013	12 Mos. Ended 3/31/13
OPERATIONS									
Source of Supply Pumping									
Water Treatment	\$1,131,852	\$22,819	(\$79,879)	\$1,074,792	\$21,669	\$1,096,461	\$22,105	\$1,118,566	\$1,101,987
Transmission and Distribution Admin and General									
<b>Total</b>	<b>\$1,131,852</b>	<b>\$22,819</b>	<b>(\$79,879)</b>	<b>\$1,074,792</b>	<b>\$21,669</b>	<b>\$1,096,461</b>	<b>\$22,105</b>	<b>\$1,118,566</b>	<b>\$1,101,987</b>

A - Chemical price per pound

	2010 price -lbs	2011 price -lbs	% Increase 2010/2011	Amount 2010	Amount 2011	Percent Increase
Sodium Silicates	\$0.2256	\$0.2208	-2.1%	\$455,426.62	\$445,736.69	
Bleach	0.0890	0.0990	11.2%	126,711.08	140,948.28	
Lime	0.1435	0.1485	3.5%	489,629.18	506,689.43	
<b>Total</b>				<b>\$1,071,766.87</b>	<b>\$1,093,374.39</b>	<b>2.02%</b>

B- Based on 3 year average usage

	2008 In pounds	2009 In pounds	2010 In pounds	Average In pounds	Contract Cost 2011 per pound	3 yr Avg Expense
Sodium Silicates 580A-Blk	1,223,606	1,508,734	2,018,735	2,018,735 (1)	\$0.2208	\$445,737
Bleach 570A-Blk	1,418,939	1,282,761	1,423,720	1,375,140	0.0990	136,139
Lime 280A-50lb	3,065,019	2,888,150	3,412,050	3,121,740	0.1485	463,578
<b>Total</b>	<b>5,707,564</b>	<b>5,679,645</b>	<b>6,854,505</b>	<b>6,515,615</b>		<b>\$1,045,454</b>
System Delivery million gals	10,106.7	9,856.0	10,770.8	10,244.5		10,244.5
Billed Usage million gals	10,062.2	8,664.4	9,472.2	9,399.6		
				108.99%	Cost per mg	\$102.0501
				Pro Forma Usage		9,663
				Sys Del Adj		108.99%
						10,532
						\$102.0501
						<b>\$1,074,792</b>

Note (1): Sodium Silicates pounds is based on actual 2010 usage due to increased usage of this chemical.

**Long Island American Water  
Invoices**

<b>YEAR 2010</b>								
<b>Line Description</b>	<b>Account Description</b>	<b>SS</b>	<b>P</b>	<b>WT</b>	<b>TD</b>	<b>CA</b>	<b>AG</b>	<b>Grand Total</b>
Customer Accounting	Uncollectible Accts-MI's						(\$490)	(\$490)
	Misc Oper CA					0		0
	Bank Service Charges CA					96,391		96,391
	Collection Agencies CA					68,606		68,606
	Forms CA					95,962		95,962
	Office & Admin Supplies CA					12,742		12,742
	Telephone CA					5,825		5,825
	Uniforms CA					7,931		7,931
<b>Customer Accounting</b>						<b>287,457</b>	<b>(490)</b>	<b>286,967</b>
General Office Exp	M & S Oper AG						50	50
	Misc General Office						255	255
	Credit Line Fees						1,049	1,049
	Credit Line Fees AW46						35,199	35,199
	Dues/Membership Deduct						930	930
	Dues/Membership Nondeduct						114	114
	Employee Expenses AG						44,464	44,464
	Empl Exp Conf/Registration						2,690	2,690
	Meals & Travel Deduct						8,154	8,154
	Meals & Travel Nonded (Mth-						8,154	8,154
	Janitorial AG						0	0
	Office & Admin Supplies AG						54,737	54,737
	Postage AG						0	0
	Telephone AG						10,971	10,971
	Cell Phone AG						44,867	44,867
<b>General Office Exp</b>							<b>211,636</b>	<b>211,636</b>
Miscellaneous	Other Welf Oper AG						20,756	20,756
	Employee Awards AG						3,304	3,304
	Employee Physical Exam AG						2,318	2,318
	Safety Incentive						0	0
	Tuition Aid AG						245	245
	Training AG						6,624	6,624
	M & S Oper SS	406						406
	M & S Oper P		21,494					21,494
	M & S Oper WT			21				21
	M & S Oper TD				1,282			1,282
	Contr Svc-Acctg Oper AG						5,663	5,663
	Contr Svc-Legal Oper AG						599	599
	Contr Svc-Other Oper CA					5,132		5,132
	Contr Svc-Other Oper AG						58,959	58,959
	Misc Oper P	125,714						125,714
	Misc Oper WT			58,471				58,471
	Misc Oper TD				11,213			11,213
	Misc Oper TD Mains				117,057			117,057
	Misc Oper TD Meters				53			53

**Long Island American Water  
Invoices**

<b>YEAR 2010</b>								
<b>Line Description</b>	<b>Account Description</b>	<b>SS</b>	<b>P</b>	<b>WT</b>	<b>TD</b>	<b>CA</b>	<b>AG</b>	<b>Grand Total</b>
	Misc Oper AG						47,535	47,535
	Advertising						10,695	10,695
	Bill Inserts AG						2,252	2,252
	Charitable Contrib Deduct						2,000	2,000
	Community Relations						28,672	28,672
	Co Dues/Membership Deduct						27,361	27,361
	Co Dues/Membership Nondeduc						14,999	14,999
	Co Dues Deduct AWWA						7,327	7,327
	Discounts Available						(17,238)	(17,238)
	Discounts Lost						13	13
	Bus Servies Proj Exp						125,700	125,700
	Grounds Keeping SS	105,997						105,997
	Heat - Oil/Gas SS	15,012						15,012
	Heat - Oil/Gas WT			32,826				32,826
	Heat - Oil/Gas TD				12,826			12,826
	Office & Admin Supplies TD				481			481
	Overnight Shipping AG						10,520	10,520
	Penalties Nondeduct						6,108	6,108
	Research & Development Exp						11,502	11,502
	Add'l Security Costs AG						30,508	30,508
	Software Licenses & Support						10,487	10,487
	Telemetering SS	7,971						7,971
	Telephone SS	28,544						28,544
	Telephone WT			4,240				4,240
	Telephone TD				4,605			4,605
	Trash Removal SS	35,279						35,279
	Trustee Fees AG						19,211	19,211
	Uniforms SS	0						0
	Uniforms WT			20,222				20,222
	Uniforms TD				35,472			35,472
	PCard Undistributed						(2,039)	(2,039)
Miscellaneous		193,210	147,208	115,779	182,989	5,132	434,079	1,078,397
Maintenance Expense	M&S Maint SS	32,491						32,491
	M&S Maint WT			186,570				186,570
	M&S Maint TD				29,914			29,914
	M&S Maint AG						0	0
	Misc Maint SS	6,658						6,658
	Misc Maint P		55,903					55,903
	Misc Maint P Struct & Imp		16,811					16,811
	Misc Maint P Pwr Prod Equip		35,164					35,164
	Misc Maint WT			179				179
	Misc Maint WT Struct & Imp			(844)				(844)
	Misc Maint WT Equip			23,049				23,049
	Misc Maint TD				17,160			17,160
	Misc Maint TD Mains				52,671			52,671
	Misc Maint TD Services				163			163
	Misc Maint AG						49,739	49,739
	Computer Equipment AG						20,024	20,024
	Paving/Backfill TD				369,632			369,632
	Permits TD				37,480			37,480
Maintenance Expense		39,150	107,878	208,955	507,020	0	69,763	932,765
<b>GRAND TOTAL</b>		<b>\$232,359</b>	<b>\$255,087</b>	<b>\$324,734</b>	<b>\$690,009</b>	<b>\$292,589</b>	<b>\$714,989</b>	<b>\$2,509,766</b>











**Consumer Price Index - All Urban Consumers**  
**Original Data Value**

**Series Id:** CUUR0100SA0  
**Not Seasonally Adjusted**  
**Area:** Northeast urban  
**Item:** All items  
**Base Period:** 1982-84=100  
**Years:** 2000 to 2010

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2000	176.2	177.6	178.5	178.5	178.4	179.0	179.8	179.9	180.7	181.2	181.5	181.3	179.4	178.0	180.7
2001	182.2	182.8	183.7	184.2	184.6	185.3	185.0	185.1	185.1	185.0	185.0	184.2	184.4	183.8	184.9
2002	184.9	186.1	187.0	187.8	187.7	187.8	188.3	189.3	189.5	189.9	190.1	189.6	188.2	186.9	189.5
2003	190.5	191.7	193.0	192.6	192.7	192.8	193.5	194.3	195.0	195.4	195.1	194.9	193.5	192.2	194.7
2004	195.9	196.8	198.6	199.4	199.9	201.1	201.0	201.0	201.2	202.5	202.6	201.9	200.2	198.6	201.7
2005	202.6	203.6	206.0	206.9	206.2	206.2	207.9	208.7	210.8	211.5	210.0	209.0	207.5	205.3	209.7
2006	211.0	211.6	212.8	214.7	215.7	216.7	217.5	218.1	216.3	215.2	214.8	215.2	215.0	213.8	216.2
2007	215.813	216.651	218.334	219.501	220.591	221.579	221.945	221.559	221.436	221.951	223.356	223.425	220.512	218.745	222.279
2008	224.325	225.213	226.926	228.133	230.089	232.649	234.545	233.788	232.841	230.837	227.236	225.091	229.306	227.889	230.723
2009	225.436	226.754	227.309	227.840	228.136	229.930	230.154	230.883	231.200	231.304	231.708	231.462	229.343	227.568	231.119
2010	232.294	232.382	233.188	233.615	234.130	233.834	233.885	234.150	234.027	234.671	235.094	235.141	233.868	233.241	234.495

Change Dec 2009-2010 3.68  
 Percent Change 1.59%

**GROUP INSURANCE**

Insurance/Employees:					2011	
LIVES			Premium	Rate		Premium
<b>LIFE INSURANCE:</b>						
	9,039,000	Life - Basic	\$1.84	per	\$1,000	\$16,596
68	680,000	A. D. & D. (\$10,000 cov. per employee)	0.24	per	1,000	163
24	3,035,000	A. D. & D. (Non-Bargaining)	0.24	per	1,000	728
<b>DISABILITY:</b>						
	1,230,493	Long Term Disability (non union only)	\$0.40	per	\$100	\$4,922
	92	Short Term Managed Disability	27.00	per	EMPLOYEE	2,484
<b>MEDICAL, DENTAL &amp; PRESCRIPTION COVERAGE:</b>						
			Monthly Rate	Number of Months	Annual Rate	
19		Employees w/Single Coverage(Union)	\$576.00	12	\$6,912	\$131,328
0		Employee and Spouse Coverage(Union)	0.00	12	0	0
0		Employee and Children(Union)	0.00	12	0	0
43		Employee and Family(Union)	1,469.00	12	17,628	758,004
0		Employees with Single Dental coverage only(Union)	33.00	12	396	0
0		Employee and Spouse Coverage Dental(Union)	0.00	12	0	0
0		Employee and Children - Dental(Union)	0.00	12	0	0
5		Employee and Family Dental(Union)	81.00	12	972	4,860
4		Employees w/Single Coverage(Non-Union)	544.00	12	6,528	26,112
3		Employee and Spouse Coverage(Non-Union)	1,196.00	12	14,352	43,056
2		Employee and Children(Non-Union)	1,251.00	12	15,012	30,024
10		Employee and Family(Non-Union)	1,522.00	12	18,264	182,640
5		Employees with Single Dental Coverage only(Non-Union)	32.00	12	384	1,920
3		Employee and Spouse Coverage Dental(Non-Union)	70.00	12	840	2,520
2		Employee and Children - Dental(Non-Union)	74.00	12	888	1,776
10		Employee and Family Dental(Non-Union)	89.00	12	1,068	10,680
Total Medical, Dental and Prescription Coverage						<u>\$1,217,813</u>
<b>Non Union:</b>						
			Monthly Contributions	Number of Months	Annual Employee Contributions	Total Employee Contributions
4		Employees w/Single Coverage(Non-Union)	\$85	12	\$1,020	\$4,080
3		Employee and Spouse Coverage(Non-Union)	187	12	2,244	6,732
2		Employee and Children(Non-Union)	196	12	2,352	4,704
10		Employee and Family(Non-Union)	238	12	2,856	28,560
5		Employees with Single Dental Coverage only(Non-Union)	10	12	120	600
3		Employee and Spouse Coverage Dental(Non-Union)	22	12	264	792
2		Employee and Children - Dental(Non-Union)	23	12	276	552
10		Employee and Family Dental(Non-Union)	28	12	336	3,360
<b>Union</b>						
19		Employees w/Single Coverage(Union)	\$95	12	\$1,140	21,660
0		Employee and Spouse Coverage(Union)	0	12	0	0
0		Employee and Children(Union)	0	12	0	0
43		Employee and Family(Union)	243	12	2,916	125,388
0		Employees with Single Dental coverage only(Union)	10	12	120	0
0		Employee and Spouse Coverage Dental(Union)	0	12	0	0
0		Employee and Children - Dental(Union)	0	12	0	0
5		Employee and Family Dental(Union)	27	12	324	1,620
Total Contributions						<u>\$198,048</u>
Net Group Insurance Costs						<u>\$1,019,765</u>

**GROUP INSURANCE**

Insurance/Employees:		Premium		Rate	2012 Premium
LIVES	LIFE INSURANCE:				
	9,346,000 Life - Basic	\$1.84	per	\$1,000	\$17,159
68	680,000 A. D. & D. (\$10,000 cov. per employee)	0.24	per	1,000	163
24	3,113,000 A. D. & D. (Non-Bargaining)	0.24	per	1,000	747
DISABILITY:					
	1,267,410 Long Term Disability (non union only)	\$0.40	per	\$100	\$5,070
	92 Short Term Managed Disability	\$27.00	per	EMPLOYEE	2,484
MEDICAL, DENTAL & PRESCRIPTION COVERAGE:					
	19 Employees w/Single Coverage(Union)	Monthly Rate	Number of Months	Annual Rate	
	0 Employee and Spouse Coverage(Union)	\$585.00	12	\$7,020	\$133,380
	0 Employee and Children(Union)	0.00	12	0	0
	43 Employee and Family(Union)	0.00	12	0	0
	0 Employees with Single Dental coverage only(Union)	1,492.00	12	17,904	769,872
	0 Employee and Spouse Coverage Dental(Union)	34.00	12	408	0
	0 Employee and Children - Dental(Union)	0.00	12	0	0
	5 Employee and Family Dental(Union)	82.00	12	984	4,920
	4 Employees w/Single Coverage(Non-Union)	553.00	12	6,636	26,544
	3 Employee and Spouse Coverage(Non-Union)	1,215.00	12	14,580	43,740
	2 Employee and Children(Non-Union)	1,271.00	12	15,252	30,504
	10 Employee and Family(Non-Union)	1,546.00	12	18,552	185,520
	5 Employees with Single Dental Coverage only(Non-Union)	33.00	12	396	1,980
	3 Employee and Spouse Coverage Dental(Non-Union)	71.00	12	852	2,556
	2 Employee and Children - Dental(Non-Union)	75.00	12	900	1,800
	10 Employee and Family Dental(Non-Union)	90.00	12	1,080	10,800
Total Medical, Dental and Prescription Coverage					<u>\$1,237,239</u>
Non Union:					
	4 Employees w/Single Coverage(Non-Union)	Monthly Contributions	Number of Months	Annual Employee Contributions	Total Employee Contributions
	3 Employee and Spouse Coverage(Non-Union)	\$85	12	\$1,020	\$4,080
	2 Employee and Children(Non-Union)	187	12	2,244	6,732
	10 Employee and Family(Non-Union)	196	12	2,352	4,704
	5 Employees with Single Dental Coverage only(Non-Union)	238	12	2,856	28,560
	3 Employee and Spouse Coverage Dental(Non-Union)	10	12	120	600
	2 Employee and Children - Dental(Non-Union)	22	12	264	792
	10 Employee and Family Dental(Non-Union)	23	12	276	552
		28	12	336	3,360
Union					
	19 Employees w/Single Coverage(Union)	\$95	12	\$1,140	\$21,660
	0 Employee and Spouse Coverage(Union)	0	12	0	0
	0 Employee and Children(Union)	0	12	0	0
	43 Employee and Family(Union)	243	12	2,916	125,388
	0 Employees with Single Dental coverage only(Union)	10	12	120	0
	0 Employee and Spouse Coverage Dental(Union)	0	12	0	0
	0 Employee and Children - Dental(Union)	0	12	0	0
	5 Employee and Family Dental(Union)	27	12	324	1,620
Total Contributions					<u>\$198,048</u>
Net Group Insurance Costs					<u>\$1,039,191</u>

**GROUP INSURANCE**

Insurance/Employees:		Premium	Rate	3/31/2013 Premium	
LIVES	LIFE INSURANCE:				
	9,486,000 Life - Basic	\$1.84 per	\$1,000	\$17,416	
68	680,000 A. D. & D. (\$10,000 cov. per employee)	0.24 per	1,000	163	
24	3,205,000 A. D. & D. (Non-Bargaining)	0.24 per	1,000	769	
DISABILITY:					
	1,276,921 Long Term Disability (non union only)	\$0.40 per	\$100	\$5,108	
	92 Short Term Managed Disability	\$27.00 per	EMPLOYEE	2,484	
MEDICAL, DENTAL & PRESCRIPTION COVERAGE:					
		Monthly Rate	Number of Months	Annual Rate	
19	Employees w/Single Coverage(Union)	\$587.00	12	\$7,044	\$133,836
0	Employee and Spouse Coverage(Union)	0.00	12	0	0
0	Employee and Children(Union)	0.00	12	0	0
43	Employee and Family(Union)	1,498.00	12	17,976	772,968
0	Employees with Single Dental coverage only(Union)	34.00	12	408	0
0	Employee and Spouse Coverage Dental(Union)	0.00	12	0	0
0	Employee and Children - Dental(Union)	0.00	12	0	0
5	Employee and Family Dental(Union)	82.00	12	984	4,920
4	Employees w/Single Coverage(Non-Union)	555.00	12	6,660	26,640
3	Employee and Spouse Coverage(Non-Union)	1,220.00	12	14,640	43,920
2	Employee and Children(Non-Union)	1,276.00	12	15,312	30,624
10	Employee and Family(Non-Union)	1,552.00	12	18,624	186,240
5	Employees with Single Dental Coverage only(Non-Union)	33.00	12	396	1,980
3	Employee and Spouse Coverage Dental(Non-Union)	71.00	12	852	2,556
2	Employee and Children - Dental(Non-Union)	75.00	12	900	1,800
10	Employee and Family Dental(Non-Union)	90.00	12	1,080	10,800
Total Medical, Dental and Prescription Coverage					<u>\$1,242,224</u>
Non Union:					
		Monthly Contributions	Number of Months	Annual Employee Contributions	Total Employee Contributions
4	Employees w/Single Coverage(Non-Union)	\$85	12	\$1,020	\$4,080
3	Employee and Spouse Coverage(Non-Union)	187	12	2,244	6,732
2	Employee and Children(Non-Union)	196	12	2,352	4,704
10	Employee and Family(Non-Union)	238	12	2,856	28,560
5	Employees with Single Dental Coverage only(Non-Union)	10	12	120	600
3	Employee and Spouse Coverage Dental(Non-Union)	22	12	264	792
2	Employee and Children - Dental(Non-Union)	23	12	276	552
10	Employee and Family Dental(Non-Union)	28	12	336	3,360
Union					
19	Employees w/Single Coverage(Union)	\$95	12	\$1,140	\$21,660
0	Employee and Spouse Coverage(Union)	0	12	0	0
0	Employee and Children(Union)	0	12	0	0
43	Employee and Family(Union)	243	12	2,916	125,388
0	Employees with Single Dental coverage only(Union)	10	12	120	0
0	Employee and Spouse Coverage Dental(Union)	0	12	0	0
0	Employee and Children - Dental(Union)	0	12	0	0
5	Employee and Family Dental(Union)	27	12	324	1,620
Total Contributions					<u>\$198,048</u>
Net Group Insurance Costs					<u>\$1,044,176</u>

See Exhibit 12, Tab 11, Page 3 of 3, for OPEB Workpaper

Pension

2011 FAS 87	\$1,022,052
Disability Payments	<u>43,563</u>
Total Pension	<u><u>\$1,065,615</u></u>
OPEB	
2011 FAS 106	<u><u>\$600,791</u></u>
Total Pension & OPEB	<u><u>\$1,666,406</u></u>

**American Water  
Allocation of 2011 Pension Cost  
Not Reflecting Purchase Accounting  
Allocation Schedule**

Exhibit 12  
Tab 11  
Page 2 of 3

<u>COMPANY</u>	<u>Expense Allocation</u>
<b>AMERICAN WATER WORKS COMPANY</b>	\$27,925
<b>AMERICAN WATER SERVICES (AAET, L.P.)</b>	11,170
<b>AMERICAN WATER SERVICES (Corp)</b>	16,755
O&M Inc.	44,680
<b>AWW SERVICE COMPANY</b>	
AWWS Corp	2,340,108
Belleville, IL Lab (R)	223,399
Western (L)	491,479
Northeast Region	78,190
Southeast Region	463,554
Central Region	1,480,021
Alton, IL Call Center	2,758,982
Shared Services	1,167,262
Pensacola Call Center	1,284,546
ITS	1,200,771
Procurement/Supply Chain	<u>385,364</u>
Total AWW Service Company	11,873,676
<b>NEW JERSEY - AM</b>	9,120,278
<b>PENNSYLVANIA - AM</b>	9,740,209
<b>EASTERN DIVISION</b>	
INDIANA - AM	2,658,452
KENTUCKY - AM	1,105,827
LONG ISLAND	1,022,052
MARYLAND - AM	67,020
MICHIGAN - AM	67,020
OHIO - AM	843,332
TENNESSEE - AM	982,957
VIRGINIA - AM	631,103
VIRGINIA - AM - EASTERN DISTRICT	72,605
WEST VIRGINIA - AM	<u>2,870,681</u>
Total Eastern Division	10,321,049
<b>WEST DIVISION</b>	
ARIZONA - AM	1,318,056
CALIFORNIA - AM	2,630,527
HAWAII	156,380
ILLINOIS - AM	3,848,054
IOWA - AM	502,649
MISSOURI - AM	5,931,252
NEW MEXICO - AM	223,399
TEXAS	<u>83,775</u>
Total West Division	14,694,092
<b>TOTAL SYSTEM</b>	<u><u>\$55,849,834</u></u>

**American Water  
Allocation of 2011 Post-Retirement Welfare Cost**

Retiree Welfare Plan: Annual Valuation  
Using data collected as of July 1, 2010  
1/1/2011 Cost

Exhibit 12  
Tab 11  
Page 3 of 3

<u>COMPANY</u>	<u>Expense Allocation</u>	<u>Retiree Contribution Allocation</u>	<u>Total Exp and Retiree Contribution Allocation</u>
<b>AMERICAN WATER WORKS COMPANY</b>	51,698	4,258	55,956
<b>AMERICAN WATER SERVICES (AAET, L.P.)</b>	62,582	5,154	67,736
<b>AMERICAN WATER SERVICES (Corp)</b>	5,442	448	5,890
O&M Inc.	5,442	448	5,890
<b>AMERICAN WATER RESOURCES</b>	5,442	448	5,890
<b>AWW SERVICE COMPANY</b>			
AWWS Corp	715,611	58,938	774,549
Belleville, IL Lab (R)	62,582	5,154	67,736
Hershey, PA Data Center (W) ***	29,930	2,465	32,395
Richmond, IN Data Center (H) ***	19,047	1,569	20,616
Western (L)	48,977	4,034	53,011
Haddon Heights IS ***	10,884	896	11,780
Northeast Region	35,372	2,913	38,285
Southeast Region	122,443	10,084	132,527
Indiana Region ***	21,768	1,793	23,561
Central Region	234,002	19,273	253,275
Alton, IL Call Center	152,373	12,550	164,923
Shared Services	280,258	23,082	303,340
Pensacola Call Center	-	-	-
ITS	220,397	18,152	238,549
Procurement/Supply Chain	40,814	3,361	44,175
Total AWW Service Company	1,994,458	164,264	2,158,722
<b>NEW JERSEY - AM</b>	4,777,995	393,518	5,171,513
<b>PENNSYLVANIA - AM</b>	6,045,962	497,952	6,543,914
<b>EASTERN DIVISION</b>			
INDIANA - AM	1,877,458	154,629	2,032,087
KENTUCKY - AM	742,820	61,179	803,999
LONG ISLAND	555,075	45,716	600,791
MARYLAND - AM	73,466	6,051	79,517
MICHIGAN - AM	38,093	3,137	41,230
OHIO - AM	497,935	41,010	538,945
TENNESSEE - AM	832,612	68,574	901,186
VIRGINIA - AM	438,074	36,080	474,154
VIRGINIA - AM - EASTERN DISTRICT	35,372	2,913	38,285
WEST VIRGINIA - AM	1,997,180	164,489	2,161,669
Total Eastern Division	7,088,085	583,778	7,671,863
<b>WEST DIVISION</b>			
ARIZONA - AM	65,303	5,378	70,681
CALIFORNIA - AM	881,589	72,608	954,197
HAWAII	65,303	5,378	70,681
ILLINOIS - AM	1,937,319	159,559	2,096,878
IOWA - AM	440,795	36,304	477,099
MISSOURI - AM	3,662,404	301,638	3,964,042
NEW MEXICO - AM	119,722	9,860	129,582
Total West Division	7,172,435	590,725	7,763,160
AWW Plan	27,209,541	2,240,993	29,450,534
Northern Illinois Plan	2,278		2,278
<b>TOTAL SYSTEM</b>	<b>27,211,819</b>	<b>2,240,993</b>	<b>29,452,812</b>

\* Based on assumption that 80% of active males and 50% of active females will be married at retirement.

\*\* The allocation percentage for each company is equal to the ratio of total participants for that company to total participants for the entire American system.

\*\*\* The allocation percentage for retiree contributions is equal to the ratio of total inactive participants for that company to total inactive participants for the entire American system.

\*\*\*\*Towers estimated the 2011 MMA subsidy to be \$1,617,000.

LONG ISLAND AMERICAN WATER  
 2011 RATE CASE  
 401k  
 based on salaries for 1/1-12/31/2011

Public Version  
 Exhibit 12  
 Tab 12

Title		Employee Percentage Contribution	Salary	Company Percentage Match	Company 401 (k) Match
<b>Non-Union</b>					
Chemist I (N)		0%		0.00%	
Dir Operations State		13%		2.50%	
Lab Tech (N)		20%		2.50%	
Mgr Engrg - Technical Services		14%		2.50%	
Mgr Field Operations	DC	16%		4.00%	
Mgr Production	DC	6%		4.00%	
Mgr Wtr Qlty & Envrn Cmpl		5%		2.50%	
President (Medium States)		10%		2.50%	
Princ Analyst Financial	DC	20%		4.00%	
Project Mgr Engr		1%		0.50%	
Specialist Operations (N)		2%		1.00%	
Specialist Operations (N)	DC	1%		1.00%	
Specialist Operations (N)		10%		2.50%	
Specialist Operations (N)	DC	10%		4.00%	
Specialist Operations (N)		2%		1.00%	
Sr Construction Inspector		3%		1.50%	
Sr Construction Inspector	DC	0%		0.00%	
Supt Opns II	DC	0%		0.00%	
Supt Opns II	DC	0%		0.00%	
Supvr Field Operations		0%		0.00%	
Supvr Field Operations		2%		1.00%	
Supvr Field Operations		5%		2.50%	
Supvr Field Operations		0%		0.00%	
Supvr Opns II		15%		2.50%	
Supvr Production		15%		2.50%	
<b>Non-Union Total</b>			<b>\$2,071,979</b>		<b>\$41,355</b>

LONG ISLAND AMERICAN WATER  
 2011 RATE CASE  
 401k  
 based on salaries for 1/1-12/31/2012

Title		Employee Percentage Contribution	Salary	Company Percentage Match	Company 401 (k) Match
<b>Non-Union</b>					
Chemist I (N)		0%		0.00%	
Dir Operations State		13%		2.50%	
Lab Tech (N)		20%		2.50%	
Mgr Engrg - Technical Services		14%		2.50%	
Mgr Field Operations	DC	16%		4.00%	
Mgr Production	DC	6%		4.00%	
Mgr Wtr Qlty & Envrn Cmpl		5%		2.50%	
President (Medium States)		10%		2.50%	
Princ Analyst Financial	DC	20%		4.00%	
Project Mgr Engr		1%		0.50%	
Specialist Operations (N)		2%		1.00%	
Specialist Operations (N)	DC	1%		1.00%	
Specialist Operations (N)		10%		2.50%	
Specialist Operations (N)	DC	10%		4.00%	
Specialist Operations (N)		2%		1.00%	
Sr Construction Inspector		3%		1.50%	
Sr Construction Inspector	DC	0%		0.00%	
Supt Opns II	DC	0%		0.00%	
Supt Opns II	DC	0%		0.00%	
Supvr Field Operations		0%		0.00%	
Supvr Field Operations		2%		1.00%	
Supvr Field Operations		5%		2.50%	
Supvr Field Operations		0%		0.00%	
Supvr Opns II		15%		2.50%	
Supvr Production		15%		2.50%	
<b>Non-Union Total</b>			<b>\$2,134,140</b>		<b>\$42,597</b>

LONG ISLAND AMERICAN WATER  
2011 RATE CASE  
401k  
based on salaries for 4/1/12-3/31/2013

Title		Employee Percentage Contribution	Salary	Company Percentage Match	Company 401 (k) Match
<b>Non-Union</b>					
Chemist I (N)		0%		0.00%	
Dir Operations State		13%		2.50%	
Lab Tech (N)		20%		2.50%	
Mgr Engrg - Technical Services		14%		2.50%	
Mgr Field Operations	DC	16%		4.00%	
Mgr Production	DC	6%		4.00%	
Mgr Wtr Qlty & Envrn Cmpl		5%		2.50%	
President (Medium States)		10%		2.50%	
Princ Analyst Financial	DC	20%		4.00%	
Project Mgr Engr		1%		0.50%	
Specialist Operations (N)		2%		1.00%	
Specialist Operations (N)	DC	1%		1.00%	
Specialist Operations (N)		10%		2.50%	
Specialist Operations (N)	DC	10%		4.00%	
Specialist Operations (N)		2%		1.00%	
Sr Construction Inspector		3%		1.50%	
Sr Construction Inspector	DC	0%		0.00%	
Supt Opns II	DC	0%		0.00%	
Supt Opns II	DC	0%		0.00%	
Supvr Field Operations		0%		0.00%	
Supvr Field Operations		2%		1.00%	
Supvr Field Operations		5%		2.50%	
Supvr Field Operations		0%		0.00%	
Supvr Opns II		15%		2.50%	
Supvr Production		15%		2.50%	
<b>Non-Union Total</b>			<b>\$2,150,154</b>		<b>\$42,916</b>

LONG ISLAND AMERICAN WATER  
2011 RATE CASE  
401k  
based on salaries for 1/1-12/31/2011

Title	Employee Contribution	Salary	Company Percentage Match	Company 401 (k) Match
<b>Union</b>				
Auto Mechanic	7%	\$79,719	2.50%	\$1,993
Boom Truck Operator	0%	71,397	0.00%	0
Building Services Janitor	DC 0%	59,912	0.00%	0
Business Clerk	15%	68,181	2.50%	1,705
Comm Investigator	10%	69,854	2.50%	1,746
Daylist Clerk	10%	69,729	2.50%	1,743
Distribution Clerk	15%	59,445	2.50%	1,486
Equipment Operator	7%	77,504	2.50%	1,938
Equipment Operator	5%	78,908	2.50%	1,973
M & S Storekeeper	12%	72,951	2.50%	1,824
Maintenance Mechanic	10%	77,504	2.50%	1,938
Maintenance Mechanic B	0%	73,352	0.00%	0
Maintenance Mechanic B	3%	70,775	1.50%	1,062
Maintenance Mechanic B	8%	70,950	2.50%	1,774
Maintenance Mechanic B	DC 5%	70,425	4.00%	2,817
Meter Tester	18%	68,252	2.50%	1,706
Oiler-Plant Helper	DC 10%	68,238	4.00%	2,730
Oiler-Plant Helper	DC 0%	67,394	0.00%	0
Oiler-Plant Helper	6%	68,383	2.50%	1,710
Oiler-Plant Helper	DC 8%	69,017	4.00%	2,761
Oiler-Plant Helper	DC 5%	68,694	4.00%	2,748
Oiler-Plant Helper	10%	68,703	2.50%	1,718
Oiler-Plant Helper	DC 10%	68,406	4.00%	2,736
Oiler-Plant Helper	DC 0%	68,390	0.00%	0
Oiler-Plant Helper	5%	69,979	2.50%	1,749
Senior Utility Man A	5%	77,504	2.50%	1,938
Senior Utility Man A	0%	77,504	0.00%	0
Senior Utility Man A	5%	77,504	2.50%	1,938
Senior Utility Man A	0%	77,504	0.00%	0
Station Attendant A	11%	75,963	2.50%	1,899
Station Attendant A	5%	76,762	2.50%	1,919
Station Attendant A	0%	77,134	0.00%	0
Station Attendant A	7%	77,110	2.50%	1,928
Station Attendant B	DC 0%	71,639	0.00%	0
Station Attendant B	DC 5%	71,951	4.00%	2,878
Station Attendant B	DC 6%	70,475	4.00%	2,819
Station Attendant B	DC 0%	71,617	0.00%	0
Station Attendant B	DC 5%	69,815	4.00%	2,793
Utility Man - Meter Service	5%	69,936	2.50%	1,748
Utility Man - Meter Service	4%	69,323	2.00%	1,386
Utility Man - Meter Service	5%	69,148	2.50%	1,729
Utility Man - Meter Service	5%	69,148	2.50%	1,729
Utility Man - Meter Service	5%	69,148	2.50%	1,729
Utility Man - Meter Service	5%	69,323	2.50%	1,733
Utility Man - Meter Service	10%	69,148	2.50%	1,729
Utility Man - Meter Service	10%	69,148	2.50%	1,729
Utility Man - Meter Service	5%	69,323	2.50%	1,733
Utility Man - Meter Service	12%	69,148	2.50%	1,729
Utility Man I	5%	69,481	2.50%	1,737
Utility Man I	DC 10%	69,213	4.00%	2,769
Utility Man I	0%	69,780	0.00%	0
Utility Man I	5%	69,739	2.50%	1,743
Utility Man I	7%	69,718	2.50%	1,743
Utility Man I	3%	69,497	1.50%	1,042
Utility Man I	5%	69,007	2.50%	1,725
Utility Man I	5%	72,727	2.50%	1,818
Utility Man I	5%	72,066	2.50%	1,802
Utility Man II, Util/Meter SV	20%	66,111	2.50%	1,653
Utility Man II, Util/Meter SV	DC 5%	65,578	4.00%	2,623
Utility Man II, Util/Meter SV	DC 10%	65,578	4.00%	2,623
Utility Man II, Util/Meter SV	DC 8%	67,654	4.00%	2,706
Utility Man II, Util/Meter SV	DC 8%	65,974	4.00%	2,639
Utility Man II, Util/Meter SV	DC 5%	65,593	4.00%	2,624
Utility Man II, Util/Meter SV	5%	66,268	2.50%	1,657
Utility Man II, Util/Meter SV	DC 15%	67,644	4.00%	2,706
Utility Man II, Util/Meter SV	0%	65,928	0.00%	0
Utility Man II, Util/Meter SV	3%	67,752	1.50%	1,016
Utility Man II, Util/Meter SV	DC 5%	62,192	4.00%	2,488
Oiler-Plant Helper - Summer	0%	59,720	0.00%	0
Utility Man II, Util/Meter SV - Summer	0%	37,315	0.00%	0
<b>Union Total</b>		<b>\$4,875,872</b>		<b>\$112,057</b>

**LONG ISLAND AMERICAN WATER**  
**2011 RATE CASE**  
**401k**  
based on salaries for 1/1-12/31/2012

Title		Employee Percentage Contribution	Salary	Company Percentage Match	Company 401 (k) Match
<b>Union</b>					
Auto Mechanic		7%		2.50%	
Boom Truck Operator		0%		0.00%	
Building Services Janitor	DC	0%		0.00%	
Business Clerk		15%		2.50%	
Comm Investigator		10%		2.50%	
Daylist Clerk		10%		2.50%	
Distribution Clerk		15%		2.50%	
Equipment Operator		7%		2.50%	
Equipment Operator		5%		2.50%	
M & S Storekeeper		12%		2.50%	
Maintenance Mechanic		10%		2.50%	
Maintenance Mechanic B		0%		0.00%	
Maintenance Mechanic B		3%		1.50%	
Maintenance Mechanic B		8%		2.50%	
Maintenance Mechanic B	DC	5%		4.00%	
Meter Tester		18%		2.50%	
Oiler-Plant Helper	DC	10%		4.00%	
Oiler-Plant Helper	DC	0%		0.00%	
Oiler-Plant Helper		6%		2.50%	
Oiler-Plant Helper	DC	8%		4.00%	
Oiler-Plant Helper	DC	5%		4.00%	
Oiler-Plant Helper		10%		2.50%	
Oiler-Plant Helper	DC	10%		4.00%	
Oiler-Plant Helper	DC	0%		0.00%	
Oiler-Plant Helper		5%		2.50%	
Senior Utility Man A		5%		2.50%	
Senior Utility Man A		0%		0.00%	
Senior Utility Man A		5%		2.50%	
Senior Utility Man A		0%		0.00%	
Station Attendant A		11%		2.50%	
Station Attendant A		5%		2.50%	
Station Attendant A		0%		0.00%	
Station Attendant A		7%		2.50%	
Station Attendant B	DC	0%		0.00%	
Station Attendant B	DC	5%		4.00%	
Station Attendant B	DC	6%		4.00%	
Station Attendant B	DC	0%		0.00%	
Station Attendant B	DC	5%		4.00%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		4%		2.00%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		10%		2.50%	
Utility Man - Meter Service		10%		2.50%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		12%		2.50%	
Utility Man I		5%		2.50%	
Utility Man I	DC	10%		4.00%	
Utility Man I		0%		0.00%	
Utility Man I		5%		2.50%	
Utility Man I		7%		2.50%	
Utility Man I		3%		1.50%	
Utility Man I		5%		2.50%	
Utility Man I		5%		2.50%	
Utility Man I		5%		2.50%	
Utility Man II, Util/Meter SV		20%		2.50%	
Utility Man II, Util/Meter SV	DC	5%		4.00%	
Utility Man II, Util/Meter SV	DC	10%		4.00%	
Utility Man II, Util/Meter SV	DC	8%		4.00%	
Utility Man II, Util/Meter SV	DC	8%		4.00%	
Utility Man II, Util/Meter SV	DC	5%		4.00%	
Utility Man II, Util/Meter SV		5%		2.50%	
Utility Man II, Util/Meter SV	DC	15%		4.00%	
Utility Man II, Util/Meter SV		0%		0.00%	
Utility Man II, Util/Meter SV		3%		1.50%	
Utility Man II, Util/Meter SV	DC	5%		4.00%	
Oiler-Plant Helper - Summer		0%		0.00%	
Utility Man II, Util/Meter SV - Summer		0%		0.00%	
<b>Union Total</b>			<b>\$5,066,035</b>		<b>\$116,423</b>

LONG ISLAND AMERICAN WATER  
2011 RATE CASE  
401k  
based on salaries for 4/1/12-3/31/2013

Title		Employee Percentage Contribution	Salary	Company Percentage Match	Company 401 (k) Match
<b>Union</b>					
Auto Mechanic		7%		2.50%	
Boom Truck Operator		0%		0.00%	
Building Services Janitor	DC	0%		0.00%	
Business Clerk		15%		2.50%	
Comm Investigator		10%		2.50%	
Daylist Clerk		10%		2.50%	
Distribution Clerk		15%		2.50%	
Equipment Operator		7%		2.50%	
Equipment Operator		5%		2.50%	
M & S Storekeeper		12%		2.50%	
Maintenance Mechanic		10%		2.50%	
Maintenance Mechanic B		0%		0.00%	
Maintenance Mechanic B		3%		1.50%	
Maintenance Mechanic B		8%		2.50%	
Maintenance Mechanic B	DC	5%		4.00%	
Meter Tester		18%		2.50%	
Oiler-Plant Helper	DC	10%		4.00%	
Oiler-Plant Helper	DC	0%		0.00%	
Oiler-Plant Helper		6%		2.50%	
Oiler-Plant Helper	DC	8%		4.00%	
Oiler-Plant Helper	DC	5%		4.00%	
Oiler-Plant Helper		10%		2.50%	
Oiler-Plant Helper	DC	10%		4.00%	
Oiler-Plant Helper	DC	0%		0.00%	
Oiler-Plant Helper		5%		2.50%	
Senior Utility Man A		5%		2.50%	
Senior Utility Man A		0%		0.00%	
Senior Utility Man A		5%		2.50%	
Senior Utility Man A		0%		0.00%	
Station Attendant A		11%		2.50%	
Station Attendant A		5%		2.50%	
Station Attendant A		0%		0.00%	
Station Attendant A		7%		2.50%	
Station Attendant B	DC	0%		0.00%	
Station Attendant B	DC	5%		4.00%	
Station Attendant B	DC	6%		4.00%	
Station Attendant B	DC	0%		0.00%	
Station Attendant B	DC	5%		4.00%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		4%		2.00%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		10%		2.50%	
Utility Man - Meter Service		10%		2.50%	
Utility Man - Meter Service		5%		2.50%	
Utility Man - Meter Service		12%		2.50%	
Utility Man I		5%		2.50%	
Utility Man I	DC	10%		4.00%	
Utility Man I		0%		0.00%	
Utility Man I		5%		2.50%	
Utility Man I		7%		2.50%	
Utility Man I		3%		1.50%	
Utility Man I		5%		2.50%	
Utility Man I		5%		2.50%	
Utility Man I		5%		2.50%	
Utility Man II, Util/Meter SV		20%		2.50%	
Utility Man II, Util/Meter SV	DC	5%		4.00%	
Utility Man II, Util/Meter SV	DC	10%		4.00%	
Utility Man II, Util/Meter SV	DC	8%		4.00%	
Utility Man II, Util/Meter SV	DC	8%		4.00%	
Utility Man II, Util/Meter SV	DC	5%		4.00%	
Utility Man II, Util/Meter SV		5%		2.50%	
Utility Man II, Util/Meter SV	DC	15%		4.00%	
Utility Man II, Util/Meter SV		0%		0.00%	
Utility Man II, Util/Meter SV		3%		1.50%	
Utility Man II, Util/Meter SV	DC	5%		4.00%	
Oiler-Plant Helper - Summer		0%		0.00%	
Utility Man II, Util/Meter SV - Summer		0%		0.00%	
<b>Union Total</b>			<b>\$5,092,106</b>		<b>\$117,028</b>

LONG ISLAND AMERICAN WATER  
Pro Forma Defined Contribution Plan  
Payroll for eligible employees

Exhibit 12  
Tab 13

Defined Contribution Plan for 1/1-12/31/2011	LIAW
Union Base Pay for Defined Contribution Plan	\$1,425,399
Non-Union Base Pay for Defined Contribution Plan	<u>695,302</u>
Total Base Pay	2,120,701
Contribution %	<u>5.25%</u>
Defined Contribution Plan Pro Forma Expense	<u><u>\$111,337</u></u>

Defined Contribution Plan for 1/1-12/31/2012	
Union Base Pay for Defined Contribution Plan	\$1,480,842
Non-Union Base Pay for Defined Contribution Plan	<u>716,150</u>
Total Base Pay	2,196,992
Contribution %	<u>5.25%</u>
Defined Contribution Plan Pro Forma Expense	<u><u>\$115,342</u></u>

Defined Contribution Plan for 4/1/2012-3/31/2013	
Union Base Pay for Defined Contribution Plan	\$1,488,269
Non-Union Base Pay for Defined Contribution Plan	<u>721,526</u>
Total Base Pay	2,209,795
Contribution %	<u>5.25%</u>
Defined Contribution Plan Pro Forma Expense	<u><u>\$116,014</u></u>

Note: Salaries above are for the following employees:

- 1) LIAW non-union employees hired on or after 1/1/2006
- 2) LIAW union employees hired on or after 1/1/2001

**LONG ISLAND AMERICAN WATER**  
**Pro Forma Employee Stock Purchase Plan**

Exhibit 12  
 Tab 14

	<u>2011</u>	<u>2012</u>	<u>3/31/2013</u>
Pro Forma Employee Contributions	\$21,659	\$22,310	\$22,479
Stock Price (3/17/2011)	\$27.46	\$27.46	\$27.46
ESPP Discount	10%	10%	10%
Discounted Stock Price	<u>\$24.71</u>	<u>\$24.71</u>	<u>\$24.71</u>
Number of Shares	877	903	910
Stock Price (3/17/2011)	\$27.46	\$27.46	\$27.46
Discount	10.00%	10.00%	10.00%
Discount Value	<u>\$2.75</u>	<u>\$2.75</u>	<u>\$2.75</u>
Fair Value	<u>0.73</u>	<u>0.73</u>	<u>0.73</u>
ESPP Share Value	<u>\$3.48</u>	<u>\$3.48</u>	<u>\$3.48</u>
Pro Forma Expense	3,049	3,139	3,163
Actual Expense	<u>2,947</u>	<u>3,049</u>	<u>3,139</u>
Pro Forma Adjustment	<u><u>\$102</u></u>	<u><u>\$90</u></u>	<u><u>\$24</u></u>

Retiree Medical Expense for 1/1-12/31/2011	LIAW
Union Employees eligible for Retiree Medical Benefit:	
Building Services Janitor	\$500
Oiler-Plant Helper	500
Station Attendent B	500
Station Attendent B	500
Station Attendent B	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Retiree Medical Pro Forma Expense	<u><u>\$8,000</u></u>

Retiree Medical Expense for 1/1-12/31/2012	
Union Employees eligible for Retiree Medical Benefit:	
Building Services Janitor	\$500
Oiler-Plant Helper	500
Station Attendent B	500
Station Attendent B	500
Station Attendent B	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Retiree Medical Pro Forma Expense	<u><u>\$8,000</u></u>

Retiree Medical Expense for 4/1/2012-3/31/2013	
Union Employees eligible for Retiree Medical Benefit:	
Building Services Janitor	\$500
Oiler-Plant Helper	500
Station Attendent B	500
Station Attendent B	500
Station Attendent B	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Utility Man II, Util/Meter SV	500
Retiree Medical Pro Forma Expense	<u><u>\$8,000</u></u>

Note: Retiree Medical Expense is eligible for LIAW union employees hired between 1/1/06 - 12/31/10.

PUBLIC VERSION

Long Island Water Company  
2011 Rate Case  
Period - 12 Months Ending 12/31/10

Exhibit 12  
Tab 16

Service Company Proforma  
Labor & Related Expenses

Prepared 3/10/2011	12 MONTHS ENDING 12/31/2010				12 MONTHS ENDING 12/31/2011		12 MONTHS ENDING 12/31/2012		12 MONTHS ENDING 3/31/2013		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Base Year Labor & Related Expense	Base Year Capitalized & Deferred	Base Year Total Labor & Related	Adjustments to Base Year Labor & Related Expense	Adjusted Base Year Labor & Related Expense	Total Inc for 2011 Labor & Related Expense	Total 2011 Projected Labor & Related Expense	Total Inc for 2012 Labor & Related Expense	Total 2012 Projected Labor & Related Expense	Total Inc for 2013 Labor & Related Expense	Total RYE 03/31/13 Labor & Related Expense
	(1a)+(1b)	(2a)+(2b)	(1)+(2)	(4a)+(4b)	(5a)+(5b)	(6a)+(6b)	(5)+(6)	(8a)+(8b)	(7)+(8)	(10a)+(10b)	(9)+(10)
<b>Voorhees Office</b>											
Administration	\$5,959	\$235	\$6,194	\$0	\$5,959	\$162	\$6,121	\$169	\$6,290	\$43	\$6,333
Audit	26,667	40	26,707	0	26,667	726	27,393	753	28,146	194	28,339
Communications	68,830	236	69,066	0	68,830	1,872	70,702	1,944	72,646	500	73,146
Finance	239,997	57,065	297,061	0	239,997	6,528	246,525	6,779	253,304	1,741	255,045
Human Resources	116,258	1,510	117,769	0	116,258	3,162	119,420	3,284	122,704	844	123,548
Legal	53,826	242	54,069	0	53,826	1,464	55,290	1,521	56,811	391	57,202
Operations	134,015	107,624	241,639	0	134,015	3,645	137,660	3,786	141,446	973	142,419
Rates & Revenue	9,272	49	9,321	0	9,272	252	9,524	261	9,785	67	9,852
Risk Management	17,011	2,447	19,458	0	17,011	462	17,473	481	17,954	124	18,077
Water Quality	27,791	17,824	45,614	0	27,791	755	28,546	785	29,331	202	29,532
	<b>699,626</b>	<b>187,271</b>	<b>886,898</b>	<b>0</b>	<b>699,626</b>	<b>19,028</b>	<b>718,654</b>	<b>19,763</b>	<b>738,417</b>	<b>5,077</b>	<b>743,494</b>
Belleville Lab	65,876	0	65,876	0	65,876	1,792	67,668	1,861	69,529	478	70,007
Customer Call Center	798,387	6	798,393	0	798,387	21,716	820,103	22,553	842,656	5,793	848,449
ITS	443,664	(80)	443,584	0	443,664	12,067	455,731	12,533	468,264	3,219	471,483
Shared Service Center	407,257	58,139	465,396	0	407,257	11,078	418,335	11,505	429,840	2,955	432,795
SSC-Rates Long Island Group	27,164	0	27,164	199,922	227,085	6,177	233,262	6,415	239,677	1,648	241,325
	<b>434,421</b>	<b>58,139</b>	<b>492,559</b>	<b>199,922</b>	<b>634,342</b>	<b>17,255</b>	<b>651,597</b>	<b>17,920</b>	<b>669,517</b>	<b>4,603</b>	<b>674,120</b>
Supply Chain	45,502	42,471	87,973	8,129	53,630	1,459	55,089	1,515	56,604	389	56,994
<b>Eastern Division</b>											
Communications	0	0	0	76,361	76,361	2,077	78,438	2,157	80,595	554	81,150
Finance	0	0	0	76,156	76,156	2,071	78,227	2,152	80,379	553	80,931
Human Resources	30,167	31	30,198	50,191	80,358	2,186	82,544	2,270	84,814	583	85,397
Legal	0	0	0	61,691	61,691	1,678	63,369	1,742	65,111	448	65,559
Operations	172,896	232	173,129	74,077	246,973	6,717	253,690	6,977	260,667	1,792	262,459
Risk Management	0	0	0	13,723	13,723	373	14,096	388	14,484	100	14,584
	<b>203,063</b>	<b>264</b>	<b>203,327</b>	<b>352,199</b>	<b>555,262</b>	<b>15,102</b>	<b>570,364</b>	<b>15,686</b>	<b>586,050</b>	<b>4,029</b>	<b>590,080</b>
Western Division	14,876	187	15,063	(14,876)	0	0	0	0	0	0	0
Central Region	65,517	70	65,587	(65,517)	0	0	0	0	0	0	0
Northeast Region	37,415	0	37,415	(37,415)	0	0	0	0	0	0	0
Southeast Region	122,081	2,021	124,103	(122,081)	0	0	0	0	0	0	0
Western Region	167	0	167	(167)	0	0	0	0	0	0	0
<b>Total</b>	<b>\$2,930,596</b>	<b>\$290,349</b>	<b>\$3,220,945</b>	<b>\$320,192</b>	<b>\$3,250,789</b>	<b>\$88,419</b>	<b>\$3,339,208</b>	<b>\$91,831</b>	<b>\$3,431,039</b>	<b>\$23,589</b>	<b>\$3,454,628</b>

PUBLIC VERSION

Long Island Water Company  
2011 Rate Case  
Period - 12 Months Ending 12/31/10

Exhibit 12  
Tab 16

Service Company Proforma  
Other Non-Labor & Related Service Company Costs

	12 MONTHS ENDING 12/31/2010			12 MONTHS ENDING 12/31/2011		12 MONTHS ENDING 12/31/2012		12 MONTHS ENDING 3/31/2013			
Prepared 3/10/2011	(1) Base Year Other Expense	(2) Base Year Other Capitalized Costs	(3) Base Year Total Other Costs	(4) Adjustments to Base Year Expenses	(5) Adjusted Base Year Other Expenses	1.59% (6) Inc for 2011 to Base Year Other Expense	(7) 2011 Projected Total Proforma Other Expense	1.59% (8) Inc for 2012 to Base Year Other Expense	(9) 2012 Projected Total Proforma Other Expense	1.59% (10) Inc for 2013 to Base Year Other Expense	(11) RYE 03/31/13 Total Proforma Other Expense
	(1)	(2)	(1)+(2)	(4)	(1)+(4)	(5) x %age	(5)+(6)	(7) x %age	(7)+(8)	(9) x %age	(9)+(10)
<b>Voorhees Office</b>											
Administration	\$277,010	\$31,582	\$308,593		\$277,010	\$4,404	\$281,414	\$4,474	\$285,888	\$4,546	\$290,434
Audit	8,469	13	8,482		8,469	135	8,604	137	8,741	139	8,880
Communications	47,262	50	47,312		47,262	751	48,013	763	48,776	776	49,552
Finance	94,121	525,246	619,367		94,121	1,497	95,618	1,520	97,138	1,544	98,682
Human Resources	48,484	84	48,568		48,484	771	49,255	783	50,038	796	50,834
Legal	21,355	87	21,443		21,355	340	21,695	345	22,040	350	22,390
Operations	19,481	9,309	28,790		19,481	310	19,791	315	20,106	320	20,426
Rates & Revenue	8,556	18	8,574		8,556	136	8,692	138	8,830	140	8,970
Risk Management	6,554	70	6,624		6,554	104	6,658	106	6,764	108	6,872
Water Quality	788	2,750	3,538		788	13	801	13	814	13	827
	<b>532,081</b>	<b>569,209</b>	<b>1,101,291</b>	<b>0</b>	<b>532,081</b>	<b>8,461</b>	<b>540,542</b>	<b>8,594</b>	<b>549,136</b>	<b>8,732</b>	<b>557,868</b>
Belleville Lab	49,671	0	49,671		49,671	790	50,461	802	51,263	815	52,078
Customer Call Center *	234,447	3	234,451		234,447	3,728	238,175	3,787	241,962	7,960	249,922
ITS **	692,356	(100)	692,256	127,922	820,277	19,882	840,159	64,844	905,003	69,270	974,274
Shared Service Center SSC-Rates Long Island Group	24,199	1,164	25,363		24,199	385	24,584	391	24,975	397	25,372
	24,199	1,164	25,363	0	24,199	385	24,584	391	24,975	397	25,372
Supply Chain	3,942	2,337	6,279		3,942	63	4,005	64	4,069	65	4,134
<b>Eastern Division</b>											
Communications	0	0	0		0	0	0	0	0	0	0
Finance	0	0	0		0	0	0	0	0	0	0
Human Resources	10,585	3	10,587	10,000	20,585	327	20,912	332	21,244	338	21,582
Legal	0	0	0		0	0	0	0	0	0	0
Operations	32,948	17	32,966		32,948	524	33,472	532	34,004	541	34,545
Risk Management	0	0	0		0	0	0	0	0	0	0
	43,533	20	43,553	10,000	53,553	851	54,384	864	55,248	879	56,127
Western Division	4,113	52	4,165	(4,113)	0	0	0	0	0	0	0
Central Region	12,963	35	12,998	(12,963)	0	0	0	0	0	0	0
Northeast Region	11,328	10	11,338	(11,328)	0	0	0	0	0	0	0
Southeast Region	51,331	1,464	52,795	(51,331)	0	0	0	0	0	0	0
Western Region	136	83	219	(136)	0	0	0	0	0	0	0
<b>Total</b>	<b>\$1,660,099</b>	<b>\$574,278</b>	<b>\$2,234,377</b>	<b>\$58,051</b>	<b>\$1,718,150</b>	<b>\$34,160</b>	<b>\$1,752,310</b>	<b>\$79,346</b>	<b>\$1,831,656</b>	<b>\$88,118</b>	<b>\$1,919,774</b>

\* Customer Call Center increase for year 2013 contain amounts for certain Business Transformation maintenance items

\*\* ITS increases for years 2011 through 2013 contain amounts for certain Business Transformation maintenance and leasing costs

PUBLIC VERSION

Long Island Water Company  
2011 Rate Case  
Period - 12 Months Ending 12/31/10

Exhibit 12  
Tab 16

Service Company Proforma  
Total Service Company Costs

Prepared 3/10/2011	12 MONTHS ENDING 12/31/2010					12 MONTHS ENDING 12/31/2011			12 MONTHS ENDING 12/31/2012			12 MONTHS ENDING 3/31/2013			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Base Year Total Labor & Related Expense	Base Year Other Expense	Base Year Total Expense	Adjusted Base Year Total Labor & Related Expense	Adjusted Base Year Other Expense	Adjusted Base Year Total Expense	2011 Projected Labor & Related Expense	2011 Projected Other Expense	2011 Projected Total Expense	2012 Projected Labor & Related Expense	2012 Projected Other Expense	2012 Projected Total Expense	RYE 03/31/13 Projected Labor & Related Expense	RYE 03/31/13 Projected Other Expense	RYE 03/31/13 Projected Total Expense
	LR (1)	OC (1)	(1)+(2)	LR (5)	OC (5)	(4)+(5)	LR (7)	OC (7)	(7)+(8)	LR (9)	OC (9)	(10)+(11)	LR (11)	OC (11)	(13)+(14)
<b>Voorhees Office</b>															
Administration	\$5,959	\$277,010	\$282,969	\$5,959	\$277,010	\$282,969	\$6,121	\$281,414	\$287,535	\$6,290	\$285,888	\$292,178	\$6,333	\$290,434	\$296,768
Audit	26,667	8,469	35,136	26,667	8,469	35,136	27,393	8,604	35,997	28,146	8,741	36,887	28,339	8,880	37,220
Communications	68,830	47,262	116,092	68,830	47,262	116,092	70,702	48,013	118,715	72,646	48,776	121,422	73,146	49,552	122,698
Finance	239,997	94,121	334,118	239,997	94,121	334,118	246,525	95,618	342,143	253,304	97,138	350,442	255,045	98,682	353,727
Human Resources	116,258	48,484	164,742	116,258	48,484	164,742	119,420	49,255	168,675	122,704	50,038	172,742	123,548	50,834	174,382
Legal	53,826	21,355	75,182	53,826	21,355	75,182	55,290	21,695	76,986	56,811	22,040	78,852	57,202	22,390	79,592
Operations	134,015	19,481	153,496	134,015	19,481	153,496	137,660	19,791	157,451	141,446	20,106	161,552	142,419	20,426	162,845
Rates & Revenue	9,272	8,556	17,828	9,272	8,556	17,828	9,524	8,692	18,216	9,785	8,830	18,615	9,852	8,970	18,823
Risk Management	17,011	6,554	23,565	17,011	6,554	23,565	17,473	6,658	24,131	17,954	6,764	24,718	18,077	6,872	24,950
Water Quality	27,791	788	28,579	27,791	788	28,579	28,546	801	29,347	29,331	814	30,145	29,532	827	30,359
	<b>699,626</b>	<b>532,081</b>	<b>1,231,708</b>	<b>699,626</b>	<b>532,081</b>	<b>1,231,708</b>	<b>718,654</b>	<b>540,542</b>	<b>1,259,197</b>	<b>738,417</b>	<b>549,136</b>	<b>1,287,554</b>	<b>743,494</b>	<b>557,868</b>	<b>1,301,363</b>
Belleville Lab	65,876	49,671	115,547	65,876	49,671	115,547	67,668	50,461	118,129	69,529	51,263	120,792	70,007	52,078	122,085
Customer Call Center	798,387	234,447	1,032,834	798,387	234,447	1,032,834	820,103	238,175	1,058,278	842,656	241,962	1,084,618	848,449	249,922	1,098,371
ITS	443,664	692,356	1,136,019	443,664	820,277	1,263,941	455,731	840,159	1,295,890	468,264	905,003	1,373,267	471,483	974,274	1,445,757
Shared Service Center	407,257	24,199	431,456	407,257	24,199	431,456	418,335	24,584	442,919	429,840	24,975	454,815	432,795	25,372	458,167
SSC-Rates Long Island Group	27,164	0	27,164	227,085	0	227,085	233,262	0	233,262	239,677	0	239,677	241,325	0	241,325
	<b>434,421</b>	<b>24,199</b>	<b>458,620</b>	<b>634,342</b>	<b>24,199</b>	<b>658,541</b>	<b>651,597</b>	<b>24,584</b>	<b>676,181</b>	<b>669,517</b>	<b>24,975</b>	<b>694,492</b>	<b>674,120</b>	<b>25,372</b>	<b>699,492</b>
Supply Chain	45,502	3,942	49,444	53,630	3,942	57,572	55,089	4,005	59,094	56,604	4,069	60,673	56,994	4,134	61,127
<b>Eastern Division</b>															
Communications	0	0	0	76,361	0	76,361	78,438	0	78,438	80,595	0	80,595	81,150	0	81,150
Finance	0	0	0	76,156	0	76,156	78,227	0	78,227	80,379	0	80,379	80,931	0	80,931
Human Resources	30,167	10,585	40,751	80,358	20,585	100,942	82,544	20,912	103,455	84,814	21,244	106,057	85,397	21,582	106,978
Legal	0	0	0	61,691	0	61,691	63,369	0	63,369	65,111	0	65,111	65,559	0	65,559
Operations	172,896	32,948	205,845	246,973	32,948	279,921	253,690	33,472	287,162	260,667	34,004	294,671	262,459	34,545	297,004
Risk Management	0	0	0	13,723	0	13,723	14,096	0	14,096	14,484	0	14,484	14,584	0	14,584
	<b>203,063</b>	<b>43,533</b>	<b>246,596</b>	<b>555,262</b>	<b>53,533</b>	<b>608,795</b>	<b>570,364</b>	<b>54,384</b>	<b>624,748</b>	<b>586,050</b>	<b>55,248</b>	<b>641,298</b>	<b>590,080</b>	<b>56,127</b>	<b>646,207</b>
Western Division	14,876	4,113	18,988	0	0	0	0	0	0	0	0	0	0	0	0
Central Region	65,517	12,963	78,480	0	0	0	0	0	0	0	0	0	0	0	0
Northeast Region	37,415	11,328	48,743	0	0	0	0	0	0	0	0	0	0	0	0
Southeast Region	122,081	51,331	173,413	0	0	0	0	0	0	0	0	0	0	0	0
Western Region	167	136	303	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$2,930,596</b>	<b>\$1,660,099</b>	<b>\$4,590,695</b>	<b>\$3,250,789</b>	<b>\$1,718,150</b>	<b>\$4,968,939</b>	<b>\$3,339,208</b>	<b>\$1,752,310</b>	<b>\$5,091,522</b>	<b>\$3,431,039</b>	<b>\$1,831,656</b>	<b>\$5,262,693</b>	<b>\$3,454,628</b>	<b>\$1,919,774</b>	<b>\$5,374,394</b>

PUBLIC VERSION

Long Island Water Company Service Company Employee Labor Charge Adjustments  
 Selected Service Company Employee Data - NE Region, SSC Rates and Divisional Employees

Exhibit 12  
 Tab 16

Category	Co	Employee #	Home BU	Home Business Unit	Job Title	Billing Long Island	Allocation Method	2010 Salary	Labor Benefits	Total
<b>SSC RATES EMPLOYEES PARTIALLY WORKING FOR LONG ISLAND</b>										
SSC-Rates	00003	18508751	032574	SSC-Rates & Regulation	Financial Analyst III (Rates)	Yes	Customers - LI/MD/IA			
SSC-Rates	00003	18507379	032574	SSC-Rates & Regulation	Financial Analyst III (Rates)	Yes	Customers - LI/MD/IA			
SSC-Rates	00003	50452236	032574	SSC-Rates & Regulation	Mgr Rates	Yes	Customers - LI/MD/IA			
SSC-Rates Group								\$154,070	\$73,015	\$227,085
Adjust for 2010 already billed								(\$18,430)	(\$8,734)	(\$27,164)
<b>Total SSC-Rates Group</b>								<b>\$135,640</b>	<b>\$64,281</b>	<b>\$199,922</b>
<b>SUPPLY CHAIN</b>										
Supply Chain	00003	17000430	035510	ED-Supply Chain	Mgr Procurement	Yes	104 Hrs (2 Hrs/wk x 52)	\$5,515	\$2,614	\$8,129
<b>Total Supply Chain</b>								<b>\$5,515</b>	<b>\$2,614</b>	<b>\$8,129</b>
<b>EASTERN DIVISION BUSINESS UNITS</b>										
Admin	00003	10000244	035505	ED-Administration	President (Large States)	No				
Admin	00003	10000234	035505	ED-Administration	Dir Wtr Qlty & Envrn Cmpl (Lg)	No	IN			
Admin	00003	10000258	035505	ED-Administration	Exec Asst (N)	No				
Admin	00003	27000004	035505	ED-Administration	President (Medium States)	No				
<b>Total ED-Admin</b>								<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Communications	00003	10008299	035525	ED-External Affairs	Dir Govt Affairs (State)	IN & OH Only				
Communications	00003	50414379	035525	ED-External Affairs	Mgr Cust Comm (State)	No				
Communications	00003	50437110	035525	ED-External Affairs	Mgr Internal Comm (Corp)	Yes	ED Customer Formula			
Communications	00003	50403171	035525	ED-External Affairs	Exec Asst (N)	Trans to KY				
Communications	00003	ADD	035525	ED-External Affairs	New Gov Affairs Person (VA/LI)	Yes	50% LI 50% VA			
Communications	00003	3014914	036025	WD-External Affairs	Dir Comm & EA (Div)	Yes	2% LI			
<b>Total ED-Communications</b>								<b>\$51,809</b>	<b>\$24,553</b>	<b>\$76,361</b>
Engineering	00003	22003527	035514	ED-Engineering	Dir Engineering (Large)	No	IN/MI			
Engineering	00003	24017842	035514	ED-Engineering	Mgr Engineering (Medium/Small)	No	VA/MD			
<b>Total ED-Engineering</b>								<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Finance	00003	28007559	035507	ED-Finance	Sr Secretary (N)	No				
Finance	00003	50343492	035507	ED-Finance	Dir Finance Division	Yes	ED Customer Formula			
Finance	00003	50200813	035507	ED-Finance	Financial Analyst III (FP&A)	No				
Finance	00003	50340389	035507	ED-Finance	Financial Analyst III (Rates)	No				
Finance	00003	50457167	035507	ED-Finance	Financial Analyst II (Rates)	No				
Finance	00003	50393897	035507	ED-Finance	Mgr Project Finance (BD)	Yes	ED Customer Formula			
Finance	00003	3014901	035507	ED-Finance	Dir Rates	No				
Finance	00003	3015919	035507	ED-Finance	Mgr Rates	No				
Finance	00003	50291850	035507	ED-Finance	Mgr FP&A	Yes	ED Customer Formula			
Finance	00003	50481432	035507	ED-Finance	Exec Asst (N)	Yes	ED Customer Formula			
Finance	00003	28007828	035507	ED-Finance	Financial Analyst III (Rates)	No				
Finance	00003	10000225	035507	ED-Finance	Dir Finance (w/Rates-Lg State)	No				
Finance	00003	50222330	035507	ED-Finance	Financial Analyst II (Rates)	No				
Finance	00003	50496509	035507	ED-Finance	Mgr Finance (State)	No				

PUBLIC VERSION

Long Island Water Company Service Company Employee Labor Charge Adjustments  
 Selected Service Company Employee Data - NE Region, SSC Rates and Divisional Employees

Exhibit 12  
 Tab 16

Category	Co	Employee #	Home BU	Home Business Unit	Job Title	Billing Long Island	Allocation Method	2010 Salary	Labor Benefits	Total
Finance	00003	50196432	035507	ED-Finance	Mgr Rates	Yes	ED Customer Formula			
Finance	00003	3014906	035507	ED-Finance	Mgr Rates	No				
Finance	00003	50525790	035507	ED-Finance	Financial Analyst II (FP&A)	Yes	ED Customer Formula			
<b>Total ED-Finance</b>								<b>\$51,669</b>	<b>\$24,487</b>	<b>\$76,156</b>
HR	00003	12000101	032028	CORP-ED Human Resources	Mgr Human Resources	Yes	ED Customer Formula			
HR	00003	50428152	032028	CORP-ED Human Resources	Exec Asst (N)	Yes	ED Customer Formula			
HR	00003	50279309	032028	CORP-ED Human Resources	Regional Dir HR	Yes	ED Customer Formula			
HR	00003	50488207	032028	CORP-ED Human Resources	Mgr Human Resources	Yes	ED Customer Formula			
HR	00022	50488212	220105	CORP-Admin & Gen	Sr HR Generalist	Yes	30% LI			
<b>ED-Human Resources</b>								<b>\$53,230</b>	<b>\$25,226</b>	<b>\$78,456</b>
Adjust for 2010 already billed								(\$19,177)	(\$9,088)	(\$28,265)
<b>Total ED-Human Resources</b>								<b>\$34,053</b>	<b>\$16,138</b>	<b>\$50,191</b>
Legal	00003	50341602	035515	ED-Legal	Corp Counsel III Regional	No				
Legal	00003	50546905	035515	ED-Legal	Legal Secy (N)	No				
Legal	00003	50535540	035515	ED-Legal	Regional General Counsel	Yes	ED Customer Formula			
Legal	00003	50481431	035515	ED-Legal	Exec Asst (N)	Yes	ED Customer Formula			
Legal	00003	50079254	035515	ED-Legal	Corp Counsel III	No				
Legal	00003	50383167	032015	CORP-Legal	Paralegal (N)	Yes	90% NJ - 10% LI			
Legal	00003	50370384	032015	CORP-Legal	Corp Counsel III Regional	Yes	90% NJ - 10% LI			
<b>Total ED-Legal</b>								<b>\$41,856</b>	<b>\$19,836</b>	<b>\$61,691</b>
Operations	00003	12000052	032023	CORP-Eastern Division Ops	SVP Eastern Division	Yes	ED Customer Formula			
Operations	00003	12000036	032023	CORP-Eastern Division Ops	Exec Asst (N)	Yes	ED Customer Formula			
Operations	00003	27000109	035502	ED-Network	Exec Asst (N)	No				
Operations	00003	50279329	035502	ED-Network	Supvr Wtr Qlty & Envrn Cmpl	No	MD/VA			
Operations	00003	50485200	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50389389	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50502017	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50485197	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	50480389	035503	ED-Customer Relations	Dir Customer Relations	Yes	ED Customer Formula			
Operations	00003	50348220	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50485335	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50502843	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	50485210	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	50502012	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	50485190	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50220274	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50485192	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	50485208	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50266099	035503	ED-Customer Relations	Supvr FRCC	Yes	ED Customer Formula			
Operations	00003	50485207	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	12000143	035503	ED-Customer Relations	Mgr Operations Support FRCC	Yes	ED Customer Formula			
Operations	00003	50485215	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			

PUBLIC VERSION

Long Island Water Company Service Company Employee Labor Charge Adjustments  
Selected Service Company Employee Data - NE Region, SSC Rates and Divisional Employees

Exhibit 12  
Tab 16

Category	Co	Employee #	Home BU	Home Business Unit	Job Title	Billing	Allocation Method	2010	Labor	Total
						Long Island		Salary	Benefits	
Operations	00003	50485205	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50485204	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	50528219	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	50485203	035503	ED-Customer Relations	Analyst Premise QA (N)	Yes	ED Customer Formula			
Operations	00003	50485272	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	50485211	035503	ED-Customer Relations	Coordinator FRCC	Yes	ED Customer Formula			
Operations	00003	12000085	035503	ED-Customer Relations	Supvr Regional Support	Yes	ED Customer Formula			
Operations	00003	50345342	035503	ED-Customer Relations	Analyst Premise QA (N)	Yes	ED Customer Formula			
Operations	00003	50485250	035503	ED-Customer Relations	Operations Support Rep II (N)	Yes	ED Customer Formula			
Operations	00003	50485188	035503	ED-Customer Relations	Admin Asst (N)	Yes	ED Customer Formula			
Operations	00003	12000159	035503	ED-Customer Relations	Spec Bill/Pymt Collection (N)	Yes	ED Customer Formula			
Operations	00003	12006173	035516	ED-Maintenance Services	Sr Specialist Maint Service(N)	No				
Operations	00003	26000062	035516	ED-Maintenance Services	Sr Specialist SCADA (N)	No				
Operations	00003	28007541	035520	ED-Business Development	Dir Business Development	Yes	ED Customer Formula			
Operations	00003	10017723	035520	ED-Business Development	Sr Mgr Business Dev	Yes	ED Customer Formula			
Operations	00003	50439255	035520	ED-Business Development	Mgr Business Dev	Yes	ED Customer Formula			
Operations	00003	50401267	035520	ED-Business Development	Sr Mgr Business Dev	Yes	ED Customer Formula			
<b>ED-Operations</b>								<b>\$185,670</b>	<b>\$87,991</b>	<b>\$273,661</b>
Adjust for 2010 already billed								(\$135,412)	(\$64,173)	(\$199,585)
<b>Total ED-Operations</b>								<b>\$50,259</b>	<b>\$23,818</b>	<b>\$74,077</b>
Risk Mgmt	00003	50380815	035519	ED-Operational Risk	Specialist ORM (N)	No				
Risk Mgmt	00003	9007986	035519	ED-Operational Risk	Sr Specialist ORM	Yes	ED Customer Formula			
Risk Mgmt	00003	9011505	035519	ED-Operational Risk	Sr Specialist ORM	Yes	120 Hours per Vandall			
Risk Mgmt	00003	50041231	035519	ED-Operational Risk	Dir Operational Risk Mgmt	No				
<b>Total ED-Risk Mgmt</b>								<b>\$9,311</b>	<b>\$4,412</b>	<b>\$13,723</b>
<b>Total Eastern Division</b>								<b>\$238,956</b>	<b>\$113,244</b>	<b>\$352,199</b>
<b>FORMER NORTHEAST REGIONAL EMPLOYEES</b>										
Northeast Reg	00003	50404109	032021	CORP-Finance Pass thru	Financial Analyst III (FP&A)	No				
Northeast Reg	00003	50408226	032021	CORP-Finance Pass thru	Mgr FP&A	No				
Northeast Reg	00003	50320612	032055	CORP-Bsns Trans-Plan, Bld, Ret	Dir Maintenance	No				
Northeast Reg	00003	24013971	032068	CORP-Marketing	Mgr Cust Comm (State)	Yes	PA/NJ/LI			
Northeast Reg	00003	50425758	032086	CORP-Internal Communications	Mgr Int Comm (State)	Yes	PA/NJ/LI			
<b>Total Northeast Group</b>										

PUBLIC VERSION

Long Island Water Company  
Service Company Business Transformation License and Maintenance Fees

Exhibit 12  
Tab 16

	Jan 2011	Feb 2011	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011	Sep 2011	Oct 2011	Nov 2011	Dec 2011	YearTotal 2011
Hardware Maintenance	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$570	\$6,840
GIS Software	0	0	0	0	0	0	0	0	0	0	0	0	0
GIS Hardware	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$570</b>	<b>\$6,840</b>											

	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	YearTotal 2012
Hardware Maintenance	\$2,753	\$2,753	\$2,753	\$2,753	\$2,753	\$2,753	\$2,753	\$2,753	\$2,753	\$2,753	\$2,753	\$2,753	\$33,036
GIS Software	431	431	431	431	431	431	431	431	431	431	431	431	5,172
GIS Hardware	196	196	196	196	196	196	196	196	196	196	196	196	2,352
<b>Total</b>	<b>\$3,380</b>	<b>\$40,560</b>											

	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sep 2013	Oct 2013	Nov 2013	Dec 2013	YearTotal 2013
Hardware Maintenance	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$604	\$7,248
GIS Software	991	991	991	991	991	991	991	991	991	991	991	991	11,892
GIS Hardware	196	196	196	196	196	196	196	196	196	196	196	196	2,352
<b>Total</b>	<b>\$1,791</b>	<b>\$21,492</b>											

	Jan 2014	Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	YearTotal 2014
Hardware Maintenance	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$106	\$1,272
GIS Software	991	991	991	991	991	991	991	991	991	991	991	991	11,892
GIS Hardware	196	196	196	196	196	196	196	196	196	196	196	196	2,352
<b>Total</b>	<b>\$1,293</b>	<b>\$15,516</b>											

	Jan 2015	Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sep 2015	Oct 2015	Nov 2015	Dec 2015	YearTotal 2015
Hardware Maintenance	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$657	\$7,884
GIS Software	991	991	991	991	991	991	991	991	991	991	991	991	11,892
GIS Hardware	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$1,648</b>	<b>\$19,776</b>											

**Long Island Water Company**  
**Service Company Business Transformation Lease Expense**

	LIAW ERP	LIAW EAM	LIAW CIS	LIAW Total
9/1/2012	\$2,731	\$0	\$0	\$2,731
10/1/2012	2,731	0	0	2,731
11/1/2012	2,731	0	0	2,731
12/1/2012	2,731	0	0	2,731
1/1/2013	2,721	0	0	2,721
2/1/2013	2,721	0	0	2,721
3/1/2013	2,721	0	0	2,721
4/1/2013	2,721	965	966	4,652
5/1/2013	2,721	965	966	4,652
6/1/2013	2,721	965	966	4,652
7/1/2013	2,721	1,930	1,932	6,583
8/1/2013	2,721	1,930	1,932	6,583
9/1/2013	2,721	1,930	1,932	6,583
10/1/2013	2,721	2,895	2,899	8,515
11/1/2013	2,721	2,895	2,899	8,515
12/1/2013	2,721	2,895	2,899	8,515
1/1/2014	2,721	2,895	2,899	8,515
2/1/2014	2,721	2,895	2,899	8,515
3/1/2014	2,721	2,895	2,899	8,515
4/1/2014	2,721	2,895	2,899	8,515
5/1/2014	2,721	2,895	2,899	8,515
6/1/2014	2,721	2,895	2,899	8,515
7/1/2014	2,721	2,895	2,899	8,515
8/1/2014	2,721	2,895	2,899	8,515
9/1/2014	2,721	2,895	2,899	8,515
10/1/2014	2,721	2,895	2,899	8,515
11/1/2014	2,721	2,895	2,899	8,515
12/1/2014	2,721	2,895	2,899	8,515
1/1/2015	2,721	2,895	2,899	8,515
2/1/2015	2,721	2,895	2,899	8,515
3/1/2015	2,721	2,895	2,899	8,515
<b>2012</b>	<b>\$10,925</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,925</b>
<b>RYE 3/31/2013</b>	<b>\$19,087</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,087</b>
<b>RYE 3/31/2014</b>	<b>\$32,649</b>	<b>\$26,057</b>	<b>\$26,088</b>	<b>\$84,794</b>
<b>RYE 3/31/2015</b>	<b>\$32,649</b>	<b>\$34,743</b>	<b>\$34,783</b>	<b>\$102,175</b>

Long Island American Water  
Insurance Other Than Group

Exhibit 12  
Tab 17

Insurance	Actual 2011	Forecast 2012	Forecast 2013	Forecast 12 Months 3/31/2013
Workers Compensation	\$303,398	\$308,222	\$313,123	\$309,448
Percent Chargeable To Capital and Other	16.98%	16.98%	16.98%	16.98%
Amount Chargeable To Capital and Other	(51,517)	(52,336)	(53,168)	(52,544)
Pro Forma Workers Compensation	<u>251,881</u>	<u>255,886</u>	<u>259,955</u>	<u>256,904</u>
Auto Insurance	114,521	116,342	118,192	116,805
General Liability	338,635	344,019	349,489	345,386
Consult Fee (AL, GL, WC)	4,973	5,053	5,133	5,073
Excess Liability	69,470	70,575	71,697	70,856
Property Insurance	42,811	43,491	44,183	43,664
Crime	629	639	649	641
Directors and Officers	8,072	8,200	8,330	8,233
Consult Fee (D&O)	405	412	419	414
Employment Practices	2,138	2,172	2,207	2,181
Fiduciary	3,320	3,372	3,426	3,386
Travel	94	95	97	95
Environmental Impairment	17,888	18,173	18,462	18,246
Cyper Crime	4,180	4,247	4,315	4,264
Special Contingency Risk	0	0	0	0
CNA Collateral Surety	672	683	694	686
Retro Insurance Charges (5 Year Avg)	<u>(76,645)</u>	<u>(76,645)</u>	<u>(76,645)</u>	<u>(76,645)</u>
Total Pro forma	783,045	796,714	810,603	800,189
Actual Test Yr Expense (A/C 556000-559000)	<u>751,191</u>	<u>783,045</u>	<u>796,714</u>	<u>786,462</u>
Increase/(Decrease)	\$31,854	\$13,668	\$13,889	\$13,726

Long Island American Water  
Insurance Other Than Group

Exhibit 12  
Tab 17

Inv PDF Ref	Company # 38		Policy Mths		Amount of Current Policy	At 1/31/11 Amount of Annual Policy	2012 Pro Forma Percent Inc	2012 Amount of Annual Policy	2013 Pro Forma Percent Inc	2013 Amount of Annual Policy	12Months 3/31/2013 Amount of Annual Policy
	From	To									
1	05/01/10	04/30/11	12.0	Crime	\$629	\$629		\$639		\$649	\$641
2	05/01/10	04/30/11	12.0	Directors and Officers	8,072	8,072		8,200		8,330	8,233
3	05/01/10	04/30/11	12.0	Employment Practices	2,138	2,138		2,172		2,207	2,181
4	05/01/10	04/30/11	12.0	Fiduciary	3,320	3,320		3,372		3,426	3,386
5	04/01/08	03/31/11	36.0	Travel	282	94		95		97	95
8	02/22/10	02/21/11	12.0	Environmental Impairment	17,888	17,888		18,173		18,462	18,246
10	01/01/11	12/31/11	12.0	Auto Liability	114,521	114,521		116,342		118,192	116,805
10	01/01/11	12/31/11	12.0	General Liability	338,635	338,635		344,019		349,489	345,386
10	01/01/11	12/31/11	12.0	Workmens Compensation	303,398	303,398		308,222		313,123	309,448
10	01/01/11	12/31/11	12.0	Consult Fee (AL,GL,WC)	4,973	4,973		5,053		5,133	5,073
11	01/01/11	12/31/11	12.0	Excess Liab#1	50,093	50,093		50,889		51,698	51,092
12	01/01/11	12/31/11	12.0	Excess Liab#2	11,209	11,209		11,387		11,568	11,432
13	01/01/11	12/31/11	12.0	Excess Liab#3	8,169	8,169		8,299		8,431	8,332
14	01/01/11	12/31/11	12.0	Property	42,811	42,811		43,491		44,183	43,664
20	01/01/11	12/31/11	12.0	Cyper Crime#1	4,180	4,180		4,247		4,315	4,264
23	01/01/11	12/31/11	12.0	CNA Collateral Surety	672	672		683		694	686
25	04/23/10	04/22/11	12.0	D&O Consultg Fee	405	405		412		419	414
					<u>\$911,479</u>	<u>\$911,236</u>		<u>\$925,695</u>		<u>\$940,416</u>	<u>\$929,378</u>
Ck Ttl					<u>\$911,479</u>		Inflation 1.59%		Inflation 1.59%		

**Long Island American Water  
Insurance Other Than Group**

**Exhibit 12  
Tab 17**

**Retrospective Adjustments**

2006	(\$133,795)	paid in 2007
2007	(17,064.89)	paid in 2008
2008	-	
2009	(39,798.24)	paid in 2009
2010	<u>(192,568.50)</u>	paid in 2010
2006 - 2010 average	<u><u>(\$76,645)</u></u>	

**Long Island American Water**

2011 RATE CASE

Uncollectible Expense

Exhibit 12

Tab 18

Year	Account 570100 Uncollectible Expense	Account 143000 Reserve Balance Beginning of Yr	Account 143000 Reserve Balance End of Yr	Net Write-Offs
2006	\$235,349	(\$593,256)	(\$513,500)	\$315,106
2007	371,052	(513,500)	(440,849)	443,703
2008	53,267	(440,849)	(275,213)	218,903
2009	106,061	(275,213)	(122,406)	258,868
2010	273,802	(122,406)	(227,221)	168,988

Year	Net Write-Offs	Billed Water Revenues	Percent of Billings
2006	\$315,106	\$42,044,549	0.75%
2007	443,703	41,712,368	1.06%
2008	218,903	47,442,605	0.46%
2009	258,868	43,943,508	0.59%
2010	168,988	48,481,220	0.35%
	<hr/>	<hr/>	
	\$1,405,567	\$223,624,250	0.63%

**Long Island American Water  
2011 Rate Case  
Rate Case Expense**

**Exhibit 12  
Tab 19**

**2011 Rate Case Estimate**

	<u>Pro Forma Rate Case Expenses</u>
Legal	\$230,000
Consultant - Cost of Capital	45,000
Revenue Requirement	200,000
Service Company Study	40,000
Miscellaneous	35,000
Litigation Contingency	150,000
Total	<u>700,000</u>
Amortization Period (Months)	<u>36</u>
Per Month	19,444.44
Annual	<u>\$233,333</u>

**2007 Rate Case Charges Actuals (Settled)**

Amortization Period 04/01/08 - 03/31/11

	<u>Rate Case Expenses</u>
Total	\$360,000
Amortization Period (Months)	<u>36</u>
Per Month	10,000
Annual	<u>\$120,000</u>

**Long Island American Water  
Rents**

**Exhibit 12  
Tab 20**

<u>Components of Rent Expense:</u>	Actual 2010	Adjustments		Increase	Forecast 2011	Increase	Forecast 2012	Increase	Forecast 12 Months 3/31/2013	Forecast 2013
<b>LI Railroad Easement</b>	\$1,816	\$190	c, d	\$32	\$2,038	\$32	\$2,070	\$33	\$2,078	2,103
<b>Copiers, Fax</b>	12,411	(1,060)	a, d	180	11,530	183	11,713	186	11,760	11,899
<b>Computer Maintenance</b>	3,576	(692)	b, e	46	2,930	47	2,977	47	2,988	3,024
<b>Total</b>	<b>\$17,803</b>	<b>(\$1,563)</b>		<b>\$258</b>	<b>\$16,498</b>	<b>\$262</b>	<b>\$16,760</b>	<b>\$266</b>	<b>\$16,826</b>	<b>\$17,026</b>

- a. Adjust for billing timing differences to reflect true 12 month rental costs, (-\$107.54x8)
- b. Annualize expense to account for 12 months maintenance expense
- c. Eliminate due to double payment 2009 & 2010 in same year, -\$10
- d. Adjust for misclassified expense from A/C 541400 -\$200 to A/C 541000 +200
- e. Adjust misc entry -\$19

Long Island American Water  
 Leased Vehicle, Fuel and Maintenance

Exhibit 12  
 Tab 21

	2010	Adjustment	2011	Adjustment	2012	Adjustment	12 mo ended 3/31/2013
Leased Vehicle	\$297,047	(\$5,832)	\$291,215	(\$24,339)	\$266,876	(\$8,960)	\$257,916
Capital (1)	(94,101)	94,101	0		0		0
Registration	6,378		6,378		6,378		6,378
Fuel	171,328	62,209	233,537	84,797	318,334	28,897	347,231
Maintenance (2)	65,272	1,038	66,310	1,054	67,364	268	67,632
Mileage Reimbursement	1,848	29	1,877	30	1,907	8	1,915
<b>Total</b>	<b>\$447,772</b>	<b>\$151,545</b>	<b>\$599,317</b>	<b>\$61,542</b>	<b>\$660,859</b>	<b>\$20,213</b>	<b>\$681,072</b>

Note (1): Capitalization of leased vehicles will be accounted for on Exhibit 9, Page 31.

(2): Maintenance has been increased by inflation per Exhibit 9, Page 17.

Leased Vehicle Expense Detail  
2011 - 2013

Year	Make Name	VIN Model	Model Name	VIN	Cap Cost	Book Value	Months Billed	Lease End Date	Residual Due at Lease End Date	Jan 2011 Lease Amount	Approximate 12 Mo Lease Amounts			Comment
											12 Mos	12 Mos	12 Mos	
2004	CHEVROLET	CAVALIER	CAVALIER	1G1C52F347238280	\$12,366	\$0	87	12/22/2008	\$0	\$9	\$105	\$105	\$105	Lease extended through Dec 2013
2004	CHEVROLET	CAVALIER	CAVALIER	1G1C52F447235839	12,366	-	87	12/22/2008	-	9	105	105	105	Lease extended through Dec 2013
2005	CHEVROLET	MALIBU	MALIBU	1G1Z552895F256006	16,801	-	73	03/13/2010	-	11	132	132	132	Lease extended through Mar 2013
2005	CHEVROLET	MALIBU	MALIBU	1G1Z552805F25195	16,809	-	72	04/13/2010	-	11	132	132	132	Lease extended through Apr 2013
2005	CHEVROLET	SILVERADO	2500 4X4 REG CAB	1GCHK24U05E267817	4,154	1,385	8	07/02/2011	-	394	2,761	-	-	Purchase replacement in Jul 2011
2007	FORD	F450	F46 F-450 CHASSI	1FDXF46P87EA01883	67,727	29,623	54	09/28/2011	25,397	849	10,182	10,182	10,182	Extend current lease to Sep 2013
2007	CHEVROLET	EXPRESS	CG33405 EXPRESS	1GCHG35U971122341	30,155	7,962	53	10/19/2011	5,036	485	5,821	5,821	5,821	Extend current lease to Oct 2013
2007	CHEVROLET	MALIBU	MALIBU LS W/2 1Z569	1G1Z558N67F191633	15,669	2,087	52	11/29/2011	-	298	3,285	110	80	Lease expiry in 2011 extend until replacement purchase in Nov 2012
2007	INTERNATIO	4300	4300 4300.	1HTMMAAM07H462330	96,053	45,015	51	12/29/2011	36,020	1,207	14,482	14,482	14,482	Extend current lease to Dec 2013
2004	CASE	580SM BACKHOE	580SM BACKHOE	JIG0376959	24,432	6,785	26	01/07/2012	-	781	9,374	781	-	Purchase replacement in 2012
2004	CASE	580SM BACKHOE	580SM BACKHOE	JIG0377115	24,432	8,143	24	03/03/2012	-	783	9,999	2,350	-	Purchase replacement in 2012
2007	CHEVROLET	COBALT	COBALT LT 1AL69	1G1AL55F877221491	15,119	3,526	46	06/11/2012	-	290	3,476	1,738	869	Purchase replacement in Jun 2012
2007	GO-FOR-DIG	6L BACKHOE	6L BACKHOE	0907523	20,513	6,493	41	11/12/2012	-	399	4,786	4,407	3,270	Lease expiry in 2012 extend until replacement purchase in Nov 2016
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K48J138604	20,386	9,063	40	11/20/2012	3,404	334	4,013	4,013	4,013	extend current lease to Nov 2015
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K88J138606	20,386	9,063	40	11/20/2012	3,404	334	4,013	4,013	4,013	extend current lease to Nov 2013
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16KX8J138607	20,386	9,063	40	11/20/2012	3,404	334	4,013	4,013	4,013	extend current lease to Nov 2015
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K18J138608	18,501	8,225	40	11/20/2012	3,090	304	3,645	3,342	2,430	Purchase replacement in 2012
2008	DODGE	RAM PICKUP	DH2L62 RAM 2500	3D7KR26D68G148929	20,693	9,199	40	11/20/2012	3,456	339	4,073	3,734	2,716	Purchase replacement in 2012
2008	DODGE	RAM PICKUP	DH2L62 RAM 2500	3D7KR26D28G148930	20,764	9,231	40	11/20/2012	3,468	341	4,087	4,087	4,087	extend current lease to Nov 2015
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K68J138605	20,364	9,053	40	12/05/2012	3,401	334	4,009	4,009	4,009	extend current lease to Dec 2015
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K08J138602	20,386	9,063	40	12/07/2012	3,404	334	4,013	4,013	4,013	extend current lease to Dec 2015
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K28J138603	20,386	9,063	40	12/07/2012	3,404	334	4,013	4,013	4,013	extend current lease to Dec 2015
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K38J138609	17,479	7,771	40	12/07/2012	2,919	287	3,446	3,446	2,584	Purchase replacement in 2012
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K88J138610	20,364	9,053	40	12/13/2012	3,401	334	4,009	4,009	3,007	Purchase replacement in Dec 2012
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K88J141618	20,364	9,053	40	12/13/2012	3,401	334	4,009	4,009	4,009	extend current lease to Dec 2013
2005	GMC	C6C042	6500 MAINTENANCE	1GD16C1C65F517560	26,078	18,109	11	03/31/2013	-	861	10,333	10,333	10,333	Lease expiry in 2013 extend until replacement purchase in April 2014
2008	DODGE	CALIBER	CALIBER SE PMDL49	1B3HB28BX8D689923	15,512	6,203	36	04/02/2013	-	301	3,613	3,613	3,613	Lease expiry in 2013 extend until purchase in Apr 2015
2008	DODGE	CALIBER	CALIBER SE PMDL49	1B3HB28B98D685541	15,650	6,258	36	04/12/2013	-	304	3,645	3,645	3,645	Lease expiry in 2013 extend until purchase in Apr 2015
2005	GMC	C6C042	6500 MAINTENANCE	1GD16C1C15F517708	26,083	18,837	10	05/03/2013	-	863	10,353	10,353	10,353	Lease expiry in 2013 extend until replacement purchase in June 2014
2009	INTERNATIO	4300V LP	4300M7 4300M7	1HTMY5KM29H076200	96,360	64,233	32	07/28/2013	36,135	1,240	14,876	14,876	14,876	extend current lease to Jul 2014
2008	DODGE	RAM PICKUP	DR1L62 RAM 1500	1D7HA16K68J201296	28,203	16,454	30	09/16/2013	4,710	431	5,168	5,168	5,168	Buy Out in 2013
2009	INTERNATIO	4300	4300 4300.	1HTMMAAM29H099659	92,488	63,580	30	10/06/2013	34,683	1,193	14,315	14,315	14,315	extend current lease to Oct 2015
2009	INTERNATIO	4300	4300 4300.	1HTMMAAM09H099725	92,488	63,580	30	10/06/2013	34,683	1,193	14,315	14,315	14,315	extend current lease to Oct 2015
2009	CHEVROLET	MALIBU	MALIBU LS W/1 1ZG69	1G1ZG578994173294	18,056	9,026	30	10/14/2013	-	325	3,899	3,899	3,899	Lease expiry in 2013 extend until replacement purchase in Oct 2016
2009	INTERNATIO	4300	4300 4300.	1HTMMAAM59H099932	77,302	53,140	30	10/15/2013	28,988	998	11,970	11,970	11,970	extend current lease to Oct 2014
2005	GMC	C7C042	C7C042 C7500	1GD17C1C25F522817	20,915	19,172	3	12/02/2013	-	702	8,427	8,427	8,427	Purchase replacement in Dec 2013
2005	GMC	C7C042	C7C042 C7500	1GD17C1C25F522912	20,840	19,103	3	12/02/2013	-	700	8,397	8,397	8,397	Lease expiry in 2013 extend until replacement purchase in Dec 2014
2010	CHEVROLET	COLORADO	CS15403 COLORADO	1GCCS8DE4A8117964	18,434	14,132	14	01/19/2015	-	346	4,152	4,152	4,152	Lease expiry in 2015 extend until replacement purchase in Jan 2016
2010	DODGE	NITRO	KASL74 NITRO	1D4PU2GKXAW133274	21,473	16,462	14	01/19/2015	-	403	4,832	4,832	4,832	Lease expiry in 2015 extend until replacement purchase in Oct 2016
2010	DODGE	NITRO	KASL74 NITRO	1D4PU2GK3AW133276	21,473	16,462	14	01/19/2015	-	403	4,832	4,832	4,832	Lease expiry in 2015 extend until replacement purchase in Oct 2016
2011	FREIGHTLINER	SPRINTER	SPRINTER 3500	11347	56,600	-	60	01/20/2015	-	403	4,832	4,832	4,832	Added in Dec 2010-extend from 2015 to planned replacement in Jan 2016
2010	DODGE	NITRO	KASL74 NITRO	1D4PU2GK6AW133272	21,473	16,462	14	01/20/2015	-	403	4,832	4,832	4,832	Purchase replacement in Jan 2015
2010	DODGE	NITRO	KASL74 NITRO	1D4PU2GK8AW133273	21,473	16,462	14	01/20/2015	-	403	4,832	4,832	4,832	Lease expiry in 2015 extend until replacement purchase in Oct 2016
2010	DODGE	NITRO	KASL74 NITRO	1D4PU2GK1AW133275	21,473	16,462	14	01/20/2015	-	403	4,832	4,832	4,832	Lease expiry in 2015 extend until replacement purchase in Oct 2016
2010	CHEVROLET	COLORADO	CS15403 COLORADO	1GCCS8DEXA8117788	20,264	15,535	14	01/26/2015	-	380	4,561	4,561	4,561	Lease expiry in 2015 extend until replacement purchase in Jan 2016
2010	CHEVROLET	COLORADO	CS15403 COLORADO	1GCCS8DEFA8118034	21,659	16,604	14	01/26/2015	-	406	4,873	4,873	4,873	Lease expiry in 2015 extend until replacement purchase in Oct 2016
2010	CHEVROLET	SILVERADO	CC10903 SILVERADO 15	1GCPCEX7AZ131198	21,640	16,590	14	01/27/2015	-	406	4,869	4,869	4,869	Lease expiry in 2015 extend until replacement purchase in Jan 2016
2010	CHEVROLET	SILVERADO	CK20903 SILVERADO 25	1GC3KVBG3AF118508	29,877	22,904	14	01/27/2015	-	559	6,710	6,710	6,710	Lease expiry in 2015 extend until replacement purchase in Jan 2016
2010	CHEVROLET	COLORADO	CS15403 COLORADO	1GCCS8DE7A8118378	20,183	15,472	14	02/02/2015	-	379	4,543	4,543	4,543	Lease expiry in 2015 extend until replacement purchase in Feb 2016
2010	CHEVROLET	SILVERADO	CK20903 SILVERADO 25	1GC3KVBG8AF120755	32,179	24,669	14	02/02/2015	-	602	7,224	7,224	7,224	Purchase replacement in 2015
2009	GO-FOR-DIG	6L BACKHOE	6L BACKHOE	1009607	21,740	16,607	17	10/22/2015	-	383	4,596	4,596	4,596	Lease expiry in 2015 extend until replacement purchase in Oct 2016
										\$24,456	\$291,215	\$266,876	\$257,916	

<b>Weekly New York                  Regular All                  Formulations Retail                  Gasoline Prices                  (Dollars per Gallon)</b>	
<b>Date</b>	
Jan 04, 2010	2.846
Jan 11, 2010	2.904
Jan 18, 2010	2.917
Jan 25, 2010	2.909
Feb 01, 2010	2.892
Feb 08, 2010	2.877
Feb 15, 2010	2.844
Feb 22, 2010	2.843
Mar 01, 2010	2.856
Mar 08, 2010	2.877
Mar 15, 2010	2.901
Mar 22, 2010	2.905
Mar 29, 2010	2.899
Apr 05, 2010	2.935
Apr 12, 2010	2.951
Apr 19, 2010	2.963
Apr 26, 2010	2.985
May 03, 2010	3.036
May 10, 2010	3.050
May 17, 2010	3.033
May 24, 2010	2.978
May 31, 2010	2.936
Jun 07, 2010	2.902
Jun 14, 2010	2.871
Jun 21, 2010	2.889
Jun 28, 2010	2.893
Jul 05, 2010	2.873
Jul 12, 2010	2.868
Jul 19, 2010	2.853
Jul 26, 2010	2.865
Aug 02, 2010	2.876
Aug 09, 2010	2.861
Aug 16, 2010	2.847
Aug 23, 2010	2.820
Aug 30, 2010	2.791
Sep 06, 2010	2.766
Sep 13, 2010	2.776
Sep 20, 2010	2.762
Sep 27, 2010	2.766
Oct 04, 2010	2.835
Oct 11, 2010	2.938
Oct 18, 2010	2.989
Oct 25, 2010	2.993
Nov 01, 2010	2.987
Nov 08, 2010	3.004
Nov 15, 2010	3.079
Nov 22, 2010	3.127
Nov 29, 2010	3.142
Dec 06, 2010	3.196
Dec 13, 2010	3.243
Dec 20, 2010	3.252
Dec 27, 2010	3.278
<b>Avg Price of 2010</b>	<b>2.936</b>
Apr 18, 2011	4.002
Cost Inc	1.066
<b>% Increase</b>	<b>36.31%</b>

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/wrgp/mogas\\_history.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/wrgp/mogas_history.html)



**Long Island American Water  
Customer Outreach and Education Plan**

**Exhibit 12  
Tab 23**

Description	Actual 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 12 Months 3/31/2013
Customer Outreach & Education Plan Costs	\$63,885	\$64,901	\$65,933	\$66,981	\$68,046
Chamber of Commerce	0	10,000	10,159	10,321	10,485
Water Bottle Distribution	<u>5,906</u>	<u>6,000</u>	<u>6,095</u>	<u>6,192</u>	<u>6,290</u>
Pro Forma Expense	<u><u>\$69,791</u></u>	\$80,901	\$82,187	\$83,494	\$84,821
Actual Test Year Expense		<u>69,791</u>	<u>80,901</u>	<u>82,187</u>	<u>83,494</u>
Pro Forma Adjustment		<u><u>\$11,110</u></u>	<u><u>\$1,286</u></u>	<u><u>\$1,307</u></u>	<u><u>\$1,327</u></u>

Inflation index factor      1.59%

**Long Island American Water  
Postage**

**Exhibit 12  
Tab 24**

		5-DIGIT	3-DIGIT	AADC	MIXED AADC	SINGLE	TOTAL LARGE METER BILLS	TOTAL LARGE METER AMOUNT
2010 Actual								
2010 Rates		\$0.3350	\$0.3570	\$0.3600	\$0.3820	\$0.4400		
New Rates (April 2011) Rate		\$0.3400	\$0.3650	\$0.3680	\$0.3900	\$0.4500		
Jan-10	Old	59,442	3,910	11	4,421	254	68,038	
Feb-10	Old	69,247	3,153	8	4,910	300	77,618	
Mar-10	Old	78,221	4,211	348	6,034	332	89,146	
Apr-10	Old	68,627	3,181	184	5,522	425	77,939	
May-10	Old	67,982	2,435	7	4,971	279	75,674	
Jun-10	Old	70,728	4,033	366	5,194	295	80,616	
Jul-10	Old	70,927	4,604	190	5,767	327	81,815	
Aug-10	Old	74,041	4,374	9	4,861	809	84,094	
Sep-10	Old	74,240	4,711	9	4,583	314	83,857	
Oct-10	Old	73,186	4,417	192	5,352	326	83,473	
Nov-10	Old	68,443	3,719	193	4,477	999	77,831	
Dec-10	Old	<u>75,189</u>	<u>3,979</u>	<u>15</u>	<u>5,581</u>	<u>320</u>	<u>85,084</u>	
Bills		850,273	46,727	1,532	61,673	4,980	965,185	
Total Actual Test Year Large Meter		<u>\$284,841</u>	<u>\$16,682</u>	<u>\$552</u>	<u>\$23,559</u>	<u>\$2,191</u>		\$327,825
Total Actual Test Year Small Meter							\$18	\$18
Total Actual Test Year Expense								<u>\$327,843</u>
<b>Projected Rates 2011</b>								
		5-DIGIT	3-DIGIT	AADC	MIXED AADC	SINGLE	TOTAL LARGE METER BILLS	TOTAL LARGE METER AMOUNT
New Rates (April 2011) Rate		\$0.3400	\$0.3650	\$0.3680	\$0.3900	\$0.4500		
Jan-11	Old	59,442	3,910	11	4,421	254	68,038	
Feb-11	Old	69,247	3,153	8	4,910	300	77,618	
Mar-11	Old	78,221	4,211	348	6,034	332	89,146	
Apr-11	New	68,627	3,181	184	5,522	425	77,939	
May-11	New	67,982	2,435	7	4,971	279	75,674	
Jun-11	New	70,728	4,033	366	5,194	295	80,616	
Jul-11	New	70,927	4,604	190	5,767	327	81,815	
Aug-11	New	74,041	4,374	9	4,861	809	84,094	
Sep-11	New	74,240	4,711	9	4,583	314	83,857	
Oct-11	New	73,186	4,417	192	5,352	326	83,473	
Nov-11	New	68,443	3,719	193	4,477	999	77,831	
Dec-11	New	<u>75,189</u>	<u>3,979</u>	<u>15</u>	<u>5,581</u>	<u>320</u>	<u>85,084</u>	
Bills		850,273	46,727	1,532	61,673	4,980	965,185	
Total Pro Forma Large Meter Postage		<u>\$288,058</u>	<u>\$16,965</u>	<u>\$561</u>	<u>\$23,930</u>	<u>\$2,232</u>		\$331,746
Total Pro Forma Small Meter Postage							\$18	\$18
Total Forecast								<u>\$331,764</u>
Increase		<u>\$3,217</u>	<u>\$283</u>	<u>\$9</u>	<u>\$371</u>	<u>\$41</u>	<u>\$0</u>	<u>\$3,921</u>

**Long Island American Water  
Postage**

**Exhibit 12  
Tab 24**

<b>Projected Rates 2012</b>			5-DIGIT	3-DIGIT	AADC	MIXED AADC	SINGLE	TOTAL LARGE METER BILLS	TOTAL LARGE METER AMOUNT
New Rates (April 2011)	Rate		\$0.3400	\$0.3650	\$0.3680	\$0.3900	\$0.4500		
Jan-12	New	59,442		3,910	11	4,421	254	68,038	
Feb-12	New	69,247		3,153	8	4,910	300	77,618	
Mar-12	New	78,221		4,211	348	6,034	332	89,146	
Apr-12	New	68,627		3,181	184	5,522	425	77,939	
May-12	New	67,982		2,435	7	4,971	279	75,674	
Jun-12	New	70,728		4,033	366	5,194	295	80,616	
Jul-12	New	70,927		4,604	190	5,767	327	81,815	
Aug-12	New	74,041		4,374	9	4,861	809	84,094	
Sep-12	New	74,240		4,711	9	4,583	314	83,857	
Oct-12	New	73,186		4,417	192	5,352	326	83,473	
Nov-12	New	68,443		3,719	193	4,477	999	77,831	
Dec-12	New	75,189		3,979	15	5,581	320	85,084	
Bills		850,273	46,727	1,532	61,673	4,980	965,185		
Total Pro Forma Large Meter Postage		<u>\$289,093</u>	<u>\$17,055</u>	<u>\$564</u>	<u>\$24,052</u>	<u>\$2,241</u>			\$333,005
Total Pro Forma Small Meter Postage							\$18		\$18
Total Forecast									<u>\$333,023</u>
Increase		<u>\$1,035</u>	<u>\$90</u>	<u>\$3</u>	<u>\$122</u>	<u>\$9</u>	<u>\$0</u>		<u>\$1,259</u>

<b>Projected Rates 12 mos ending Mar-2013</b>			5-DIGIT	3-DIGIT	AADC	MIXED AADC	SINGLE	TOTAL LARGE METER BILLS	TOTAL LARGE METER AMOUNT
New Rates (April 2011)	Rate		\$0.3400	\$0.3650	\$0.3680	\$0.3900	\$0.4500		
Apr-12	New	68,627		3,181	184	5,522	425	77,939	\$ 26,488
May-12	New	67,982		2,435	7	4,971	279	75,674	\$ 25,667
Jun-12	New	70,728		4,033	366	5,194	295	80,616	\$ 27,379
Jul-12	New	70,927		4,604	190	5,767	327	81,815	\$ 27,819
Aug-12	New	74,041		4,374	9	4,861	809	84,094	\$ 28,581
Sep-12	New	74,240		4,711	9	4,583	314	83,857	\$ 28,444
Oct-12	New	73,186		4,417	192	5,352	326	83,473	\$ 28,351
Nov-12	New	68,443		3,719	193	4,477	999	77,831	\$ 26,475
Dec-12	New	75,189		3,979	15	5,581	320	85,084	\$ 28,887
Jan-13	New	59,442		3,910	11	4,421	254	68,038	\$ 23,113
Feb-13	New	69,247		3,153	8	4,910	300	77,618	\$ 26,334
Mar-13	New	78,221		4,211	348	6,034	332	89,146	\$ 30,284
Bills		850,273	46,727	1,532	61,673	4,980	965,185	327,825	
Total Pro Forma Large Meter Postage		<u>\$289,093</u>	<u>\$17,055</u>	<u>\$564</u>	<u>\$24,052</u>	<u>\$2,241</u>			\$333,005
Total Pro Forma Small Meter Postage							\$18		\$18
Total Forecast									<u>\$333,023</u>
Increase		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		<u>\$0</u>

**Long Island American Water  
Audit Fees**

**Exhibit 12  
Tab 25**

<u>Components of PWC Audit fees:</u>	<b>Actual 2010</b>	<b>Increase</b>	<b>Forecast 2011</b>	<b>Increase</b>	<b>Forecast 2012</b>	<b>Increase</b>	<b>Forecast 2013</b>	<b>Increase</b>	<b>Forecast 12 Months 3/31/2013</b>
<b>Contr Svc-Audit Fees</b>	\$59,352	\$944	\$59,352	\$944	\$60,296	\$959	\$61,254	\$974	\$61,498
<b>Total</b>	<b>\$59,352</b>	<b>\$944</b>	<b>\$59,352</b>	<b>\$944</b>	<b>\$60,296</b>	<b>\$959</b>	<b>\$61,254</b>	<b>\$974</b>	<b>\$61,498</b>

Amortization of Actuarial Studies

Total Cost	\$289,333
Amortization Period (in Years)	<u>3</u>
Expense per year over three years	<u><u>\$96,444</u></u>

Long Island American Water  
 Plant Balances w/Adds and Ret.  
 2010 to 2013

Exhibit 12  
 Tab 27

JDE A/C	NY A/C	Description	Balance @ 12/31/09	2010 Adds	2010 Retires	Balance @ 12/31/10	2011 Adds	2011 Retires	Balance @ 12/31/11	2012 Adds	2012 Retires	Balance @ 12/31/12	1st Qtr 2013 Adds	1st Qtr 2013 Retires	Balance @ 3/31/13
301000	301	Organization	\$73	\$0	\$0	\$73	\$0	\$0	\$73	\$0	\$0	\$73	\$0	\$0	\$73
302000	302	Franchises	518	0	0	518	0	0	518	0	0	518	0	0	518
303200	310	Land & Ld Rights SS	435,602	0	0	435,602	0	0	435,602	0	0	435,602	0	0	435,602
303300	320	Land & Ld Rights P	162,627	0	0	162,627	0	0	162,627	0	0	162,627	0	0	162,627
303500	340	Land & Ld Rights TD	21,026	0	0	21,026	0	0	21,026	0	0	21,026	0	0	21,026
303501	340	Land TD	8,502	0	0	8,502	0	0	8,502	0	0	8,502	0	0	8,502
303600	389	Land & Land Rights AG	631	0	0	631	0	0	631	0	0	631	0	0	631
304200	321	Struct & Imp P	2,764,359	30,974	4,956	2,790,377	167,500	3,000	2,954,877	45,000	5,000	2,994,877	11,250	1,250	3,004,877
304300	331	Struct & Imp WT	7,952,505	35,127	2,500	7,985,132	3,048,125	62,500	10,970,757	0	0	10,970,757	0	0	10,970,757
304500	390	Struct & Imp AG	1,065,136	206,290	0	1,271,427	0	0	1,271,427	0	0	1,271,427	0	0	1,271,427
304600	390	Struct & Imp Offices	2,691,688	0	211	2,691,477	53,655	1,600	2,743,533	60,000	1,600	2,801,933	15,000	400	2,816,533
304700	390	Struct & Imp Store,Shop,Gar	549,125	0	240	548,885	0	0	548,885	0	0	548,885	0	0	548,885
307000	314	Wells & Springs	1,587,009	0	0	1,587,009	0	0	1,587,009	0	0	1,587,009	0	0	1,587,009
307200	314	Wells Only (LI)	4,428,796	0	0	4,428,796	3,336,952	88,500	7,677,249	315,000	10,000	7,982,249	81,250	22,500	8,040,999
310000	323	Power Generation Equip Othe	826,362	4,838	0	831,201	762,031	0	1,593,232	0	0	1,593,232	0	0	1,593,232
310200	322	Boiler Plant Equipment	16,690	(16,690)	0	0	0	0	0	0	0	0	0	0	0
311200	325	Pump Equip Electric	5,034,762	123,994	14,982	5,143,774	677,745	16,500	5,805,019	469,000	15,000	6,259,019	117,250	3,750	6,372,519
311300	326	Pump Equip Diesel	1,865,408	107,051	76,550	1,895,909	0	0	1,895,909	0	0	1,895,909	0	0	1,895,909
311400	327	Pump Equip Hydraulic	7,870	17,203	0	25,073	0	0	25,073	0	0	25,073	0	0	25,073
320100	332	WT Equip Non-Media	2,424,087	0	3,517	2,420,570	4,342,004	75,500	6,687,075	409,000	13,000	7,083,075	102,250	3,250	7,182,075
320110	332	WT Equip Purification (LI)	10,163,564	0	2,857	10,160,707	0	0	10,160,707	0	0	10,160,707	0	0	10,160,707
320200	332	WT Equip Filter Media	219,170	0	0	219,170	0	0	219,170	0	0	219,170	0	0	219,170
330000	342	Dist Reservoirs & Standpipe	4,063,118	0	0	4,063,118	125,993	4,000	4,185,112	120,000	4,000	4,301,112	30,000	19,750	4,311,362
330200	342	Dist Reservoirs-Ground Level	9,622	3,796	0	13,418	0	0	13,418	0	0	13,418	0	0	13,418
331003	343	TD Mains Paving (LI)	6,697,962	(83,105)	0	6,614,857	0	0	6,614,857	0	0	6,614,857	0	0	6,614,857
331100	343	TD Mains 4in & Less	898,503	0	763	1,072,234	0	0	1,072,234	0	0	1,072,234	0	0	1,072,234
331230	343	TD Mains 6in & Gtr (LI)	42,882,734	4,713,369	70,022	47,526,080	6,347,018	142,500	53,730,598	5,958,130	82,500	59,606,228	1,522,657	20,625	61,108,261
332000	344	Fire Mains	2,036,993	0	0	2,036,993	0	0	2,036,993	0	0	2,036,993	0	0	2,036,993
333000	345	Services	30,494,870	2,231,276	5,581	32,720,565	1,545,392	20,000	34,245,957	1,560,070	20,000	35,786,027	441,268	5,000	36,222,295
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	0
334130	346	Meters Other	11,112,540	34,031	(25,204)	11,171,776	820,646	10,000	11,982,422	727,500	25,000	12,684,922	196,250	8,750	12,872,422
334200	347	Meter Installations	4,768,541	15,885	14	4,784,413	0	0	4,784,413	0	0	4,784,413	0	0	4,784,413
335000	348	Hydrants	6,220,118	558,534	11,300	6,767,352	489,000	5,000	7,251,352	543,000	5,000	7,789,352	114,500	1,250	7,902,602
339600	349	Other P/E CPS	(0)	147,989	0	147,989	0	0	147,989	0	0	147,989	0	0	147,989
340100	391	Office Furniture & Equip	291,775	0	5,611	286,164	13,414	400	299,177	15,000	400	313,777	3,750	100	317,427
340200	391	Comp & Periph Equipment	338,545	33,767	124,866	247,447	45,000	5,000	287,447	125,000	15,000	397,447	0	1,250	396,197
340300	391	Computer Software	2,096,241	2,603	(101)	2,098,945	0	1,000	2,097,945	2,594,064	1,000	4,691,009	0	250	4,690,759
340400	391	Data Handling Equipment	126,635	0	0	126,635	0	0	126,635	0	0	126,635	0	0	126,635
340500	391	Other Office Equipment	67,357	0	592	66,765	0	0	66,765	0	0	66,765	0	0	66,765
341100	392	Trans Equip Lt Duty Trks	127,222	0	32,300	94,922	69,000	0	163,922	99,000	0	262,922	0	0	262,922
341300	392	Trans Equip Autos	153,753	0	139,975	13,778	55,000	0	68,778	86,000	0	154,778	0	0	154,778
341200	392	Trans Equip Heavy Duty Trks	0	0	0	0	130,000	0	130,000	0	0	130,000	0	0	130,000
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	200,000	0	200,000	0	0	200,000
342000	393	Stores Equipment	15,524	4,929	141	20,312	0	0	20,312	0	0	20,312	0	0	20,312
343000	394	Tools,Shop,Garage Equip	428,338	27,701	(1,852)	457,892	124,848	0	582,740	124,000	0	706,739	36,250	0	742,989
343100	394	Tools,Shop,Garage Equip Oth	149,353	0	(3,749)	153,102	0	0	153,102	0	0	153,102	0	0	153,102
344000	395	Laboratory Equipment	68,903	0	0	68,903	0	0	68,903	0	0	68,903	0	0	68,903
345000	396	Power Operated Equipment	69,130	0	0	69,130	0	0	69,130	0	0	69,130	0	0	69,130
345100	396	Power Oper Equip Other	11,650	0	0	11,650	0	0	11,650	0	0	11,650	0	0	11,650
346100	397	Comm Equip Non-Telephone	165,618	2,098	0	167,716	0	0	167,716	0	0	167,716	0	0	167,716
346190	397	Remote Control & Instrument.	99,579	12,600	0	112,179	0	0	112,179	0	0	112,179	0	0	112,179
346200	397	Comm Equip-Telephone	41,812	12,600	0	54,412	0	0	54,412	0	0	54,412	0	0	54,412
347000	398	Misc Equipment	188,361	0	0	188,361	0	0	188,361	0	0	188,361	0	0	188,361
			\$155,850,309	\$8,401,355	\$466,069	\$163,785,595	\$22,153,325	\$435,500	\$185,503,420	\$13,449,764	\$197,500	\$198,755,684	\$2,671,675	\$88,125	\$201,339,234

Long Island American Water

Exhibit 12  
Tab 28  
Page 1 of 2

	2010	2011	2012	2013	3/31/2013
School tax	\$4,902,180	\$5,529,605	\$6,384,133	\$6,976,596	\$6,532,248
General Tax	4,585,423	4,649,214	5,729,006	6,253,033	5,860,013
Village Tax	1,334,654	1,525,097	1,895,346	2,206,031	1,973,017
	<u>\$10,822,257</u>	<u>\$11,703,917</u>	<u>\$14,008,484</u>	<u>\$15,435,659</u>	<u>\$14,365,278</u>

Activity in 2011				Inv Yr 2009 Filed in 2010					
	Period	Pmt Schedule	Accr/Amort	Assessment (rcv'd Q4 10)	Taxes Paid	Asm't/TFV	Taxes/TFV	▲ taxes pd fr pr yr	Taxes/Asm't
School Taxes (roll 2011)	7/1/10-6/30/11	10/1/10 & 4/1/11	Accrue	\$1,185,023	\$4,954,282	1.52%	6.36%	2.15%	418.07%
General Taxes (roll 2011)	1/1/11-12/31/11	1/1/11 & 7/1/11	Amortize	1,181,572	4,649,214	1.52%	5.97%	1.39%	393.48%
Village Taxes (roll 2011)	6/1/11-5/31/12	Apr or June & Dec 2011	Amortize	6,425,999	1,649,320	8.25%	2.12%	22.06%	25.67%
Spec Franchise Tax (roll 2010)	April 2011 - March 2012	Dec 11' or Jan 12'	Amortize	77,897,381	5,783		0.01%	19.74%	0.01%
<b>Total</b>				\$86,689,975	\$11,258,600			4.33%	12.99%
<b>Roll 2010 City &amp; Town Economic Obsolescence</b>			29%	Tentative Full Value (TFV) =	77,897,381	14%	14%		
				UPIS & CWIP Cummulative Cost =	159,016,687	49%	7%		
Activity in 2012				Inv Yr 2010 Filed in 2011					
	Period	Pmt Schedule	Accr/Amort	Assessment (rcv'd Q4 11)	Taxes Paid	Asm't/TFV	Taxes/TFV	▲ taxes pd fr pr yr	Taxes/Asm't
School Taxes (roll 2012)	7/1/11-6/30/12	10/1/11 & 4/1/12	Accrue	\$1,460,248	\$6,104,927	1.52%	6.36%		418.07%
General Taxes (roll 2012)	1/1/12-12/31/12	1/1/12 & 7/1/12	Amortize	1,455,995	5,729,006	1.52%	5.97%		393.48%
Village Taxes (roll 2012)	6/1/12-5/31/13	Apr or June & Dec 2012	Amortize	7,918,452	2,071,078	8.25%	2.16%		26.16%
Spec Franchise Tax (roll 2011)	April 2012 - March 2013	Dec 12' or Jan 13'	Amortize	95,989,239	7,127		0.01%		0.01%
<b>Total</b>				\$106,823,934	\$13,912,138				13.02%
<b>Roll 2011 City &amp; Town Economic Obsolescence</b>			18%	Tentative Full Value (TFV) =	95,989,239	14%	14%		
				UPIS & CWIP Cummulative Cost =	174,047,704	55%	8%		
Activity in 2013				Inv Yr 2011 Filed in 2012					
	Period	Pmt Schedule	Accr/Amort	Assessment (rcv'd Q4 12)	Taxes Paid	Asm't/TFV	Taxes/TFV	▲ taxes pd fr pr yr	Taxes/Asm't
School Taxes (roll 2013)	7/1/12-6/30/13	10/1/12 & 4/1/13	Accrue	\$1,593,815	\$6,663,339	1.52%	6.36%		418.07%
General Taxes (roll 2013)	1/1/13-12/31/13	1/1/13 & 7/1/13	Amortize	1,589,173	6,253,033	1.52%	5.97%		393.48%
Village Taxes (roll 2013)	6/1/13-5/31/14	Apr or June & Dec 2013	Amortize	8,642,746	2,302,425	8.25%	2.20%		26.64%
Spec Franchise Tax (roll 2012)	April 2013 - March 2014	Dec 13' or Jan 14'	Amortize	104,769,282	7,779		0.01%		0.01%
<b>Total</b>				\$116,595,016	\$15,226,575				13.06%
<b>Roll 2012 City &amp; Town Economic Obsolescence</b>			18%	Tentative Full Value (TFV) =	104,769,282	14%	14%		
				UPIS & CWIP Cummulative Cost =	189,967,679	55%	8%		

**NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE  
DETAIL OF ASSESSMENT  
Long Island Water Corp.**

Assessment Type / <u>Operation</u>	Assessable <u>Intrastate Revenue</u>	2011-2012 <u>Estimated Assessment</u>	Biannual * <u>Estimated Assessment</u>
<b>TEMPORARY STATE ENERGY &amp; UTILITY SERVICE CONSERVATION ASSESSMENT</b>			
Water	\$46,257,882	\$821,272.78	\$410,636.39
<b>GENERAL</b>			
Water	\$46,257,882	\$103,884.86	\$51,942.43
<b>Totals</b>		\$925,157.64	\$462,578.82

\*The biannual assessments are due by March 10, 2011 and September 10, 2011.

**Billing Calculation - Temporary State Energy and Utility Service Conservation Assessment**

Chapter 59 of the Laws of 2009 amends the Public Service Law §18-a establishing a new Temporary State Energy and Utility Service Conservation Assessment effective April 1, 2009 to March 31, 2014 (PSL §18-a (6)). It imposes a charge of 2% on gross intrastate operating revenues (including estimated ESCO revenues if applicable), for electric, gas and water utilities derived in the last preceding calendar year, minus the amount of the General Assessment for the Department of Public Service costs for the corresponding state fiscal year (PSL §18-a (1) and (2)). For the state fiscal year 2011-12, the Temporary State Assessment is calculated using revenues reported for the 2009 calendar year.

**Billing Rate Calculation - General Assessment**

The General assessment rate is calculated by dividing the total estimated 2011-12 New York State utility regulatory costs defined by Section 18-a of the Public Service Law by total intrastate utility revenues from the 2009 calendar year. For this estimated assessment billing, utility regulatory costs of \$72,353,000 divided by the total reported intrastate revenues of \$32,217,366,571, yielded a General Assessment rate of 0.002245776352966. Intrastate revenues for each utility are multiplied by this rate to calculate the corresponding individual assessments.

$$\frac{\$103,884.86}{\$46,257,882} = 0.22458\%$$

Total Pro Forma Payroll Taxes

Exhibit 12  
Tab 30

<b>1/1/2011-12/31/2011</b>	Basis	Rate	<b>Pro Forma Amount</b>
FICA	\$7,825,351	7.65%	\$598,639
FUTA	668,500	0.80%	5,348
SUTA	811,750	2.10%	17,047
Excess Medicare	279,995	1.45%	<u>4,060</u>
<b>TOTAL</b>			<b><u><u>\$625,094</u></u></b>

<b>1/1/2012-12/31/2012</b>	Basis	Rate	<b>Pro Forma Amount</b>
FICA	\$8,086,084	7.65%	\$618,585
FUTA	668,500	0.80%	5,348
SUTA	811,750	2.10%	17,047
Excess Medicare	310,826	1.45%	<u>4,507</u>
<b>TOTAL</b>			<b><u><u>\$645,487</u></u></b>

<b>4/1/2012-3/31/2013</b>	Basis	Rate	<b>Pro Forma Amount</b>
FICA	\$8,130,360	7.65%	\$621,973
FUTA	668,500	0.80%	5,348
SUTA	811,750	2.10%	17,047
Excess Medicare	318,767	1.45%	<u>4,622</u>
<b>TOTAL</b>			<b><u><u>\$648,990</u></u></b>

Long Island American Water  
 UPIs Year 2010 Additions

Exhibit 12  
 Tab 31

JDE Account	NY State Account	Description	2010												Total	
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
301000	301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302000	302	Franchises	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303200	310	Land & Ld Rights SS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303300	320	Land & Ld Rights P	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303500	340	Land & Ld Rights TD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303501	340	Land TD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303600	389	Land & Land Rights AG	0	0	0	0	0	0	0	0	0	0	0	0	0	0
304200	321	Struct & Imp P	0	0	0	0	0	0	0	10,991	0	0	0	0	19,984	30,974
304300	331	Struct & Imp WT	0	0	16,690	0	0	11,853	0	0	0	0	0	0	6,584	35,127
304500	390	Struct & Imp AG	0	0	21,518	0	0	0	0	0	0	6,402	0	0	178,371	206,290
304600	390	Struct & Imp Offices	0	0	0	0	0	0	0	0	0	0	0	0	0	0
304700	390	Struct & Imp Store,Shop,Gar	0	0	0	0	0	0	0	0	0	0	0	0	0	0
307000	314	Wells & Springs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
307200	314	Wells Only (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
310000	323	Power Generation Equip Othe	0	0	0	0	0	4,838	0	0	0	0	0	0	0	4,838
310200	322	Boiler Plant Equipment	0	0	(16,690)	0	0	0	0	0	0	0	0	0	0	(16,690)
311200	325	Pump Equip Electric	0	0	2,808	0	0	5,385	0	0	0	6,636	0	109,164	123,994	
311300	326	Pump Equip Diesel	0	0	2,008	502	0	16,324	39,562	0	42,306	6,348	0	0	107,051	
311400	327	Pump Equip Hydraulic	0	0	0	0	0	0	8,491	0	0	8,022	0	691	17,203	
320100	332	WT Equip Non-Media	0	0	0	0	0	0	0	0	0	0	0	0	0	0
320110	332	WT Equip Purification (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
320200	332	WT Equip Filter Media	0	0	0	0	0	0	0	0	0	0	0	0	0	0
330000	342	Dist Reservoirs & Standpipe	0	0	0	0	0	0	0	0	0	0	0	0	0	0
330200	342	Dist Reservoirs-Ground Level	0	0	0	1,418	2,379	0	0	0	0	0	0	0	0	3,796
331003	343	TD Mains Paving (LI)	(22,518)	0	0	(139,411)	(38,037)	143,697	58,414	172,424	(263,627)	0	(15,257)	21,210	(83,105)	
331100	343	TD Mains 4in & Less	9,305	(346)	11,132	8,989	2,349	5,642	30,179	6,571	115	39,222	42,489	18,846	174,493	
331230	343	TD Mains 6in & Grtr (LI)	270,017	43,804	68,900	295,663	98,417	686,710	735,342	567,883	1,185,704	162,312	54,190	544,426	4,713,369	
332000	344	Fire Mains	0	0	0	0	0	0	0	0	0	0	0	0	0	0
333000	345	Services	141,061	105,760	66,374	145,549	14,402	380,082	323,394	121,535	360,829	247,890	80,775	243,624	2,231,276	
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	0	0
334130	346	Meters Other	(628)	(63)	1,615	100	67	(1,514)	(36)	10,122	1,351	2,077	20,222	736	34,031	
334200	347	Meter Installations	464	(308)	333	219	93	223	2,443	9,027	2,734	(2,002)	14	2,644	15,885	
335000	348	Hydrants	68,659	60,686	14,878	52,697	57,973	14,138	19,569	19,722	47,626	7,322	66,882	128,382	558,534	
339600	303	Misc. Intangible Plant-CPS	0	0	0	146,813	1,177	(1)	0	0	0	0	0	0	0	147,989
340100	391	Office Furniture & Equip	0	0	0	0	0	0	0	0	0	0	0	0	0	0
340200	391	Comp & Periph Equipment	2,837	0	1	1	0	98	0	0	7,354	18,358	5,116	3	33,767	
340300	391	Computer Software	(2,837)	0	0	0	0	5,199	0	0	242	0	0	0	2,603	
340400	391	Data Handling Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
340500	391	Other Office Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
341100	392	Trans Equip Lt Duty Trks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
341300	392	Trans Equip Autos	0	0	0	0	0	0	0	0	0	0	0	0	0	0
341200	392	Trans Equip Heavy Duty Trks	0	0	0	0	0	0	0	0	0	0	0	0	0	0
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
342000	393	Stores Equipment	0	0	0	0	0	4,929	0	0	0	0	0	0	0	4,929
343000	394	Tools,Shop,Garage Equip	0	0	5,331	1,497	0	0	1,132	0	0	0	0	19,741	27,701	
343100	394	Tools,Shop,Garage Equip Oth	0	0	0	0	0	0	0	0	0	0	0	0	0	0
344000	395	Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
345000	396	Power Operated Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
345100	396	Power Oper Equip Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
346100	397	Comm Equip Non-Telephone	2,098	0	(2,172)	0	0	2,172	0	0	0	0	0	0	0	2,098
346190	397	Remote Control & Instrument.	0	0	49	113	0	7,825	0	0	0	0	4,402	210	12,600	
346200	397	Comm Equip-Telephone	0	0	49	113	0	7,825	0	0	0	0	4,402	210	12,600	
347000	398	Misc Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total			\$468,458	\$209,514	\$192,824	\$514,264	\$138,820	\$1,295,428	\$1,218,490	\$918,275	\$1,384,634	\$502,587	\$263,236	\$1,294,825	\$8,401,355	

JDE Account	NY State Account	Description	2011												Total	
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
301000	301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302000	302	Franchises	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303200	310	Land & Ld Rights SS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303300	320	Land & Ld Rights P	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303500	340	Land & Ld Rights TD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303501	340	Land TD	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303600	389	Land & Land Rights AG	0	0	0	0	0	0	0	0	0	0	0	0	0	0
304200	321	Struct & Imp P	0	0	0	2,000	6,000	8,000	10,000	8,000	4,000	2,000	0	127,500	167,500	167,500
304300	331	Struct & Imp WT	0	0	3,048,125	0	0	0	0	0	0	0	0	0	0	3,048,125
304500	390	Struct & Imp AG	0	0	0	0	0	0	0	0	0	0	0	0	0	0
304600	390	Struct & Imp Offices	4,000	4,000	9,655	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	53,655
304700	390	Struct & Imp Store,Shop,Gar	0	0	0	0	0	0	0	0	0	0	0	0	0	0
307000	314	Wells & Springs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
307200	314	Wells Only (LI)	22,813	22,813	83,914	24,063	436,563	1,116,610	29,063	27,813	25,313	529,063	22,813	996,117	3,336,952	3,336,952
310000	323	Power Generation Equip Othe	0	0	762,031	0	0	0	0	0	0	0	0	0	0	762,031
310200	322	Boiler Plant Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
311200	325	Pump Equip Electric	31,938	31,938	109,532	34,388	39,288	82,138	44,188	41,738	36,838	34,388	31,938	159,438	677,745	677,745
311300	326	Pump Equip Diesel	0	0	0	0	0	0	0	0	0	0	0	0	0	0
311400	327	Pump Equip Hydraulic	0	0	0	0	0	0	0	0	0	0	0	0	0	0
320100	332	WT Equip Non-Media	27,375	27,375	3,906,879	29,825	34,725	37,175	39,625	37,175	32,275	29,825	27,375	112,375	4,342,004	4,342,004
320110	332	WT Equip Purification (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
320200	332	WT Equip Filter Media	0	0	0	0	0	0	0	0	0	0	0	0	0	0
330000	342	Dist Reservoirs & Standpipe	9,125	9,125	25,618	9,125	9,125	9,125	9,125	9,125	9,125	9,125	9,125	9,125	9,125	125,993
330200	342	Dist Reservoirs-Ground Level	0	0	0	0	0	0	0	0	0	0	0	0	0	0
331003	343	TD Mains Paving (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
331100	343	TD Mains 4in & Less	0	0	0	0	0	0	0	0	0	0	0	0	0	0
331230	343	TD Mains 6in & Gtr (LI)	415,021	422,573	814,835	398,323	404,823	418,785	421,323	410,573	394,073	375,323	387,573	1,483,791	6,347,018	6,347,018
332000	344	Fire Mains	0	0	0	0	0	0	0	0	0	0	0	0	0	0
333000	345	Services	117,479	93,318	159,373	153,318	153,318	153,675	153,318	153,318	153,318	73,318	88,318	93,318	1,545,392	1,545,392
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	0	0
334130	346	Meters Other	5,000	0	308,396	26,250	78,750	105,000	131,250	105,000	50,000	11,000	0	0	820,646	820,646
334200	347	Meter Installations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
335000	348	Hydrants	4,000	25,000	25,000	26,500	79,500	81,000	82,500	106,000	53,000	6,500	0	0	489,000	489,000
339600	303	Misc. Intangible Plant-CPS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
340100	391	Office Furniture & Equip	1,000	1,000	2,414	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	13,414
340200	391	Comp & Periph Equipment	0	0	0	2,250	6,750	9,000	11,250	9,000	4,500	2,250	0	0	45,000	45,000
340300	391	Computer Software	0	0	0	0	0	0	0	0	0	0	0	0	0	0
340400	391	Data Handling Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
340500	391	Other Office Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
341100	392	Trans Equip Lt Duty Trks	0	0	0	0	0	0	0	0	0	0	0	69,000	69,000	69,000
341300	392	Trans Equip Autos	0	0	0	0	0	0	0	0	0	0	0	55,000	55,000	55,000
341200	392	Trans Equip Heavy Duty Trks	0	0	0	0	0	0	0	0	0	0	0	130,000	130,000	130,000
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
342000	393	Stores Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
343000	394	Tools,Shop,Garage Equip	10,333	10,333	11,181	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	124,848	124,848
343100	394	Tools,Shop,Garage Equip Oth	0	0	0	0	0	0	0	0	0	0	0	0	0	0
344000	395	Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
345000	396	Power Operated Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
345100	396	Power Oper Equip Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0
346100	397	Comm Equip Non-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0	0
346190	397	Remote Control & Instrument.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
346200	397	Comm Equip-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0	0
347000	398	Misc Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total			\$648,083	\$647,475	\$9,266,953	\$721,375	\$1,264,175	\$2,035,841	\$946,975	\$923,075	\$777,775	\$1,088,125	\$582,475	\$3,250,997	\$22,153,325	\$22,153,325

Long Island American Water  
 UPIIS Year 2012 Additions

Exhibit 12  
 Tab 31

JDE		NY State	2 0 1 2												Total
Account	Account	Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
301000	301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302000	302	Franchises	0	0	0	0	0	0	0	0	0	0	0	0	0
303200	310	Land & Ld Rights SS	0	0	0	0	0	0	0	0	0	0	0	0	0
303300	320	Land & Ld Rights P	0	0	0	0	0	0	0	0	0	0	0	0	0
303500	340	Land & Ld Rights TD	0	0	0	0	0	0	0	0	0	0	0	0	0
303501	340	Land TD	0	0	0	0	0	0	0	0	0	0	0	0	0
303600	389	Land & Land Rights AG	0	0	0	0	0	0	0	0	0	0	0	0	0
304200	321	Struct & Imp P	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
304300	331	Struct & Imp W/T	0	0	0	0	0	0	0	0	0	0	0	0	0
304500	390	Struct & Imp AG	0	0	0	0	0	0	0	0	0	0	0	0	0
304600	390	Struct & Imp Offices	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
304700	390	Struct & Imp Store,Shop,Gar	0	0	0	0	0	0	0	0	0	0	0	0	0
307000	314	Wells & Springs	0	0	0	0	0	0	0	0	0	0	0	0	0
307200	314	Wells Only (LI)	27,083	27,083	27,083	27,083	27,083	27,083	27,083	27,083	27,083	27,083	27,083	17,083	315,000
310000	323	Power Generation Equip Othe	0	0	0	0	0	0	0	0	0	0	0	0	0
310200	322	Boiler Plant Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
311200	325	Pump Equip Electric	38,283	38,283	39,483	39,483	39,483	39,483	39,483	39,483	39,483	39,483	38,283	38,283	469,000
311300	326	Pump Equip Diesel	0	0	0	0	0	0	0	0	0	0	0	0	0
311400	327	Pump Equip Hydraulic	0	0	0	0	0	0	0	0	0	0	0	0	0
320100	332	WT Equip Non-Media	33,283	33,283	34,483	34,483	34,483	34,483	34,483	34,483	34,483	34,483	33,283	33,283	409,000
320110	332	WT Equip Purification (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0
320200	332	WT Equip Filter Media	0	0	0	0	0	0	0	0	0	0	0	0	0
330000	342	Dist Reservoirs & Standpipe	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
330200	342	Dist Reservoirs-Ground Level	0	0	0	0	0	0	0	0	0	0	0	0	0
331003	343	TD Mains Paving (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0
331100	343	TD Mains 4in & Less	0	0	0	0	0	0	0	0	0	0	0	0	0
331230	343	TD Mains 6in & Gtr (LI)	507,552	507,552	507,552	507,552	507,552	507,552	507,552	507,552	507,552	507,552	507,552	375,053	5,958,130
332000	344	Fire Mains	0	0	0	0	0	0	0	0	0	0	0	0	0
333000	345	Services	134,589	134,589	134,589	134,589	134,589	134,589	134,589	134,589	134,589	134,589	134,589	79,589	1,560,070
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	0
334130	346	Meters Other	4,583	2,083	2,083	39,583	114,583	152,083	189,583	152,083	27,083	39,583	2,083	2,083	727,500
334200	347	Meter Installations	0	0	0	0	0	0	0	0	0	0	0	0	0
335000	348	Hydrants	29,417	29,417	55,667	55,667	55,667	55,667	55,667	55,667	55,667	55,667	29,417	9,417	543,000
339600	303	Misc. Intangible Plant-CPS	0	0	0	0	0	0	0	0	0	0	0	0	0
340100	391	Office Furniture & Equip	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000
340200	391	Comp & Periph Equipment	0	0	0	6,250	18,750	25,000	31,250	25,000	12,500	6,250	0	0	125,000
340300	391	Computer Software	0	0	0	0	0	0	0	0	0	2,594,064	0	0	2,594,064
340400	391	Data Handling Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
340500	391	Other Office Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
341100	392	Trans Equip Lt Duty Trks	0	0	0	0	0	0	0	0	0	0	0	99,000	99,000
341300	392	Trans Equip Autos	0	0	0	0	0	0	0	0	0	0	0	86,000	86,000
341200	392	Trans Equip Heavy Duty Trks	0	0	0	0	0	0	0	0	0	0	0	0	0
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	0	0	0	0	200,000	200,000
342000	393	Stores Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
343000	394	Tools,Shop,Garage Equip	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	124,000
343100	394	Tools,Shop,Garage Equip Oth	0	0	0	0	0	0	0	0	0	0	0	0	0
344000	395	Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
345000	396	Power Operated Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
345100	396	Power Oper Equip Other	0	0	0	0	0	0	0	0	0	0	0	0	0
346100	397	Comm Equip Non-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0
346190	397	Remote Control & Instrument.	0	0	0	0	0	0	0	0	0	0	0	0	0
346200	397	Comm Equip-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0
347000	398	Misc Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Total			\$805,125	\$802,625	\$831,275	\$875,025	\$962,525	\$1,006,275	\$1,050,025	\$1,006,275	\$868,775	\$3,469,089	\$802,625	\$970,125	\$13,449,764

JDE Account	NY State Account	Description	2012						2013			Total			
			Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Jan	Feb	Mar
301000	301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
302000	302	Franchises	0	0	0	0	0	0	0	0	0	0	0	0	
303200	310	Land & Ld Rights SS	0	0	0	0	0	0	0	0	0	0	0	0	
303300	320	Land & Ld Rights P	0	0	0	0	0	0	0	0	0	0	0	0	
303500	340	Land & Ld Rights TD	0	0	0	0	0	0	0	0	0	0	0	0	
303501	340	Land TD	0	0	0	0	0	0	0	0	0	0	0	0	
303600	389	Land & Land Rights AG	0	0	0	0	0	0	0	0	0	0	0	0	
304200	321	Struct & Imp P	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	
304300	331	Struct & Imp WT	0	0	0	0	0	0	0	0	0	0	0	0	
304500	390	Struct & Imp AG	0	0	0	0	0	0	0	0	0	0	0	0	
304600	390	Struct & Imp Offices	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	
304700	390	Struct & Imp Store,Shop,Gar	0	0	0	0	0	0	0	0	0	0	0	0	
307000	314	Wells & Springs	0	0	0	0	0	0	0	0	0	0	0	0	
307200	314	Wells Only (LI)	27,083	27,083	27,083	27,083	27,083	27,083	27,083	17,083	27,083	27,083	27,083	315,000	
310000	323	Power Generation Equip Othe	0	0	0	0	0	0	0	0	0	0	0	0	
310200	322	Boiler Plant Equipment	0	0	0	0	0	0	0	0	0	0	0	0	
311200	325	Pump Equip Electric	39,483	39,483	39,483	39,483	39,483	39,483	38,283	38,283	39,083	39,083	39,083	470,200	
311300	326	Pump Equip Diesel	0	0	0	0	0	0	0	0	0	0	0	0	
311400	327	Pump Equip Hydraulic	0	0	0	0	0	0	0	0	0	0	0	0	
320100	332	WT Equip Non-Media	34,483	34,483	34,483	34,483	34,483	34,483	33,283	33,283	34,083	34,083	34,083	410,200	
320110	332	WT Equip Purification (LI)	0	0	0	0	0	0	0	0	0	0	0	0	
320200	332	WT Equip Filter Media	0	0	0	0	0	0	0	0	0	0	0	0	
330000	342	Dist Reservoirs & Standpipe	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	
330200	342	Dist Reservoirs-Ground Level	0	0	0	0	0	0	0	0	0	0	0	0	
331003	343	TD Mains Paving (LI)	0	0	0	0	0	0	0	0	0	0	0	0	
331100	343	TD Mains 4in & Less	0	0	0	0	0	0	0	0	0	0	0	0	
331230	343	TD Mains 6in & Grtr (LI)	507,552	507,552	507,552	507,552	507,552	507,552	507,552	375,053	507,552	507,552	507,552	5,958,130	
332000	344	Fire Mains	0	0	0	0	0	0	0	0	0	0	0	0	
333000	345	Services	134,589	134,589	134,589	134,589	134,589	134,589	134,589	79,589	147,089	147,089	147,089	1,597,570	
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	
334130	346	Meters Other	39,583	114,583	152,083	189,583	152,083	27,083	39,583	2,083	2,083	65,417	65,417	915,000	
334200	347	Meter Installations	0	0	0	0	0	0	0	0	0	0	0	0	
335000	348	Hydrants	55,667	55,667	55,667	55,667	55,667	55,667	29,417	9,417	29,417	29,417	55,667	543,000	
339600	303	Misc. Intangible Plant-CPS	0	0	0	0	0	0	0	0	0	0	0	0	
340100	391	Office Furniture & Equip	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000	
340200	391	Comp & Periph Equipment	6,250	18,750	25,000	31,250	25,000	12,500	6,250	0	0	0	0	125,000	
340300	391	Computer Software	0	0	0	0	0	0	2,594,064	0	0	0	0	2,594,064	
340400	391	Data Handling Equipment	0	0	0	0	0	0	0	0	0	0	0	0	
340500	391	Other Office Equipment	0	0	0	0	0	0	0	0	0	0	0	0	
341100	392	Trans Equip Lt Duty Trks	0	0	0	0	0	0	0	0	99,000	0	0	99,000	
341300	392	Trans Equip Autos	0	0	0	0	0	0	0	86,000	0	0	0	86,000	
341200	392	Trans Equip Heavy Duty Trks	0	0	0	0	0	0	0	0	0	0	0	0	
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	200,000	0	0	0	200,000	
342000	393	Stores Equipment	0	0	0	0	0	0	0	0	0	0	0	0	
343000	394	Tools,Shop,Garage Equip	10,333	10,333	10,333	10,333	10,333	10,333	10,333	10,333	12,083	12,083	12,083	129,250	
343100	394	Tools,Shop,Garage Equip Oth	0	0	0	0	0	0	0	0	0	0	0	0	
344000	395	Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0	
345000	396	Power Operated Equipment	0	0	0	0	0	0	0	0	0	0	0	0	
345100	396	Power Oper Equip Other	0	0	0	0	0	0	0	0	0	0	0	0	
346100	397	Comm Equip Non-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	
346190	397	Remote Control & Instrument.	0	0	0	0	0	0	0	0	0	0	0	0	
346200	397	Comm Equip-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	
347000	398	Misc Equipment	0	0	0	0	0	0	0	0	0	0	0	0	
Total			\$875,025	\$962,525	\$1,006,275	\$1,050,025	\$1,006,275	\$868,775	\$3,469,089	\$802,625	\$970,125	\$881,808	\$881,808	\$908,058	\$13,682,414

Long Island American Water  
 UPIS Year 2010 Retirements

Exhibit 12  
 Tab 31

JDE Account	NY State Account	Description	2 0 1 0												Total	\$0		
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec				
301000	301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302000	302	Franchises	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303200	310	Land & Ld Rights SS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303300	320	Land & Ld Rights P	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303500	340	Land & Ld Rights TD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303501	340	Land TD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
303600	389	Land & Land Rights AG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
304200	321	Struct & Imp P	0	1,000	4,013	0	0	0	0	(99)	846	0	1,537	(2,342)	4,956	0	0	
304300	331	Struct & Imp WT	0	2,500	0	0	0	0	0	0	0	0	0	0	2,500	0	0	
304500	390	Struct & Imp AG	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
304600	390	Struct & Imp Offices	0	211	0	0	0	0	0	0	0	0	0	0	211	0	0	
304700	390	Struct & Imp Store,Shop,Gar	0	240	0	0	0	0	0	0	0	0	0	0	240	0	0	
307000	314	Wells & Springs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
307200	314	Wells Only (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
310000	323	Power Generation Equip Othe	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
310200	322	Boiler Plant Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
311200	325	Pump Equip Electric	5,744	805	399	0	0	407	0	78	0	7,549	0	14,982	0	0	0	
311300	326	Pump Equip Diesel	0	0	0	0	0	0	0	0	15,821	60,728	0	76,550	0	0	0	
311400	327	Pump Equip Hydraulic	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
320100	332	WT Equip Non-Media	668	2,849	0	1,078	(1,078)	0	0	0	0	0	0	3,517	0	0	0	
320110	332	WT Equip Purification (LI)	1,950	0	0	0	0	0	0	933	0	(25)	2,857	0	0	0	0	
320200	332	WT Equip Filler Media	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
330000	342	Dist Reservoirs & Standpipe	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
330200	342	Dist Reservoirs-Ground Level	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
331003	343	TD Mains Paving (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
331100	343	TD Mains 4in & Less	0	0	0	112	0	0	0	217	434	0	763	0	0	0	0	
331230	343	TD Mains 6in & Grlr (LI)	33,382	3,939	0	1,272	2,824	0	1,544	2,645	7,372	12,929	4,115	70,022	0	0	0	
332000	344	Fire Mains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
333000	345	Services	0	2,814	0	0	1,026	0	3,085	0	0	2,520	(3,864)	5,581	0	0	0	
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
334130	346	Meters Other	0	0	1,310	0	0	1,377	0	3,591	0	(31,483)	(25,204)	0	0	0	0	
334200	347	Meter Installations	0	0	0	0	7	0	0	6	0	0	14	0	0	0	0	
335000	303	Hydrants	3,713	0	0	1,717	154	0	720	1,006	6,647	(2,658)	11,300	0	0	0	0	
339600	349	Misc. Intangible Plant-CPS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
340100	391	Office Furniture & Equip	0	0	5,611	0	0	0	0	0	0	0	5,611	0	0	0	0	
340200	391	Comp & Periph Equipment	10,525	0	100,320	0	0	0	0	903	4,188	8,930	124,866	0	0	0	0	
340300	391	Computer Software	0	0	0	0	0	0	0	0	0	(101)	(101)	0	0	0	0	
340400	391	Data Handling Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
340500	391	Other Office Equipment	0	0	592	0	0	0	0	0	0	592	0	0	0	0	0	
341100	392	Trans Equip Lt Duty Trks	0	0	0	0	32,300	0	0	0	0	0	32,300	0	0	0	0	
341300	392	Trans Equip Autos	0	0	0	0	139,975	0	0	0	0	0	139,975	0	0	0	0	
341200	392	Trans Equip Heavy Duty Trks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
342000	393	Stores Equipment	141	0	0	0	0	0	0	0	0	0	141	0	0	0	0	
343000	394	Tools,Shop,Garage Equip	0	0	0	1,496	0	0	0	0	481	(3,829)	(1,852)	0	0	0	0	
343100	394	Tools,Shop,Garage Equip Oth	0	0	0	0	0	0	1,443	0	(5,192)	(3,749)	0	0	0	0	0	
344000	395	Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
345000	396	Power Operated Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
345100	396	Power Oper Equip Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
346100	397	Comm Equip Non-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
346190	397	Remote Control & Instrument.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
346200	397	Comm Equip-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
347000	398	Misc Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total			\$56,123	\$14,357	\$112,245	\$5,675	\$176,279	\$307	\$1,951	\$7,794	\$14,952	\$40,501	\$81,265	(\$45,379)	\$466,069	0	0	0

Long Island American Water  
UPIS Year 2011 Retirements

Exhibit 12  
Tab 31

JDE NY State		2011												Total	
Account	Account	Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
301000	301	Organization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302000	302	Franchises	0	0	0	0	0	0	0	0	0	0	0	0	0
303200	310	Land & Ld Rights SS	0	0	0	0	0	0	0	0	0	0	0	0	0
303300	320	Land & Ld Rights P	0	0	0	0	0	0	0	0	0	0	0	0	0
303500	340	Land & Ld Rights TD	0	0	0	0	0	0	0	0	0	0	0	0	0
303501	340	Land TD	0	0	0	0	0	0	0	0	0	0	0	0	0
303600	389	Land & Land Rights AG	0	0	0	0	0	0	0	0	0	0	0	0	0
304200	321	Struct & Imp P	0	0	0	150	450	600	750	600	300	150	0	0	3,000
304300	331	Struct & Imp WT	0	0	0	0	0	0	0	0	0	62,500	0	0	62,500
304500	390	Struct & Imp AG	0	0	0	0	0	0	0	0	0	0	0	0	0
304600	390	Struct & Imp Offices	133	133	133	133	133	133	133	133	133	133	133	133	1,600
304700	390	Struct & Imp Store,Shop,Gar	0	0	0	0	0	0	0	0	0	0	0	0	0
307000	314	Wells & Springs	0	0	0	0	0	0	0	0	0	0	0	0	0
307200	314	Wells Only (LI)	2,583	2,583	12,208	15,780	15,780	15,780	3,655	6,655	6,655	6,655	83	83	88,500
310000	323	Power Generation Equip Othe	0	0	0	0	0	0	0	0	0	0	0	0	0
310200	322	Boiler Plant Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
311200	325	Pump Equip Electric	1,167	1,167	1,542	1,592	1,692	1,742	1,417	1,367	1,267	1,217	1,167	1,167	16,500
311300	326	Pump Equip Diesel	0	0	0	0	0	0	0	0	0	0	0	0	0
311400	327	Pump Equip Hydraulic	0	0	0	0	0	0	0	0	0	0	0	0	0
320100	332	WT Equip Non-Media	1,000	1,000	1,000	1,050	1,150	1,200	1,250	1,200	1,100	63,550	1,000	1,000	75,500
320110	332	WT Equip Purification (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0
320200	332	WT Equip Filter Media	0	0	0	0	0	0	0	0	0	0	0	0	0
330000	342	Dist Reservoirs & Standpipe	333	333	333	333	333	333	333	333	333	333	333	333	4,000
330200	342	Dist Reservoirs-Ground Level	0	0	0	0	0	0	0	0	0	0	0	0	0
331003	343	TD Mains Paving (LI)	0	0	0	0	0	0	0	0	0	0	0	0	0
331100	343	TD Mains 4in & Less	0	0	0	0	0	0	0	0	0	0	0	0	0
331230	343	TD Mains 6in & Grtr (LI)	6,875	6,875	6,875	6,875	6,875	6,875	6,875	6,875	6,875	26,875	26,875	26,875	142,500
332000	344	Fire Mains	0	0	0	0	0	0	0	0	0	0	0	0	0
333000	345	Services	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	0
334130	346	Meters Other	833	833	833	833	833	833	833	833	833	833	833	833	10,000
334200	347	Meter Installations	0	0	0	0	0	0	0	0	0	0	0	0	0
335000	348	Hydrants	417	417	417	417	417	417	417	417	417	417	417	417	5,000
339600	303	Misc. Intangible Plant-CPS	0	0	0	0	0	0	0	0	0	0	0	0	0
340100	391	Office Furniture & Equip	33	33	33	33	33	33	33	33	33	33	33	33	400
340200	391	Comp & Periph Equipment	417	417	417	417	417	417	417	417	417	417	417	417	5,000
340300	391	Computer Software	83	83	83	83	83	83	83	83	83	83	83	83	1,000
340400	391	Data Handling Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
340500	391	Other Office Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
341100	392	Trans Equip Lt Duty Trks	0	0	0	0	0	0	0	0	0	0	0	0	0
341300	392	Trans Equip Autos	0	0	0	0	0	0	0	0	0	0	0	0	0
341200	392	Trans Equip Heavy Duty Trks	0	0	0	0	0	0	0	0	0	0	0	0	0
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	0	0	0	0	0	0
342000	393	Stores Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
343000	394	Tools,Shop,Garage Equip	0	0	0	0	0	0	0	0	0	0	0	0	0
343100	394	Tools,Shop,Garage Equip Oth	0	0	0	0	0	0	0	0	0	0	0	0	0
344000	395	Laboratory Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
345000	396	Power Operated Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
345100	396	Power Oper Equip Other	0	0	0	0	0	0	0	0	0	0	0	0	0
346100	397	Comm Equip Non-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0
346190	397	Remote Control & Instrument.	0	0	0	0	0	0	0	0	0	0	0	0	0
346200	397	Comm Equip-Telephone	0	0	0	0	0	0	0	0	0	0	0	0	0
347000	398	Misc Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Total			\$15,542	\$15,542	\$25,542	\$29,363	\$29,863	\$30,113	\$17,863	\$20,613	\$20,113	\$164,863	\$33,042	\$33,042	\$435,500





Long Island American Water  
UPIS Accounts – Year 2010

Exhibit 12  
Tab 31

JDE Account	NY State Account	Description	2009												Total	13 Month Average			
			Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov			Dec		
301000	301	Organization	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$943	\$73
302000	302	Franchises	518	518	518	518	518	518	518	518	518	518	518	518	518	518	518	6,738	518
303200	310	Land & Ld Rights SS	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	5,662,821	435,602
303300	320	Land & Ld Rights P	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	2,114,157	162,627
303500	340	Land & Ld Rights TD	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	273,343	21,026
303501	340	Land TD	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	110,532	8,502
303600	389	Land & Land Rights AG	631	631	631	631	631	631	631	631	631	631	631	631	631	631	631	8,208	631
304200	321	Struct & Imp P	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	2,764,359	36,966,844	2,764,359
304300	331	Struct & Imp WT	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	7,952,505	103,611,523	7,952,505
304500	390	Struct & Imp AG	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	1,065,136	14,259,526	1,065,136
304600	390	Struct & Imp Offices	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	2,691,688	34,989,628	2,691,688
304700	390	Struct & Imp Store, Shop, Gar	549,125	549,125	549,125	549,125	549,125	549,125	549,125	549,125	549,125	549,125	549,125	549,125	549,125	549,125	549,125	7,135,997	549,125
307000	314	Wells & Springs	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	20,631,120	1,587,009
307200	314	Wells Only (LI)	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	4,428,796	57,574,353	4,428,796
310000	323	Power Generation Equip Othe	826,362	826,362	826,362	826,362	826,362	826,362	826,362	826,362	826,362	826,362	826,362	826,362	826,362	826,362	826,362	10,776,578	826,362
310200	322	Boiler Plant Equipment	16,690	16,690	16,690	16,690	16,690	16,690	16,690	16,690	16,690	16,690	16,690	16,690	16,690	16,690	16,690	50,070	16,690
311200	325	Pump Equip Electric	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	5,034,762	65,547,135	5,034,762
311300	326	Pump Equip Diesel	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	1,865,408	24,645,898	1,865,408
311400	327	Pump Equip Hydraulic	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870	7,870	178,015	7,870
320100	332	WT Equip Non-Media	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	2,424,087	31,471,625	2,424,087
320110	332	WT Equip Purification (LI)	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	10,163,564	132,099,230	10,163,564
320200	332	WT Equip Filter Media	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	2,859,215	219,170
330000	342	Dist Reservoirs & Standpipe	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	4,063,118	52,820,540	4,063,118
330200	342	Dist Reservoirs-Ground Level	9,622	9,622	9,622	9,622	9,622	9,622	9,622	9,622	9,622	9,622	9,622	9,622	9,622	9,622	9,622	156,869	9,622
331003	343	TD Mains Paving (LI)	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	6,697,962	86,398,970	6,697,962
331100	343	TD Mains 4in & Less	898,503	898,503	898,503	898,503	898,503	898,503	898,503	898,503	898,503	898,503	898,503	898,503	898,503	898,503	898,503	12,471,609	898,503
331200	343	TD Mains 6in & Gtr (LI)	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	42,882,734	582,703,061	42,882,734
332000	344	Fire Mains	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	26,480,905	2,036,993
333000	345	Services	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	30,494,870	409,123,321	30,494,870
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
334130	346	Meters Other	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	11,112,540	144,559,158	11,112,540
334200	347	Meter Installations	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	4,768,541	62,068,149	4,768,541
335000	348	Hydrants	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	6,220,118	84,143,272	6,220,118
339600	303	Misc. Intangible Plant-OPS	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1,330,727	(0)
340100	391	Office Furniture & Equip	291,775	291,775	291,775	291,775	291,775	291,775	291,775	291,775	291,775	291,775	291,775	291,775	291,775	291,775	291,775	3,736,959	291,775
340200	391	Comp & Periph Equipment	338,545	338,545	338,545	338,545	338,545	338,545	338,545	338,545	338,545	338,545	338,545	338,545	338,545	338,545	338,545	3,367,028	338,545
340300	391	Computer Software	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	2,096,241	27,254,542	2,096,241
340400	391	Data Handling Equipment	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	1,646,259	126,635
340500	391	Other Office Equipment	67,357	67,357	67,357	67,357	67,357	67,357	67,357	67,357	67,357	67,357	67,357	67,357	67,357	67,357	67,357	858,721	67,357
341100	392	Trans Equip Lt Duty Trks	127,222	127,222	127,222	127,222	127,222	127,222	127,222	127,222	127,222	127,222	127,222	127,222	127,222	127,222	127,222	1,395,489	127,222
341300	392	Trans Equip Heavy Duty Trks	153,753	153,753	153,753	153,753	153,753	153,753	153,753	153,753	153,753	153,753	153,753	153,753	153,753	153,753	153,753	878,989	153,753
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
342000	393	Stores Equipment	15,382	15,382	15,382	15,382	15,382	15,382	15,382	15,382	15,382	15,382	15,382	15,382	15,382	15,382	15,382	234,618	15,382
343000	394	Tools, Shop, Garage Equip	428,338	428,338	428,338	428,338	428,338	428,338	428,338	428,338	428,338	428,338	428,338	428,338	428,338	428,338	428,338	5,650,630	428,338
343100	394	Tools, Shop, Garage Equip Oth	149,353	149,353	149,353	149,353	149,353	149,353	149,353	149,353	149,353	149,353	149,353	149,353	149,353	149,353	149,353	1,939,570	149,353
344000	395	Laboratory Equipment	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	895,733	68,903
345000	396																		



Long Island American Water  
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JDE Account	NY State Account	Description	2011												Total	13 Month Average		
			Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov			Dec	
301000	301	Organization	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$73	\$943	\$73
302000	302	Franchises	518	518	518	518	518	518	518	518	518	518	518	518	518	518	6,738	518
303200	310	Land & Ld Rights SS	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	435,602	5,662,821	435,602
303300	320	Land & Ld Rights P	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	162,627	2,114,157	162,627
303500	340	Land & Ld Rights TD	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	21,026	273,343	21,026
303501	340	Land TD	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	8,502	110,532	8,502
303600	369	Land & Land Rights AG	631	631	631	631	631	631	631	631	631	631	631	631	631	631	8,208	631
304200	321	Struct & Imp P	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	2,954,877	38,673,403	2,974,877
304300	351	Struct & Imp WT	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	10,970,757	142,619,847	10,970,757
304500	350	Struct & Imp AG	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	1,271,427	16,528,546	1,271,427
304600	350	Struct & Imp Offices	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	2,743,533	36,045,525	2,772,733
304700	350	Struct & Imp Store,Shop,Gar	548,885	548,885	548,885	548,885	548,885	548,885	548,885	548,885	548,885	548,885	548,885	548,885	548,885	548,885	7,135,507	548,885
307000	314	Wells & Springs	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	1,587,009	20,631,120	1,587,009
307200	314	Wells Only (LI)	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	7,677,249	101,841,733	7,833,979
310000	323	Power Generation Equip Othe	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	1,593,232	20,712,015	1,593,232
310200	322	Boiler Plant Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
311200	325	Pump Equip Electric	5,805,019	5,842,053	5,879,086	5,917,319	5,955,553	5,993,786	6,032,019	6,070,253	6,108,486	6,146,719	6,184,953	6,223,186	6,259,019	6,295,019	78,416,253	6,032,019
311300	326	Pump Equip Diesel	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	1,895,909	24,646,812	1,895,909
311400	327	Pump Equip Hydraulic	25,073	25,073	25,073	25,073	25,073	25,073	25,073	25,073	25,073	25,073	25,073	25,073	25,073	25,073	325,954	25,073
320100	322	WT Equip Non-Media	6,687,075	6,719,275	6,751,475	6,783,675	6,815,875	6,848,075	6,880,275	6,912,475	6,944,675	6,976,875	7,009,075	7,041,275	7,073,475	7,105,675	89,505,971	6,885,075
320110	332	WT Equip Purification (LI)	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	10,160,707	132,089,166	10,160,707
320200	332	WT Equip Filter Media	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	219,170	2,849,215	219,170
330000	342	Dist Reservoirs & Standpipe	4,185,112	4,194,778	4,204,444	4,214,112	4,223,778	4,233,444	4,243,112	4,252,778	4,262,444	4,272,112	4,281,778	4,291,444	4,301,112	4,310,778	56,160,452	4,243,112
330200	342	Dist Reservoirs--Ground Level	13,418	13,418	13,418	13,418	13,418	13,418	13,418	13,418	13,418	13,418	13,418	13,418	13,418	13,418	174,432	13,418
331003	343	TD Mains Paving (LI)	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	6,614,857	85,993,144	6,614,857
331100	343	TD Mains 4in & Less	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	1,072,234	13,939,038	1,072,234
331230	343	TD Mains 6in & Grtr (LI)	53,730,598	54,231,276	54,731,953	55,232,631	55,733,308	56,233,986	56,734,663	57,235,341	57,736,018	58,236,696	58,737,373	59,238,051	59,608,228	60,008,405	737,418,121	56,724,471
332000	344	Fire Mains	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	2,036,993	26,480,905	2,036,993
333000	345	Services	34,245,957	34,378,680	34,511,402	34,644,125	34,776,847	34,909,570	35,042,292	35,175,015	35,307,737	35,440,460	35,573,182	35,705,905	35,838,627	35,971,350	455,510,401	35,039,262
334100	346	Meters	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
334130	346	Meters Other	11,982,422	11,984,922	11,987,422	11,989,922	11,992,422	11,994,922	11,997,422	11,999,922	12,002,422	12,004,922	12,007,422	12,009,922	12,012,422	12,014,922	160,176,480	12,321,268
334200	347	Meter Installations	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	4,784,413	62,197,365	4,784,413
335000	348	Hydrants	7,251,352	7,260,352	7,269,352	7,278,352	7,287,352	7,296,352	7,305,352	7,314,352	7,323,352	7,332,352	7,341,352	7,350,352	7,359,352	7,368,352	97,874,572	7,528,813
339600	303	Misc. Intangible Plant-CPS	147,989	147,989	147,989	147,989	147,989	147,989	147,989	147,989	147,989	147,989	147,989	147,989	147,989	147,989	1,823,858	147,989
340100	381	Office Furniture & Equip	298,177	300,394	302,611	304,827	307,044	309,261	311,477	313,694	315,911	318,127	320,344	322,561	324,778	326,995	3,994,206	306,477
340200	391	Comp & Periph Equipment	287,447	288,197	288,947	289,697	290,447	291,197	291,947	292,697	293,447	294,197	294,947	295,697	296,447	297,197	4,401,805	338,800
340300	391	Computer Software	2,097,945	2,097,862	2,097,779	2,097,695	2,097,612	2,097,529	2,097,445	2,097,362	2,097,279	2,097,195	2,097,112	2,097,028	2,096,945	2,096,862	35,048,980	2,896,075
340400	391	Data Handling Equipment	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	126,635	1,646,259	126,635
340500	391	Other Office Equipment	66,765	66,765	66,765	66,765	66,765	66,765	66,765	66,765	66,765	66,765	66,765	66,765	66,765	66,765	847,946	66,765
341100	392	Trans Equip Lt Duty Trks	163,922	163,922	163,922	163,922	163,922	163,922	163,922	163,922	163,922	163,922	163,922	163,922	163,922	163,922	2,229,990	171,538
341300	392	Trans Equip Autos	68,778	68,778	68,778	68,778	68,778	68,778	68,778	68,778	68,778	68,778	68,778	68,778	68,778	68,778	980,115	75,393
341200	392	Trans Equip Heavy Duty Trks	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	1,690,000	130,000
341400	392	Trans Equip Backhoes	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000	15,385	
342000	393	Stores Equipment	20,312	20,312	20,312	20,312	20,312	20,312	20,312	20,312	20,312	20,312	20,312	20,312	20,312	20,312	264,052	20,312
343000	394	Tools,Shop,Garage Equip	582,740	593,073	603,406	613,740	624,073	634,406	644,739	655,073	665,406	675,739	686,073	696,406	706,739	717,073	8,381,613	644,739
343100	394	Tools,Shop,Garage Equip Oth	153,102	153,102	153,102	153,102	153,102	153,102	153,102	153,102	153,102	153,102	153,102	153,102	153,102	153,102	1,990,328	153,102
344000	395	Laboratory Equipment	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	68,903	895,733	68,903
345000	396	Power Operated Equipment	69,130	69,130	69,130	69,130	69,130	69,130	69,130	69,130	69,130	69,130	69,130	69,130	69,130	69,130	898,688	69,130
345100	396	Power Oper Equip Other	1															



Long Island American Water  
Accumulated Depreciation Reserve

Exhibit 12  
Tab 31

	2009												2010												13 Month Average				
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept		Oct	Nov	Dec	Total
Depreciation Reserve Balance Beg.of Month	\$44,091,938	\$44,091,938	\$44,284,813	\$44,537,086	\$44,699,970	\$44,946,110	\$45,036,156	\$45,309,004	\$45,571,463	\$45,841,051	\$46,068,447	\$46,293,739	\$46,434,866		\$44,091,938	\$44,284,813	\$44,537,086	\$44,699,970	\$44,946,110	\$45,036,156	\$45,309,004	\$45,571,463	\$45,841,061	\$46,068,447	\$46,293,739	\$46,434,866	\$46,722,931	\$589,837,582	\$45,372,122
Monthly Provision - Depr. on Plant at 12/31/09		279,559	279,970	280,233	279,648	280,080	276,878	278,524	279,991	280,874	282,383	283,140	283,413	3,384,694															
Depr. On Net Adds 2011														0															0
Depr. On Net Adds 2012														0															0
Depr. On Net Adds Rate Year														0															0
Retirements		(56,123)	(14,357)	(112,245)	(5,675)	(176,279)	(307)	(1,951)	(7,794)	(14,952)	(40,501)	(81,265)	45,379	(466,069)															0
Removal and Salvage(net)		(30,581)	(13,340)	(5,104)	(27,833)	(13,755)	(3,724)	(14,113)	(2,600)	(38,536)	(16,590)	(60,749)	(40,726)	(267,631)															0

	2010												2011												13 Month Average				
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept		Oct	Nov	Dec	Total
Depreciation Reserve Balance Beg.of Month		\$46,722,931	\$46,981,485	\$47,240,038	\$47,488,591	\$47,733,323	\$47,977,554	\$48,221,536	\$48,477,768	\$48,731,250	\$48,985,231	\$49,094,463	\$49,335,516		\$46,722,931	\$46,981,485	\$47,240,038	\$47,488,591	\$47,733,323	\$47,977,554	\$48,221,536	\$48,477,768	\$48,731,250	\$48,985,231	\$49,094,463	\$49,335,516	\$49,576,569	\$626,566,256	\$48,197,404
Monthly Provision-Depr. on 2010 Average Plant		281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	3,379,992															
Mon. Prov. - Depr. On Net Adds 2011		24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	294,396															0
Mon. Prov. - Depr. On Net Adds 2012														0															0
Depr. On Net Adds Rate Year-2013														0															0
Retirements		(15,542)	(15,542)	(25,542)	(29,363)	(29,863)	(30,113)	(17,863)	(20,613)	(20,113)	(164,863)	(33,042)	(33,042)	(435,500)															0
Removal and Salvage(net)		(32,104)	(32,104)	(32,104)	(32,104)	(32,104)	(32,104)	(32,104)	(32,104)	(32,104)	(32,104)	(32,104)	(32,104)	(385,250)															0

	2011												2012												13 Month Average				
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept		Oct	Nov	Dec	Total
Depreciation Reserve Balance Beg.of Month		\$49,576,569	\$49,872,999	\$50,169,429	\$50,465,859	\$50,762,289	\$51,058,719	\$51,355,149	\$51,651,579	\$51,948,009	\$52,244,439	\$52,540,869	\$52,837,299		\$49,576,569	\$49,872,999	\$50,169,429	\$50,465,859	\$50,762,289	\$51,058,719	\$51,355,149	\$51,651,579	\$51,948,009	\$52,244,439	\$52,540,869	\$52,837,299	\$53,133,729	\$667,616,942	\$51,355,149
Monthly Provision-Depr. on 2010 Average Plant		281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	3,379,992															
Mon. Prov. - Depr. On Net Adds 2011		24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	294,396															0
Mon. Prov. - Depr. On Net Adds 2012		28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	347,772															0
Depr. On Net Adds Rate Year-2013														0															0
Retirements		(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(197,500)															0
Removal and Salvage(net)		(22,292)	(22,292)	(22,292)	(22,292)	(22,292)	(22,292)	(22,292)	(22,292)	(22,292)	(22,292)	(22,292)	(22,292)	(267,500)															0

	2012												2013			13 Month Average
	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total		
Depreciation Reserve Balance Beg.of Month		\$50,465,859	\$50,753,289	\$51,040,719	\$51,328,149	\$51,615,579	\$51,903,009	\$52,190,439	\$52,477,869	\$52,765,299	\$53,052,729	\$53,336,974	\$53,621,218			
Monthly Provision-Depr. on 2010 Average Plant		281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	281,666	3,379,992		
Mon. Prov. - Depr. On Net Adds 2011		24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	24,533	294,396		
Mon. Prov. - Depr. On Net Adds 2012		28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	28,981	347,772		
Depr. On Net Adds Rate Year-March 2013											9,731	9,731	9,731	29,193		
Retirements		(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(16,458)	(29,375)	(29,375)	(29,375)	(236,250)		
Removal and Salvage(net)		(31,292)	(31,292)	(31,292)	(31,292)	(31,292)	(31,292)	(31,292)	(31,292)	(31,292)	(31,292)	(31,292)	(31,292)	(375,500)		
Depreciation Reserve Balance End of Month		\$50,465,859	\$50,753,289	\$51,040,719	\$51,328,149	\$51,615,579	\$51,903,009	\$52,190,439	\$52,477,869	\$52,765,299	\$53,052,729	\$53,336,974	\$53,621,218	\$53,905,462		

Long Island American Water  
 Depreciation Expense - For Accumulated Provision for Depreciation

Exhibit 12  
 Tab 31

JDE Account	NY State Account	Description	Depreciation Rates	13 mos. Average									
				UPIS 2010	2010 Deprec. Exp.	2011 Net Additions	2011 Net Adds. Deprec. Exp.	2012 Net Additions	2012 Net Adds. Deprec. Exp.	1st Qtr. 2013 Net Additions	1st Qtr. 2013 Net Adds Deprec. Exp.		
301000	301	Organization	0.00%	\$73	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
302000	302	Franchises	0.00%	518	0	0	0	0	0	0	0	0	0
303200	310	Land & Ld Rights SS	0.00%	435,602	0	0	0	0	0	0	0	0	0
303300	320	Land & Ld Rights P	0.00%	162,627	0	0	0	0	0	0	0	0	0
303500	340	Land & Ld Rights TD	0.00%	21,026	0	0	0	0	0	0	0	0	0
303501	340	Land TD	0.00%	8,502	0	0	0	0	0	0	0	0	0
303600	389	Land & Land Rights AG	0.00%	631	0	0	0	0	0	0	0	0	0
304200	321	Struct & Imp P	1.99%	2,765,911	55,097	51,635	1,029	157,331	3,134	10,000	50	50	50
304300	331	Struct & Imp WT	1.99%	7,970,117	158,765	2,345,304	46,718	655,337	13,054	0	0	0	0
304500	390	Struct & Imp AG	1.64%	1,096,887	18,033	174,540	2,969	0	0	0	0	0	0
304600	390	Struct & Imp Offices	1.64%	2,691,510	44,248	27,518	452	53,705	883	14,600	60	60	60
304700	390	Struct & Imp Store,Shop,Gar	2.86%	548,922	15,677	(37)	(1)	0	0	0	0	0	0
307000	314	Wells & Springs	3.32%	1,587,009	52,752	0	0	0	0	0	0	0	0
307200	314	Wells Only (LI)	1.99%	4,428,796	88,222	1,174,655	23,399	2,230,528	44,432	73,365	365	365	365
310000	323	Power Generation Equip Other	4.00%	828,968	33,126	588,411	23,513	175,853	7,027	0	0	0	0
310200	322	Boiler Plant Equipment	0.00%	3,852	0	(3,852)	0	0	0	0	0	0	0
311200	325	Pump Equip Electric	2.70%	5,042,087	136,136	399,104	10,776	590,828	15,952	113,685	767	767	767
311300	326	Pump Equip Diesel	2.70%	1,895,838	51,188	71	2	0	0	0	0	0	0
311400	327	Pump Equip Hydraulic	2.70%	13,693	370	11,380	307	0	0	0	0	0	0
320100	332	WT Equip Non-Media	1.67%	2,420,894	40,381	3,156,799	52,655	1,307,382	21,807	99,185	414	414	414
320110	332	WT Equip Purification (LI)	3.74%	10,161,479	380,446	(773)	(29)	0	0	0	0	0	0
320200	332	WT Equip Filter Media	3.74%	219,170	8,206	0	0	0	0	0	0	0	0
330000	342	Dist Reservoirs & Standpipe	1.33%	4,063,118	54,121	65,437	872	114,556	1,526	26,115	87	87	87
330200	342	Dist Reservoirs-Ground Level	1.33%	12,067	160	1,351	18	0	0	0	0	0	0
331003	343	TD Mains Paving (LI)	1.18%	6,646,075	78,158	(31,217)	(367)	0	0	0	0	0	0
331100	343	TD Mains 4in & Less	2.50%	959,355	23,946	112,879	2,817	0	0	0	0	0	0
331230	343	TD Mains 6in & Grtr (LI)	1.00%	44,823,312	446,440	5,504,126	54,821	6,397,033	63,714	1,471,456	3,664	3,664	3,664
332000	344	Fire Mains	1.99%	2,036,993	40,577	0	0	0	0	0	0	0	0
333000	345	Services	1.99%	31,471,025	626,903	2,047,372	40,784	1,520,865	30,296	391,844	1,952	1,952	1,952
334100	346	Meters	3.85%	0	0	0	0	0	0	0	0	0	0
334130	346	Meters Other	3.85%	11,119,935	428,117	530,741	20,434	670,591	25,818	190,577	1,834	1,834	1,834
334200	347	Meter Installations	2.50%	4,774,473	119,171	9,940	248	0	0	0	0	0	0
335000	348	Hydrants	1.43%	6,472,559	92,428	543,908	7,767	512,346	7,316	132,865	474	474	474
339600	303	Misc. Intangible Plant-CPS	20.00%	102,364	20,473	45,625	9,125	0	0	0	0	0	0
340100	391	Office Furniture & Equip	3.79%	287,458	10,895	5,593	212	13,426	509	3,650	35	35	35
340200	391	Comp & Periph Equipment	10.00%	259,002	25,900	7,060	706	72,538	7,254	25,481	637	637	637
340300	391	Computer Software	10.00%	2,096,503	209,650	1,942	194	597,630	59,763	598,380	14,960	14,960	14,960
340400	391	Data Handling Equipment	10.00%	126,635	12,664	0	0	0	0	0	0	0	0
340500	391	Other Office Equipment	4.74%	66,902	3,171	(137)	(6)	0	0	0	0	0	0
341100	392	Trans Equip Lt Duty Trks	16.67%	107,345	17,894	(7,115)	(1,166)	71,308	11,887	22,846	952	952	952
341300	392	Trans Equip Autos	20.00%	67,615	13,523	(49,606)	(9,921)	57,385	11,477	19,846	992	992	992
341200	392	Trans Equip Heavy Duty Trks	12.50%	0	0	10,000	1,250	120,000	15,000	0	0	0	0
341400	392	Trans Equip Backhoes	14.29%	0	0	0	0	15,385	2,188	46,154	1,649	1,649	1,649
342000	393	Stores Equipment	3.80%	18,048	687	2,264	86	0	0	0	0	0	0
343000	394	Tools,Shop,Garage Equip	3.80%	434,664	16,535	85,880	3,267	124,196	4,724	31,808	303	303	303
343100	394	Tools,Shop,Garage Equip Oth	4.00%	149,198	5,962	3,904	156	0	0	0	0	0	0
344000	395	Laboratory Equipment	3.80%	68,903	2,621	0	0	0	0	0	0	0	0
345000	396	Power Operated Equipment	8.89%	69,130	6,147	0	0	0	0	0	0	0	0
345100	396	Power Oper Equip Other	5.33%	11,650	621	0	0	0	0	0	0	0	0
346100	397	Comm Equip Non-Telephone	9.00%	167,053	15,035	663	60	0	0	0	0	0	0
346190	397	Remote Control & Instrument	9.00%	104,602	9,414	7,577	682	0	0	0	0	0	0
346200	397	Comm Equip-Telephone	9.00%	48,835	4,215	7,577	682	0	0	0	0	0	0
347000	398	Misc Equipment	6.32%	188,361	11,912	0	0	0	0	0	0	0	0
Total Utility Plant In-Service				159,055,292		16,830,519		15,458,223		3,271,857			
Depreciable UPIS / Deprec. Expense				\$158,426,313	\$3,379,987	\$16,830,519	\$294,391	\$15,458,223	\$347,771	\$3,271,857	\$29,193	\$29,193	\$29,193
Annual Depreciation on Net UPIS Additions							\$294,391		\$347,771		\$29,193	\$29,193	\$29,193
Monthly Depreciation on Net UPIS Additions							\$24,533		\$28,981		\$9,731	\$9,731	\$9,731
Total Pro Forma Annual Depreciation					\$3,379,987		\$3,674,378		\$4,022,149		\$4,051,342	\$4,051,342	\$4,051,342
Total Pro Forma Monthly Provision					\$281,666		\$306,198		\$335,179		\$337,612	\$337,612	\$337,612

LONG ISLAND AMERICAN WATER  
 CONSTRUCTION WORK IN PROGRESS  
 Prepared for 2011 Rate Case

Exhibit 12  
 Tab 31

	TOTAL CWIP-A/C 107 BALANCE	SUB TOTALS FOR NON-INTEREST BEARING CWIP	SUB TOTALS FOR INTEREST BEARING CWIP
	<u>BALANCE</u>	<u>BALANCE</u>	<u>BALANCE</u>
DEC'09	\$3,055,445	\$273,784	\$2,781,661
JAN' 10	3,130,032	238,597	2,891,435
FEB' 10	4,226,396	241,316	3,985,080
MAR' 10	5,138,414	306,953	4,831,462
APR' 10	6,687,976	340,107	6,347,868
MAY' 10	8,231,374	445,618	7,785,756
JUN' 10	8,234,844	161,872	8,072,972
JUL' 10	8,952,125	110,404	8,841,721
AUG' 10	9,583,782	193,341	9,390,442
SEPT' 10	9,343,986	159,493	9,184,493
OCT' 10	10,119,541	269,049	9,850,491
NOV' 10	10,535,798	391,809	10,143,989
DEC' 10	10,150,777	280,843	9,869,934
TOTAL			
13 MO. AVG.-2010	\$7,491,576	\$262,553	\$7,229,023
13 MO. AVG.-2011	7,491,576	262,553	7,229,023
13 MO. AVG.-2012	7,491,576	262,553	7,229,023
13 MO. AVG.-2013	7,491,576	262,553	7,229,023



LONG ISLAND AMERICAN WATER  
PLANT HELD FOR FUTURE USE - BALANCES

Exhibit 12  
Tab 31

103000	A/C's	DESCRIPTION	2009	2010												13 Month Average	A/C's
			Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
	105	Plant Held for Future Use	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$1,442,129	103000
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		BALANCE	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$1,442,129	\$110,933

103000	A/C's	DESCRIPTION	2010	2011												13 Month Average	A/C's
			Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
	105	Plant Held for Future Use	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$1,442,129	103000
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		BALANCE	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$1,442,129	\$110,933

103000	A/C's	DESCRIPTION	2011	2012												13 Month Average	A/C's
			Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
	105	Plant Held for Future Use	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$1,442,129	103000
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		BALANCE	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$1,442,129	\$110,933

103000	A/C's	DESCRIPTION	<----- 2012 ----->												<----- 2013 ----->			13 Month Average	A/C's
			Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total			
	105	Plant Held for Future Use	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$1,442,129	103000
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
		BALANCE	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$110,933	\$1,442,129	\$110,933

LONG ISLAND AMERICAN WATER  
INVENTORY  
Prepared for 2011 Rate Case

Exhibit 12  
Tab 31

A/C's	DESCRIPTION	2009	2010											Total	13 Month Average	
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov			Dec
151100	Plant Materials	\$386,392	\$382,230	\$408,433	\$425,771	\$373,000	\$362,055	\$336,264	\$365,472	\$362,176	\$364,605	\$360,188	\$318,580	\$358,706	\$4,813,872	
151200	Fuel	133,667	131,929	136,034	140,695	148,681	149,224	155,761	131,383	130,301	152,435	146,781	166,780	179,346	1,903,017	
151300	Chemicals	93,121	93,163	91,968	84,072	87,854	86,544	55,623	63,113	69,244	85,327	83,610	60,441	71,159	1,025,239	
153000	Other M&S	5,033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,033	
TEST YEAR BALANCE		\$618,213	\$607,322	\$636,435	\$650,538	\$609,535	\$597,823	\$547,648	\$559,968	\$561,721	\$592,367	\$590,579	\$545,801	\$609,211	\$7,747,161	\$595,935

Escalator Factor - Inflation Factor from Ex 9  
Year 2011 605,410  
Year 2012 615,036  
Rate Year 4/1/12-3/31/13 617,481

INVENTORY - ACTIVITY

A/C's	DESCRIPTION	2009	2010											Total	
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov		Dec
151100	Plant Materials	\$386,392	(\$4,162)	\$26,203	\$17,338	(\$52,771)	(\$10,945)	(\$25,791)	\$29,208	\$16,704	(\$27,571)	\$5,583	(\$41,608)	\$40,126	\$358,706
151200	Fuel	133,667	(1,738)	4,105	4,861	7,986	543	6,537	(24,378)	(1,082)	22,134	(5,654)	19,999	12,566	179,346
151300	Chemicals	93,121	42	(1,195)	(7,896)	3,782	(1,310)	(30,921)	7,490	6,131	16,083	(1,717)	(23,169)	10,718	71,159
153000	Other M&S	\$5,033	(\$5,033)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BALANCE		\$618,213	(\$10,891)	\$29,113	\$14,103	(\$41,003)	(\$11,712)	(\$50,175)	\$12,320	\$21,753	\$10,646	(\$1,788)	(\$44,778)	\$63,410	\$609,211

LONG ISLAND AMERICAN WATER  
 PREPAYMENTS - BALANCES  
 Prepared for 2011 Rate Case

Exhibit 12  
 Tab 31

A/C's	DESCRIPTION	2010												Total	13 Month Average	
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov			Dec
165100	Prepaid Taxes	\$541,900	\$55,610	\$1,856,444	\$2,137,077	\$874,047	\$382,177	\$1,611,428	\$479,265	\$2,276,905	\$2,495,178	\$1,286,427	\$1,236,186	\$1,250,430	\$15,941,175	\$1,226,244
165200	Prepaid Insurance	8,573	264,390	199,547	330,053	244,653	173,530	88,248	218,537	133,525	48,210	178,465	93,150	7,835	1,980,143	152,319
165300	Prepaid PSC Assessments	32,670	21,780	10,890	44,385	36,987	29,589	22,191	14,793	1,129	51,904	43,253	34,602	25,951	337,454	25,958
165400	Prepaid Audit Fees	734	8,255	2,751	10,089	4,337	5,503	7,051	1,972	3,945	7,849	13,685	8,896	14,732	89,065	6,851
165500	Prepaid Other	38,032	39,202	32,864	48,878	50,681	54,921	54,918	58,831	56,811	50,659	56,969	38,901	39,416	583,051	44,850
BALANCE		\$621,909	\$389,237	\$2,102,496	\$2,570,482	\$1,210,705	\$645,720	\$1,783,836	\$773,398	\$2,472,315	\$2,653,800	\$1,578,799	\$1,411,735	\$1,338,364	\$18,930,886	\$1,456,222

A/C's	DESCRIPTION	13 month Average Balances						
		Test Yr-2010	Escalator	2011	Escalator	2012	Escalator	Rate Year-2013
165100	Prepaid Property/School Taxes	\$1,226,244	0.00%	\$1,226,244	8.13%	\$1,325,912	2.55%	\$1,334,355
165200	Prepaid Insurance	152,319	0.00%	152,319	0.00%	152,319	1.75%	152,319
165300	Prepaid PSC Assessments	25,958	1.59%	27,650	1.59%	22,192	1.59%	22,545
165400	Prepaid Audit Fees	6,851	1.59%	6,960	1.59%	7,071	1.59%	7,099
165500	Prepaid Other	\$44,850	1.59%	\$45,563	1.59%	\$46,287	1.59%	\$46,471
BALANCE		<u>1,456,222</u>		<u>1,458,736</u>		<u>1,553,781</u>		<u>1,562,789</u>

LONG ISLAND AMERICAN WATER  
CUSTOMER ADVANCES - ACTIVITY

Exhibit 12  
Tab 31

A/C's	DESCRIPTION	2009	2010												13 Month Average			
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total		
252120	CA-Non Taxable Extensions	\$363,111	\$0	\$0	\$0	\$0	(\$78,971)	(\$120,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$198,971)	
252160	CA-Non Taxable Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Other																0	
	Total		\$0	\$0	\$0	(\$78,971)	(\$120,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$198,971)	
	BALANCE	\$363,111	\$363,111	\$363,111	\$363,111	\$284,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$3,049,704	\$234,593

A/C's  
252&271120  
252&271160  
252xxx

A/C's	DESCRIPTION	2010	2011												13 Month Average			
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total		
252120	CA-Non Taxable Extensions		(\$98,713)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$98,713)	
252160	CA-Non Taxable Other																0	
	Other																0	
	Total		(\$98,713)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$98,713)	
	BALANCE	\$164,140	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$949,264	\$73,020

A/C's  
252&271120  
252&271160  
252xxx

A/C's	DESCRIPTION	2011	2012												13 Month Average			
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total		
252120	CA-Non Taxable Extensions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
252160	CA-Non Taxable Other																0	
	Other																0	
	Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	BALANCE	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$850,551	\$65,427

A/C's  
252&271120  
252&271160  
252xxx

A/C's	DESCRIPTION	2012												2013			13 Month Average	
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total			
252120	CA-Non Taxable Extensions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
252160	CA-Non Taxable Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	BALANCE	65,427	65,427	65,427	65,427	65,427	65,427	65,427	65,427	65,427	65,427	65,427	65,427	65,427	65,427	65,427	850,551	65,427

A/C's  
252&271120  
252&271160  
252xxx

LONG ISLAND AMERICAN WATER  
 CUSTOMER ADVANCES - BALANCES  
 Prepared for 2011 Rate Case

Exhibit 12  
 Tab 31

A/C's	DESCRIPTION	2009	2010												13 Month Average	A/C's		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec			Total	
252120	CA-Non Taxable Extensions	\$363,111	\$363,111	\$363,111	\$363,111	\$284,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$3,049,704	252&271120
252160	CA-Non Taxable Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252&271160
	Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252xxx
BALANCE		\$363,111	\$363,111	\$363,111	\$363,111	\$284,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$164,140	\$3,049,704	\$234,593

A/C's	DESCRIPTION	2010	2011												13 Month Average	A/C's		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec			Total	
252120	CA-Non Taxable Extensions	\$164,140	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$949,264	252&271120
252160	CA-Non Taxable Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252&271160
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252xxx
BALANCE		\$164,140	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$949,264	\$73,020

A/C's	DESCRIPTION	2011	2012												13 Month Average	A/C's		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec			Total	
252120	CA-Non Taxable Extensions	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$850,551	252&271120
252160	CA-Non Taxable Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252&271160
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252xxx
BALANCE		\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$850,551	\$65,427

A/C's	DESCRIPTION	2012										2013			13 Month Average	A/C's		
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar			Total	
252120	CA-Non Taxable Extensions	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$850,551	252&271120
252160	CA-Non Taxable Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252&271160
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252xxx
BALANCE		\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$65,427	\$850,551	\$65,427

LONG ISLAND AMERICAN WATER  
DEFERRED DEBIT - Expenses & Activity  
Prepared for 2011 Rate Case

Deferred Debit - Activity

Exhibit 12  
Tab 31

A/C's	DESCRIPTION	2009	2010												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
186401	Tank Painting		(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$32,884)	
182000	2007 Rate Case		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(120,000)	
182000	2010 Rate Case		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
183280	Customer Service Project		(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(4,218)	(50,616)	
183281	Financial Service Project		(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(6,257)	(75,084)	
182000	Asbestos Removal		(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(3,861)	(46,330)	
182000	Pension Actuarial Study		0	0	0	50,000	0	10,000	0	0	0	0	4,613	0	0	(0)	
183000	Intentionally Left Blank													0	0	0	
186401	Intentionally Left Blank													0	0	0	
	Total		(27,076)	(27,076)	(27,076)	22,924	(27,076)	(17,076)	(27,076)	(27,076)	(27,076)	(27,076)	(27,076)	(22,463)	(27,076)	(260,301)	
BALANCE		903,494	876,418	849,342	822,265	845,189	818,113	801,037	773,961	746,885	719,808	692,732	670,269	643,193	10,162,706	781,747	
A/C's	DESCRIPTION	2010	2011												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
186401	Tank Painting		(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$32,884)	
182000	2007 Rate Case		(10,000)	(10,000)	(10,000)	0	0	0	0	0	0	0	0	0	0	(30,000)	
182000	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
183280	Customer Service Project		(4,218)	(4,218)	(4,218)	(6,414)	0	0	0	0	0	0	0	0	0	(19,068)	
183281	Financial Service Project		(6,257)	(6,257)	(6,257)	(6,260)	0	0	0	0	0	0	0	0	0	(25,031)	
182000	Asbestos Removal		(3,861)	(3,861)	(3,861)	0	0	0	0	0	0	0	0	0	0	(11,583)	
182000	Pension Actuarial Study		0	0	18,000	18,000	0	0	0	0	0	0	0	0	0	0	
183000	Intentionally Left Blank													0	0	0	
186401	Intentionally Left Blank													0	0	0	
	Total		(27,076)	(27,076)	(9,076)	2,586	(2,740)	(2,740)	(2,740)	(2,740)	(2,740)	(2,740)	(2,740)	(2,740)	(2,740)	(82,566)	
BALANCE		643,193	616,117	589,040	579,964	582,550	579,810	577,069	574,329	571,589	568,848	566,108	563,368	560,627	7,572,611	582,509	
A/C's	DESCRIPTION	2011	2012												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
186401	Tank Painting		(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$32,884)	
182000	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
182000	2010 Rate Case		0	0	0	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(175,000)	
183280	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
183281	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
182000	Asbestos Removal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
182000	Pension Actuarial Study		0	0	0	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(72,333)	
183000	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
186401	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total		(2,740)	(2,740)	(2,740)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(280,217)	
BALANCE		560,627	557,887	555,147	552,406	522,184	491,963	461,741	431,519	401,297	371,075	340,854	310,632	280,410	5,837,741	449,057	
A/C's	DESCRIPTION	2012												13 Month Average			
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb		Mar	Total	
186401	Tank Painting		(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$2,740)	(\$32,884)	
182000	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
182000	2010 Rate Case		(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(19,444)	(233,333)	
183280	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
183281	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
182000	Asbestos Removal		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
182000	Pension Actuarial Study		(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(8,037)	(96,444)	
183000	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
186401	Intentionally Left Blank		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Total		(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(30,222)	(362,662)	
BALANCE		552,406	522,184	491,963	461,741	431,519	401,297	371,075	340,854	310,632	280,410	250,188	219,966	189,744	4,823,979	371,075	

LONG ISLAND AMERICAN WATER  
 DEFERRED DEBIT - Expenses & Activity  
 Prepared for 2011 Rate Case

Exhibit 12  
 Tab 31

Deferred Debit - Expenses

A/C's	DESCRIPTION	2010												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov		Dec	Total
186401	Tank Painting	\$337,062	\$334,322	\$331,581	\$328,841	\$326,101	\$323,360	\$320,620	\$317,860	\$315,139	\$312,399	\$309,659	\$306,918	\$304,178	\$4,168,060	\$320,620
182000	2007 Rate Case	150,000	140,000	130,000	120,000	110,000	100,000	90,000	80,000	70,000	60,000	50,000	40,000	30,000	1,170,000	90,000
182000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
183280	Customer Service Project	69,684	65,466	61,248	57,030	52,812	48,594	44,376	40,158	35,940	31,722	27,504	23,286	19,068	576,888	44,376
183281	Financial Service Project	100,115	93,858	87,601	81,344	75,087	68,830	62,573	56,316	50,059	43,802	37,545	31,288	25,031	813,449	62,573
182000	Asbestos Removal	57,913	54,052	50,191	46,330	42,470	38,609	34,748	30,887	27,026	23,165	19,305	15,444	11,583	451,723	34,748
182000	Pension Actuarial Study	188,720	188,720	188,720	188,720	238,720	238,720	248,720	248,720	248,720	248,720	248,720	253,333	253,333	2,982,586	229,430
183000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
186401	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	903,494	876,418	849,342	822,265	845,189	818,113	801,037	773,961	746,885	719,808	692,732	670,269	643,193	10,162,706	781,747

A/C's	DESCRIPTION	2011												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov		Dec	Total
186401	Tank Painting	\$304,178	\$301,438	\$298,697	\$295,957	\$293,217	\$290,476	\$287,736	\$284,996	\$282,255	\$279,515	\$276,775	\$274,034	\$271,294	\$3,740,567	\$287,736
182000	2007 Rate Case	30,000	20,000	10,000	0	0	0	0	0	0	0	0	0	0	60,000	4,615
182000	2011 Rate Case	0	1,368	21,446	81,446	141,446	201,446	261,446	321,446	381,446	441,446	500,000	500,000	500,000	3,352,935	257,918
183280	Customer Service Project	19,068	14,850	10,632	6,414	0	0	0	0	0	0	0	0	0	50,984	3,920
183281	Financial Service Project	25,031	18,774	12,517	6,260	0	0	0	0	0	0	0	0	0	62,582	4,814
182000	Asbestos Removal	11,583	7,722	3,861	0	0	0	0	0	0	0	0	0	0	23,170	1,782
182000	Pension Actuarial Study	253,333	253,333	253,333	271,333	289,333	289,333	289,333	289,333	289,333	289,333	289,333	289,333	289,333	3,635,328	279,641
183000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
186401	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	643,193	617,484	610,486	661,410	723,996	781,256	838,515	895,775	953,035	1,010,294	1,066,108	1,063,368	1,060,627	10,925,546	840,427

A/C's	DESCRIPTION	2012												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov		Dec	Total
186401	Tank Painting	\$271,294	\$268,554	\$265,813	\$263,073	\$260,333	\$257,592	\$254,852	\$252,111	\$249,371	\$246,631	\$243,890	\$241,150	\$238,410	\$3,313,074	\$254,852
182000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
182000	2011 Rate Case	500,000	500,000	500,000	500,000	480,556	461,111	441,667	422,222	402,778	383,333	363,889	344,444	325,000	5,625,000	432,692
183280	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
183281	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
182000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0
182000	Pension Actuarial Study	289,333	289,333	289,333	289,333	281,296	273,259	265,222	257,185	249,148	241,111	233,074	225,037	217,000	3,399,662	261,512
183000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
186401	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	1,060,627	1,057,887	1,055,146	1,052,406	1,022,184	991,963	961,741	931,519	901,297	871,075	840,853	810,632	780,410	12,337,740	949,057

A/C's	DESCRIPTION	2012						2013						13 Month Average		
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb		Mar	Total
186401	Tank Painting	\$263,073	\$260,333	\$257,592	\$254,852	\$252,111	\$249,371	\$246,631	\$243,890	\$241,150	\$238,410	\$235,669	\$232,929	\$230,189	\$3,206,201	\$246,631
182000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
182000	2010 Rate Case	500,000	480,556	461,111	441,667	422,222	402,778	383,333	363,889	344,444	325,000	305,556	286,111	266,667	4,983,333	383,333
183280	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
183281	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
182000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0
182000	Pension Actuarial Study	289,333	281,296	273,259	265,222	257,185	249,148	241,111	233,074	225,037	217,000	208,963	200,926	192,889	3,134,440	241,111
183000	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
186401	Intentionally Left Blank	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	1,052,406	1,022,184	991,963	961,741	931,519	901,297	871,075	840,853	810,632	780,410	750,188	719,966	689,744	11,323,979	871,075

Deferred Debit - Amortization

P/F Deferred Rate Proceeding - -Total Cost

Item	Description	Subledger	Amortization Period		Total	Monthly Amt.	Remain Bal.	Remain Mos.	JR #	Notes
Approved	2007 Rate Case	DD380002	4/1/2008	3/31/2011	\$360,000	\$10,000	\$190,000	2	40	\$360,000 total cost allowed in rate case. 3 Year Amortization
Approved	Asbestos Removal Fees	DD380005	4/1/2008	3/31/2011	138,990	3,861	73,356	1	40	\$180,000 total allowed in rate case. 3 Year Amortization.
Requested	2011 Rate Case		4/1/2012	3/31/2015	\$700,000	\$19,444	\$500,000	36		2007 rate case increased by 3.5%. +\$ 100K for Litigation. 3 Year Amortization.
Requested	Li Pension/Opeb Audit		4/1/2012	3/31/2015	289,333	8,037	253,333	36		3 Year Amortization.
						0				
P/F Deferred Tank Painting Expense--Total Cost										
Approved	Tank Painting-2004 Rate Case		4/1/2005	3/31/2020	\$493,261	\$2,740	\$348,023	127	900	15 Year Amortization.

LONG ISLAND AMERICAN WATER  
UNAMORTIZED DEMUTUALIZATION BALANCE  
Prepared for 2011 Rate Case

Exhibit 12  
Tab 31

	beginning balance	amortization	ending balance	13 mos average	income tax impact	balance net of tax	combined Tax rate
Jan-09	\$289,442	(\$6,158)	\$283,284	\$320,234			
Feb-09	283,284	(6,158)	277,125	314,075			
Mar-09	277,125	(6,158)	270,967	307,917	(122,230)	185,687	39.70%
Apr-09	270,967	(6,158)	264,809	301,759			
May-09	264,809	(6,158)	258,650	295,600			
Jun-09	258,650	(6,158)	252,492	289,442			
Jul-09	252,492	(6,158)	246,334	283,284			
Aug-09	246,334	(6,158)	240,175	277,125			
Sep-09	240,175	(6,158)	234,017	270,967			
Oct-09	234,017	(6,158)	227,859	264,809			
Nov-09	227,859	(6,158)	221,700	258,650			
Dec-09	221,700	(6,158)	215,542	252,492	(100,229)	152,263	39.70%
Jan-10	215,542	(6,158)	209,384	246,334			
Feb-10	209,384	(6,158)	203,225	240,175			
Mar-10	203,225	(6,158)	197,067	234,017			
Apr-10	197,067	(6,158)	190,909	227,859			
May-10	190,909	(6,158)	184,750	221,700			
Jun-10	184,750	(6,158)	178,592	215,542			
Jul-10	178,592	(6,158)	172,434	209,384			
Aug-10	172,434	(6,158)	166,275	203,225			
Sep-10	166,275	(6,158)	160,117	197,067			
Oct-10	160,117	(6,158)	153,959	190,909			
Nov-10	153,959	(6,158)	147,800	184,750			
Dec-10	147,800	(6,158)	141,642	178,592	(70,894)	107,698	39.70%
Jan-11	141,642	(6,158)	135,484	172,434			
Feb-11	135,484	(6,158)	129,325	166,275			
Mar-11	129,325	(6,158)	123,167	160,117			
Apr-11	123,167	(6,158)	117,009	153,959			
May-11	117,009	(6,158)	110,850	147,800			
Jun-11	110,850	(6,158)	104,692	141,642			
Jul-11	104,692	(6,158)	98,534	135,484			
Aug-11	98,534	(6,158)	92,375	129,325			
Sep-11	92,375	(6,158)	86,217	123,167			
Oct-11	86,217	(6,158)	80,059	117,009			
Nov-11	80,059	(6,158)	73,900	110,850			
Dec-11	73,900	(6,158)	67,742	104,692	(41,558)	63,134	39.70%
Jan-12	67,742	(6,158)	61,584	98,534			
Feb-12	61,584	(6,158)	55,425	92,375			
Mar-12	55,425	(6,158)	49,267	86,217			
Apr-12	49,267	(6,158)	43,109	80,059			
May-12	43,109	(6,158)	36,950	73,900			
Jul-12	36,950	(6,158)	30,792	67,742			
Aug-12	30,792	(6,158)	24,634	61,584			
Sep-12	24,634	(6,158)	18,475	55,425			
Oct-12	18,475	(6,158)	12,317	49,267			
Nov-12	12,317	(6,158)	6,159	43,109			
Dec-12	6,159	(6,158)	0	31,266	(12,411)	18,855	39.70%
Jan-13	0	(6,158)	(6,158)	25,581			
Feb-13	(6,158)	(6,158)	(12,316)	19,897			
Mar-13	(12,316)	(6,158)	(18,475)	14,212	(\$5,642)	\$8,570	39.70%

LONG ISLAND AMERICAN WATER  
DEFERRED ITC - BALANCES  
Prepared for 2011 Rate Case

Exhibit 12  
Tab 31

A/C's	DESCRIPTION	2009	2010												13 Month Average	
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total
255101	Unamortized ITC - 3%	\$283,822	\$282,572	\$281,322	\$280,072	\$278,822	\$277,572	\$276,322	\$275,072	\$273,822	\$272,572	\$271,322	\$270,072	\$268,822	\$3,592,186	\$276,322
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	\$283,822	\$282,572	\$281,322	\$280,072	\$278,822	\$277,572	\$276,322	\$275,072	\$273,822	\$272,572	\$271,322	\$270,072	\$268,822	\$3,592,186	\$276,322

A/C's	DESCRIPTION	2010	2011												13 Month Average	
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total
255101	Unamortized ITC - 3%	\$268,822	\$267,572	\$266,322	\$265,072	\$263,822	\$262,572	\$261,322	\$260,072	\$258,822	\$257,572	\$256,322	\$255,072	\$253,822	\$3,397,186	\$261,322
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	\$268,822	\$267,572	\$266,322	\$265,072	\$263,822	\$262,572	\$261,322	\$260,072	\$258,822	\$257,572	\$256,322	\$255,072	\$253,822	\$3,397,186	\$261,322

A/C's	DESCRIPTION	2011	2012												13 Month Average	
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total
255101	Unamortized ITC - 3%	\$253,822	\$252,572	\$251,322	\$250,072	\$248,822	\$247,572	\$246,322	\$245,072	\$243,822	\$242,572	\$241,322	\$240,072	\$238,822	\$3,202,186	\$246,322
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	\$253,822	\$252,572	\$251,322	\$250,072	\$248,822	\$247,572	\$246,322	\$245,072	\$243,822	\$242,572	\$241,322	\$240,072	\$238,822	\$3,202,186	\$246,322

A/C's	DESCRIPTION	2012										2013			13 Month Average	
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar		Total
255101	Unamortized ITC - 3%	\$250,072	\$248,822	\$247,572	\$246,322	\$245,072	\$243,822	\$242,572	\$241,322	\$240,072	\$238,822	\$237,572	\$236,322	\$235,072	\$3,153,436	\$242,572
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	\$250,072	\$248,822	\$247,572	\$246,322	\$245,072	\$243,822	\$242,572	\$241,322	\$240,072	\$238,822	\$237,572	\$236,322	\$235,072	\$3,153,436	\$242,572

LONG ISLAND AMERICAN WATER  
DEFERRED ITC - ACTIVITY

Exhibit 12  
Tab 31

A/C's	DESCRIPTION	2009	2010												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
255101	Unamortized ITC - 3%	\$283,822	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$15,000)	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(15,000)		
	BALANCE	\$283,822	\$282,572	\$281,322	\$280,072	\$278,822	\$277,572	\$276,322	\$275,072	\$273,822	\$272,572	\$271,322	\$270,072	\$268,822	\$3,592,186	\$276,322	

A/C's	DESCRIPTION	2010	2011												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
255101	Unamortized ITC - 3%		(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$15,000)	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(15,000)		
	BALANCE	\$268,822	\$267,572	\$266,322	\$265,072	\$263,822	\$262,572	\$261,322	\$260,072	\$258,822	\$257,572	\$256,322	\$255,072	\$253,822	\$3,397,186	\$261,322	

A/C's	DESCRIPTION	2011	2012												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
255101	Unamortized ITC - 3%		(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$15,000)	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(15,000)		
	BALANCE	\$253,822	\$252,572	\$251,322	\$250,072	\$248,822	\$247,572	\$246,322	\$245,072	\$243,822	\$242,572	\$241,322	\$240,072	\$238,822	\$3,202,186	\$246,322	

A/C's	DESCRIPTION	2012										2013			13 Month Average		
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar		Total	
255101	Unamortized ITC - 3%		(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$1,250)	(\$15,000)	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(15,000)		
	BALANCE	\$250,072	\$248,822	\$247,572	\$246,322	\$245,072	\$243,822	\$242,572	\$241,322	\$240,072	\$238,822	\$237,572	\$236,322	\$235,072	\$3,153,436	\$242,572	

LONG ISLAND AMERICAN WATER  
DEFERRED INCOME TAXES - ACTIVITY

Exhibit 12  
Tab 31

A/C's	DESCRIPTION	2009	2010												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
283	Def FIT		(\$110,834)	\$98,776	(\$259,526)	\$376,073	\$45,520	\$233,868	(\$183,282)	\$134,911	\$2,421,585	(\$59,207)	\$65,001	(\$1,314,155)	\$1,448,731		
283	Def FIT AMT		0	0	0	0	0	0	0	0	0	0	0	0	0		
283	Def SIT		(31,126)	25,607	201,873	(23,638)	10,921	70,215	(44,802)	38,040	199,256	(13,215)	(80,775)	(332,111)	20,247		
	Total		(141,960)	125,383	(57,653)	352,435	56,442	304,083	(228,083)	172,951	2,620,844	(72,423)	(15,774)	(1,646,266)	1,469,978		
	BALANCE	\$16,993,089	\$16,851,129	\$16,976,512	\$16,918,859	\$17,271,294	\$17,327,735	\$17,631,818	\$17,403,735	\$17,576,685	\$20,197,529	\$20,125,107	\$20,109,333	\$18,463,067	\$233,845,891	17,983,145	
A/C's	DESCRIPTION	2010	2011												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
283	Def FIT		(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$7,034)	(\$84,406)	
283	Def FIT AMT		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
283	Def SIT		(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(2,856)	(34,271)	
	Total		(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(9,890)	(118,678)	
	BALANCE	\$18,463,067	\$18,453,177	\$18,443,287	\$18,433,397	\$18,423,508	\$18,413,618	\$18,403,728	\$18,393,838	\$18,383,948	\$18,374,059	\$18,364,169	\$18,354,279	\$18,344,389	\$239,248,484	18,403,728	
A/C's	DESCRIPTION	2011	2012												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Total	
283	Def FIT		\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$2,246,484	
283	Def FIT AMT		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
283	Def SIT		(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(23,060)	
	Total		185,285	185,285	185,285	185,285	185,285	185,285	185,285	185,285	185,285	185,285	185,285	185,285	185,285	2,223,424	
	BALANCE	\$18,344,389	\$16,529,675	\$18,714,960	\$18,900,245	\$19,085,531	\$19,270,816	\$19,456,101	\$19,641,387	\$19,826,672	\$20,011,957	\$20,197,243	\$20,382,528	\$20,567,814	\$252,929,317	19,456,101	
A/C's	DESCRIPTION	2012						2013						13 Month Average			
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb		Mar	Total	
283	Def FIT		\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$187,207	\$562,492	\$562,492	\$562,492	\$3,372,338		
283	Def FIT AMT		0	0	0	0	0	0	0	0	0	0	0	0	0		
283	Def SIT		(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(1,922)	(10,635)	(10,635)	(10,635)	(49,200)		
	Total		185,285	185,285	185,285	185,285	185,285	185,285	185,285	185,285	185,285	551,857	551,857	551,857	3,323,138		
	BALANCE	\$18,900,245	\$19,085,531	\$19,270,816	\$19,456,101	\$19,641,387	\$19,826,672	\$20,011,957	\$20,197,243	\$20,382,528	\$20,567,814	\$21,119,670	\$21,671,527	\$22,223,383	\$262,354,874	20,181,144	

LONG ISLAND AMERICAN WATER  
 DEFERRED INCOME TAXES - BALANCES  
 Prepared for 2011 Rate Case

Exhibit 12  
 Tab 31

A/C's	DESCRIPTION	2010												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov		Dec	Total
283	Def FIT	\$15,435,330	\$15,324,496	\$15,424,272	\$15,164,746	\$15,540,819	\$15,586,339	\$15,820,207	\$15,636,925	\$15,771,836	\$18,193,421	\$18,134,214	\$18,199,215	\$16,885,061	\$211,116,881	16,239,760
283	Def FIT AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
283	Def SIT	1,557,759	1,526,633	1,552,240	1,754,113	1,730,475	1,741,396	1,811,611	1,766,810	1,804,850	2,004,108	1,990,893	1,910,117	1,578,006	22,729,010	1,748,385
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	\$16,993,089	\$16,851,129	\$16,976,512	\$16,918,859	\$17,271,294	\$17,327,735	\$17,631,816	\$17,403,735	\$17,576,685	\$20,197,529	\$20,125,107	\$20,109,333	\$18,463,067	\$233,645,891	17,988,145

A/C's	DESCRIPTION	2011												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov		Dec	Total
283	Def FIT	\$16,885,061	\$16,878,027	\$16,870,993	\$16,863,959	\$16,856,925	\$16,849,891	\$16,842,856	\$16,835,824	\$16,828,790	\$16,821,756	\$16,814,722	\$16,807,688	\$16,800,654	\$218,957,148	16,842,856
283	Def FIT AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
283	Def SIT	1,578,006	1,575,150	1,572,294	1,569,438	1,566,582	1,563,726	1,560,870	1,558,015	1,555,159	1,552,303	1,549,447	1,546,591	1,543,735	20,291,316	1,560,870
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	\$18,463,067	\$18,453,177	\$18,443,287	\$18,433,397	\$18,423,508	\$18,413,618	\$18,403,728	\$18,393,838	\$18,383,948	\$18,374,059	\$18,364,169	\$18,354,279	\$18,344,389	\$239,248,464	18,403,728

A/C's	DESCRIPTION	2012												13 Month Average		
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov		Dec	Total
283	Def FIT	\$16,800,654	\$16,987,861	\$17,175,068	\$17,362,275	\$17,549,482	\$17,736,689	\$17,923,896	\$18,111,103	\$18,298,310	\$18,485,517	\$18,672,724	\$18,859,931	\$19,047,138	\$233,010,652	17,923,896
283	Def FIT AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
283	Def SIT	1,543,735	1,541,813	1,539,892	1,537,970	1,536,048	1,534,127	1,532,205	1,530,283	1,528,362	1,526,440	1,524,519	1,522,597	1,520,675	19,918,666	1,532,205
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	\$18,344,389	\$18,529,675	\$18,714,960	\$18,900,245	\$19,085,531	\$19,270,816	\$19,456,101	\$19,641,387	\$19,826,672	\$20,011,957	\$20,197,243	\$20,382,528	\$20,567,814	\$252,929,317	19,456,101

A/C's	DESCRIPTION	2012						2013						13 Month Average		
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb		Mar	Total
283	Def FIT	\$17,362,275	\$17,549,482	\$17,736,689	\$17,923,896	\$18,111,103	\$18,298,310	\$18,485,517	\$18,672,724	\$18,859,931	\$19,047,138	\$19,609,630	\$20,172,122	\$20,734,613	\$242,563,433	18,658,726
283	Def FIT AMT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
283	Def SIT	1,537,970	1,536,048	1,534,127	1,532,205	1,530,283	1,528,362	1,526,440	1,524,519	1,522,597	1,520,675	1,510,040	1,499,405	1,488,770	19,791,441	1,522,419
		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	BALANCE	\$18,900,245	\$19,085,531	\$19,270,816	\$19,456,101	\$19,641,387	\$19,826,672	\$20,011,957	\$20,197,243	\$20,382,528	\$20,567,814	\$21,119,670	\$21,671,527	\$22,223,383	\$262,354,874	20,181,144

LONG ISLAND AMERICAN WATER  
ADIT Balances @ 2010  
Prepared for 2011 Rate Case

	2009	2010											13 month total	13 month average	
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov			Dec
<b>FEDERAL</b>															
As Recorded: Deferred Tax Liability-FIT	\$20,808,111	\$20,598,174	\$20,676,752	\$20,495,193	\$20,875,214	\$21,171,166	\$21,465,693	\$20,879,826	\$21,022,812	\$23,229,848	\$23,105,548	\$22,957,757	\$21,658,926	\$278,945,018	\$21,457,309
Less: FAS 109 Balances (see details below)	(5,780,211)	(5,765,098)	(5,751,842)	(5,740,005)	(5,730,270)	(5,724,617)	(5,720,853)	(5,718,220)	(5,716,426)	(5,714,488)	(5,714,668)	(5,715,644)	(5,716,599)	(74,508,943)	(5,731,457)
Less: Temp. Difference-Tank Painting	(104,711)	(103,860)	(103,008)	(102,157)	(101,306)	(100,454)	(99,603)	(98,752)	(97,901)	(97,049)	(96,198)	(95,347)	(94,495)	(1,294,841)	(99,603)
Less: Temp. Difference-2007 Rate Expense	(46,599)	(43,492)	(40,386)	(37,279)	(34,172)	(31,066)	(27,959)	(24,853)	(21,746)	(18,639)	(15,533)	(12,426)	(9,320)	(363,470)	(27,959)
Less: Temp. Difference-Asbestos Removal	(17,991)	(16,792)	(15,592)	(14,393)	(13,194)	(11,994)	(10,795)	(9,595)	(8,396)	(7,197)	(5,997)	(4,798)	(3,598)	(140,332)	(10,795)
Exclude: Non-Rate Base-Accum Deferred IT	88,172	87,783	87,395	87,007	86,618	86,230	85,842	85,453	85,065	84,677	84,288	83,900	83,512	1,115,942	85,842
Exclude: Non-Rate Base- Revenue Adj. Claus	(948,093)	(908,762)	(944,106)	(1,080,280)	(1,147,109)	(1,454,404)	(1,571,644)	(1,223,189)	(1,284,289)	(1,123,605)	(1,109,507)	(938,690)	(1,006,168)	(14,738,847)	(1,133,757)
Exclude: Non-Rate Base-Property Tax Claus	183,288	224,121	265,038	306,044	352,975	400,003	446,096	492,285	538,568	584,946	631,420	664,418	708,352	5,797,553	445,966
Exclude: Non-Rate Base- Pension/Opneb	1,253,365	1,252,421	1,250,023	1,250,616	1,252,062	1,251,476	1,253,431	1,253,969	1,254,150	1,254,928	1,253,861	1,260,046	1,264,451	16,304,800	1,254,215
Total Balance Deferred Tax Liability-FIT	\$15,435,330	\$15,324,496	\$15,424,272	\$15,164,746	\$15,540,819	\$15,586,339	\$15,320,207	\$15,636,925	\$15,771,836	\$18,193,421	\$18,134,214	\$18,198,215	\$16,885,061	\$211,116,881	\$16,239,760
<b>STATE</b>															
As Recorded: Deferred Tax Liability-SIT	\$1,477,504	\$1,420,851	\$1,442,056	\$1,666,681	\$1,644,649	\$1,724,515	\$1,810,431	\$1,652,329	\$1,690,915	\$1,828,916	\$1,795,372	\$1,653,018	\$1,322,703	\$21,129,940	\$1,625,380
Less: FAS 109 Balances (see details below)	(32,928)	(30,733)	(28,538)	(26,342)	(24,147)	(21,952)	(19,757)	(17,562)	(15,367)	(13,171)	(10,976)	(8,781)	(6,586)	(256,840)	(19,757)
Less: Temp. Difference-Tank Painting	(28,088)	(28,852)	(28,615)	(28,379)	(28,142)	(27,906)	(27,670)	(27,433)	(27,197)	(26,960)	(26,724)	(26,487)	(26,251)	(359,704)	(27,670)
Less: Temp. Difference-2007 Rate Expense	(12,945)	(12,082)	(11,219)	(10,356)	(9,493)	(8,630)	(7,767)	(6,904)	(6,041)	(5,178)	(4,315)	(3,452)	(2,589)	(100,971)	(7,767)
Less: Temp. Difference-Asbestos Removal	(4,998)	(4,665)	(4,332)	(3,998)	(3,665)	(3,332)	(2,999)	(2,666)	(2,332)	(1,999)	(1,666)	(1,332)	(1,000)	(38,984)	(2,999)
Exclude: Non-Rate Base-Accum Deferred IT	24,494	24,386	24,278	24,170	24,062	23,954	23,847	23,739	23,631	23,523	23,415	23,307	23,199	310,066	23,847
Exclude: Non-Rate Base- Revenue Adj. Claus	(263,378)	(252,452)	(262,271)	(300,099)	(318,664)	(404,030)	(436,599)	(339,799)	(356,772)	(312,135)	(307,940)	(260,766)	(279,511)	(4,094,414)	(314,955)
Exclude: Non-Rate Base-Property Tax Claus	50,917	62,260	73,627	85,018	98,056	111,120	123,924	136,755	149,613	162,487	175,407	184,574	196,778	1,610,546	123,888
Exclude: Non-Rate Base- Pension/Opneb	348,182	347,919	347,253	347,418	347,820	347,657	348,200	348,350	348,400	348,616	348,319	350,038	351,261	4,529,432	348,418
Total Balance Deferred Tax Liability-SIT	\$1,557,759	\$1,526,633	\$1,552,240	\$1,754,113	\$1,730,475	\$1,741,396	\$1,811,611	\$1,766,810	\$1,804,850	\$2,004,108	\$1,990,893	\$1,910,117	\$1,578,006	\$22,729,010	\$1,748,385
<b>Activity</b>															
federal adit	15,435,330	(110,834)	99,776	(259,526)	376,073	45,520	233,868	(183,262)	134,911	2,421,585	(59,207)	65,001	(1,314,155)		
federal adit - amt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
state adit	1,557,759	(31,126)	25,607	201,873	(23,638)	10,921	70,215	(44,802)	38,040	199,258	(13,215)	(80,775)	(332,111)		
<b>INPUT AND CALCULATIONS</b>															
<b>federal</b>															
253301 Def FIT-Flow Through Depreciation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
253301 Def FIT-Normalized Property(cr)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
253301 Def FIT-Other(cr)	20,808,111	20,598,174	20,676,752	20,495,193	20,875,214	21,171,166	21,465,693	20,879,826	21,022,812	23,229,848	23,105,548	22,957,757	21,658,926	278,945,018	21,457,309
subtotal	20,808,111	20,598,174	20,676,752	20,495,193	20,875,214	21,171,166	21,465,693	20,879,826	21,022,812	23,229,848	23,105,548	22,957,757	21,658,926	278,945,018	21,457,309
<b>state</b>															
253701 Def SIT-Other(cr)	1,477,504	1,420,851	1,442,056	1,666,681	1,644,649	1,724,515	1,810,431	1,652,329	1,690,915	1,828,916	1,795,372	1,653,018	1,322,703	21,129,940	1,625,380
total ADIT	22,285,615	22,019,025	22,118,807	22,161,874	22,519,863	22,895,681	23,276,124	22,532,155	22,713,727	25,058,764	24,900,921	24,610,774	22,981,629	300,074,958	23,082,689
<b>fas 109 adj</b>															
186030 Reg Asset-Atudc Equity CWIP(dr)	78,536	38,533	45,550	53,985	64,521	78,221	94,545	112,000	130,294	148,443	168,713	189,776	210,818	1,413,935	108,764
186035 Reg Asset-Atudc Equity Plant(dr)	440,029	485,190	485,190	485,190	485,190	485,190	485,190	485,190	485,190	485,190	485,190	485,190	485,190	6,262,310	481,716
186040 Reg Asset-Plant Flow Through Diff	5,726,940	5,706,343	5,685,745	5,665,148	5,644,551	5,623,953	5,603,356	5,582,759	5,562,161	5,541,564	5,520,967	5,500,370	5,479,772	72,843,630	5,603,356
186055 Reg Asset-Accum Amortization(cr)	(32,256)	(33,317)	(34,378)	(35,439)	(36,501)	(37,563)	(38,625)	(39,687)	(40,749)	(41,811)	(42,873)	(43,935)	(44,997)	(489,598)	(37,661)
256212 Reg Liab-Exc Def Depr FIT(cr)	(430,039)	(431,652)	(430,265)	(428,878)	(427,492)	(426,105)	(424,718)	(423,331)	(421,945)	(420,558)	(419,171)	(417,784)	(416,397)	(5,521,334)	(424,718)
fas 109 totals	5,780,211	5,765,098	5,751,842	5,740,005	5,730,270	5,724,617	5,720,853	5,718,220	5,716,426	5,714,488	5,714,668	5,715,644	5,716,599	74,508,943	5,731,457
<b>fas 109 adj-State</b>															
256232 Reg Liab-Exc Def Depr SIT(cr)	(32,928)	(30,733)	(28,538)	(26,342)	(24,147)	(21,952)	(19,757)	(17,562)	(15,367)	(13,171)	(10,976)	(8,781)	(6,586)	(256,840)	(19,757)

LONG ISLAND AMERICAN WATER  
ADIT Balances @ 2010  
Prepared for 2011 Rate Case

	2009	2010												13 month total	13 month average
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>Tank Painting Adjustment</b>	\$337,062	\$334,322	\$331,581	\$328,841	\$326,101	\$323,360	\$320,620	\$317,880	\$315,139	\$312,399	\$309,659	\$306,918	\$304,178	\$4,168,060	\$320,620
sit @ 8.63%	29,088	28,852	28,615	28,378	28,142	27,906	27,670	27,433	27,197	26,960	26,724	26,487	26,251	359,704	27,670
fed base	307,974	305,470	302,966	300,462	297,958	295,454	292,950	290,447	287,943	285,439	282,935	280,431	277,927	3,808,356	292,950
fit @ 14%	\$104,711	\$103,860	\$103,008	\$102,157	\$101,306	\$100,454	\$99,603	\$98,752	\$97,901	\$97,049	\$96,198	\$95,347	\$94,495	\$1,294,841	\$98,603
<b>2007 Rate Case Exp Adj</b>	\$150,000	\$140,000	\$130,000	\$120,000	\$110,000	\$100,000	\$90,000	\$80,000	\$70,000	\$60,000	\$50,000	\$40,000	\$30,000	\$1,170,000	\$90,000
sit @ 8.63%	12,945	12,082	11,219	10,356	9,493	8,630	7,767	6,904	6,041	5,178	4,315	3,452	2,589	100,971	7,767
fed base	137,055	127,918	118,781	109,644	100,507	91,370	82,233	73,096	63,959	54,822	45,685	36,548	27,411	1,069,029	82,233
fit @ 14%	\$46,599	\$43,492	\$40,386	\$37,279	\$34,172	\$31,066	\$27,959	\$24,853	\$21,746	\$18,639	\$15,533	\$12,426	\$9,320	\$363,470	\$27,959
<b>Asbestos Removal</b>	\$57,913	\$54,052	\$50,191	\$46,330	\$42,470	\$38,609	\$34,748	\$30,887	\$27,026	\$23,165	\$19,305	\$15,444	\$11,583	\$451,723	\$34,748
sit @ 8.63%	4,998	4,665	4,332	3,998	3,665	3,332	2,999	2,666	2,332	1,999	1,666	1,333	1,000	38,984	2,999
fed base	52,915	49,387	45,860	42,332	38,805	35,277	31,749	28,222	24,694	21,166	17,639	14,111	10,583	412,740	31,749
fit @ 14%	\$17,991	\$16,792	\$15,592	\$14,393	\$13,194	\$11,994	\$10,795	\$9,595	\$8,396	\$7,197	\$5,997	\$4,798	\$3,598	\$140,332	\$10,795

Long Island American Water  
Accumulated Deferred Income Tax  
Summary of Book to Tax Differences and Adjustments  
2011 Rate Case

Exhibit 12  
Tab 31

	12 mos ending 2011	12 mos ending 2012	12 mos ending 2013		3 mos ending @3/31/13
<b>Book to Tax Basis Difference-SIT</b>					
annual book depreciation (13 mos avg)	\$3,674,378	\$4,022,149	\$4,051,342	x 25%	\$1,012,836
annual tax depreciation (state)	4,108,952	4,704,003	4,826,777	x 25%	1,206,694
state basis difference	434,574	681,854	775,435		193,859
state tax rate	8.63%	8.63%	8.63%		8.63%
deferred state income tax	37,504	58,844	66,920		16,730
<b>Book to Tax Basis Difference-FIT</b>					
annual book depreciation	3,674,378	4,022,149	4,051,342	x 25%	1,012,836
annual tax depreciation (federal)	3,370,090	10,646,066	4,111,695	x 25%	1,027,924
difference	(304,288)	6,623,917	60,353		15,088
less: deferred state income tax	37,504	58,844	66,920		16,730
federal basis difference	(341,792)	6,565,073	(6,567)		(1,642)
federal tax rate	34.00%	34.00%	34.00%		34.00%
deferred federal income tax	(116,209)	2,232,125	(2,233)		(558)
<b>Recap of State Adjustments</b>					
deferred state income tax - Book to Tax Depr Difference	37,504	58,844	66,920		16,730
deferred state income tax - other temporary differences	(71,775)	(81,904)	(75,174)		(75,174)
deferred state income tax adjustments	<b>(34,271)</b>	<b>(23,060)</b>			<b>(58,444)</b>
<b>Recap of FIT Adjustments</b>					
1 deferred federal income tax - Book to Tax Depr Difference	(116,209)	2,232,125	(2,233)	x 25%	(558)
2 deferred federal income tax - other temporary differences	(258,372)	(294,832)	(270,606)	x 25%	(67,652)
3 flow through adjustment	300,058	319,074	324,519	x 25%	81,130
4 amortization of excess deferred taxes	(9,883)	(9,883)	(9,883)	x 25%	(2,471)
deferred federal income tax adjustments	<b>(84,406)</b>	<b>2,246,484</b>			<b>10,449</b>

Long Island American Water  
 Projected Federal and State Tax Depreciation

Exhibit 12  
 Tab 31

	2010	2011	2012	2013	tax depreciation rates					Life	
Tax Depreciation Expense on UPIS 2009 (2)	2,929,116	2,827,921	2,729,733	2,605,681	1	2	3	4	5	Years	
	<u>2010</u>										
	<u>Additions w/Reduced Bonus Basis</u>										
304200 structures & improvements	\$30,974	\$397	\$794	\$794	\$794	1.28%	2.56%	2.56%	2.56%	2.56%	39
304300 structures & improvements	18,437	236	473	473	473	1.28%	2.56%	2.56%	2.56%	2.56%	39
304500 structures & improvements	206,290	2,645	5,289	5,289	5,289	1.28%	2.56%	2.56%	2.56%	2.56%	39
304600 structures & improvements	0	0	0	0	0	1.28%	2.56%	2.56%	2.56%	2.56%	39
304700 structures & improvements	0	0	0	0	0	1.28%	2.56%	2.56%	2.56%	2.56%	39
307200 wells	0	0	0	0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
310000 power generation equipment	2,419	48	97	97	97	2.00%	4.00%	4.00%	4.00%	4.00%	25
310200 Boiler Plant Equipment	(8,345)	(167)	(334)	(334)	(334)	2.00%	4.00%	4.00%	4.00%	4.00%	25
311200 electric pumping equipment	4,097	82	164	164	164	2.00%	4.00%	4.00%	4.00%	4.00%	25
311300 diesel pumping equipment	29,198	584	1,168	1,168	1,168	2.00%	4.00%	4.00%	4.00%	4.00%	25
311400 Pump Equip Hydraulic	4,245	85	170	170	170	2.00%	4.00%	4.00%	4.00%	4.00%	25
320200 wt equipment non media	0	0	0	0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
320110 wt equipment purification	0	0	0	0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
330200 Dist Reservoirs-Ground Level	1,898	38	76	76	76	2.00%	4.00%	4.00%	4.00%	4.00%	25
331003 id mains	87,284	1,746	3,491	3,491	3,491	2.00%	4.00%	4.00%	4.00%	4.00%	25
331100 id mains	36,911	738	1,476	1,476	1,476	2.00%	4.00%	4.00%	4.00%	4.00%	25
331230 id mains	1,383,368	27,667	55,335	55,335	55,335	2.00%	4.00%	4.00%	4.00%	4.00%	25
332000 id mains	0	0	0	0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
333000 services	649,080	12,982	25,963	25,963	25,963	2.00%	4.00%	4.00%	4.00%	4.00%	25
334100 meters	0	0	0	0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
334130 meters	4,822	96	193	193	193	2.00%	4.00%	4.00%	4.00%	4.00%	25
334200 meter installations	6,247	125	250	250	250	2.00%	4.00%	4.00%	4.00%	4.00%	25
335000 hydrants	154,161	3,083	6,166	6,166	6,166	2.00%	4.00%	4.00%	4.00%	4.00%	25
339600 other p/e cps	73,995	7,399	14,799	14,799	14,799	10.00%	20.00%	20.00%	20.00%	20.00%	5
340100 office furnilure & equipment	0	0	0	0	0	14.29%	24.49%	17.49%	12.49%	8.93%	7
340200 computers & periph equipment	1,468	294	470	282	169	20.00%	32.00%	19.20%	11.52%	11.52%	5
340300 computer software	1,181	118	236	236	236	10.00%	20.00%	20.00%	20.00%	20.00%	5
340400 data handling equipment	0	0	0	0	0	20.00%	32.00%	19.20%	11.52%	11.52%	5
342000 store Equipment	2,465	49	99	99	99	2.00%	4.00%	4.00%	4.00%	4.00%	25
343000 tools, shop & garage equipment	3,980	80	159	159	159	2.00%	4.00%	4.00%	4.00%	4.00%	25
343100 tools, shop & garage equipment	0	0	0	0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
346100 communication equipment	1,049	21	42	42	42	2.00%	4.00%	4.00%	4.00%	4.00%	25
347000 miscellaneous equipment	0	0	0	0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
346190 Remote Control & instrument.	3,994	80	160	160	160	2.00%	4.00%	4.00%	4.00%	4.00%	25
346200 Comm Equip-Telephone	3,994	80	160	160	160	2.00%	4.00%	4.00%	4.00%	4.00%	25
252120 customer advances	198,971	3,979	7,959	7,959	7,959	2.00%	4.00%	4.00%	4.00%	4.00%	25
2010 property retirements	(468,069)	(9,321)	(18,643)	(18,643)	(18,643)	2.00%	4.00%	4.00%	4.00%	4.00%	25
Repair Expense Adjustment-2010	(508,307)	(10,166)	(20,332)	(20,332)	(20,332)	2.00%	4.00%	4.00%	4.00%	4.00%	25
Bonus-2010 50% Bonus	2,447,511	2,447,511				100.00%					
Bonus-2010 100% Bonus	3,233,942	3,233,942				100.00%					

Long Island American Water  
 Projected Federal and State Tax Depreciation

Exhibit 12  
 Tab 31

	2011	2010	2011	2012	2013						
301000 Organization	\$0		\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	
302000 Franchises	0		0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303200 Land & Ld Rights SS	0		0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303300 Land & Ld Rights P	0		0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303500 Land & Ld Rights TD	0		0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303501 Land TD	0		0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303600 Land & Land Rights AG	0		0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
304200 Struct & Imp P	167,500	2,147	4,295	4,295		1.28%	2.56%	2.56%	2.56%	2.56%	39
304300 Struct & Imp WT	3,048,125	39,077	78,154	78,154		1.28%	2.56%	2.56%	2.56%	2.56%	39
304500 Struct & Imp AG	0	0	0	0		1.28%	2.56%	2.56%	2.56%	2.56%	39
304600 Struct & Imp Offices	53,655	688	1,376	1,376		1.28%	2.56%	2.56%	2.56%	2.56%	39
304700 Struct & Imp Store Shop Gar	0	0	0	0		1.28%	2.56%	2.56%	2.56%	2.56%	39
307000 Wells & Springs	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
307200 Wells Only (LI)	3,336,952	66,739	133,478	133,478		2.00%	4.00%	4.00%	4.00%	4.00%	25
310000 Power Generation Equip Other(31010)	762,031	15,241	30,481	30,481		2.00%	4.00%	4.00%	4.00%	4.00%	25
310200 Boiler Plant Equipment	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
311200 Pump Equip Electric	677,745	13,555	27,110	27,110		2.00%	4.00%	4.00%	4.00%	4.00%	25
311300 Pump Equip Diesel	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
311400 Pump Equip Hydraulic	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
320100 WT Equip Non-Media	4,342,004	85,840	173,680	173,680		2.00%	4.00%	4.00%	4.00%	4.00%	25
320110 WT Equip Purification (LI)	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
320200 WT Equip Filter Media	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
330000 Dist Reservoirs & Standpipe	125,993	2,520	5,040	5,040		2.00%	4.00%	4.00%	4.00%	4.00%	25
330200 Dist Reservoirs-Ground Level	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
331003 TD Mains Paving (LI)	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
331100 TD Mains 4in & Less	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
331230 TD Mains 6in & Grtr (LI)	6,347,018	126,940	253,881	253,881		2.00%	4.00%	4.00%	4.00%	4.00%	25
332000 Fire Mains	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
333000 Services	1,545,392	30,908	61,816	61,816		2.00%	4.00%	4.00%	4.00%	4.00%	25
334100 Meters	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
334130 Meters Other	820,646	16,413	32,826	32,826		2.00%	4.00%	4.00%	4.00%	4.00%	25
334200 Meter Installations	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
335000 Hydrants	489,000	9,780	19,560	19,560		2.00%	4.00%	4.00%	4.00%	4.00%	25
339600 Misc. Intangible Plant-CPS	0	0	0	0		10.00%	20.00%	20.00%	20.00%	20.00%	5
340100 Office Furniture & Equip	13,414	1,917	3,285	2,346		14.29%	24.49%	17.49%	12.49%	8.93%	7
340200 Comp & Periph Equipment	45,000	9,000	14,400	8,640		20.00%	32.00%	19.20%	11.52%	11.52%	5
340300 Computer Software	0	0	0	0		10.00%	20.00%	20.00%	20.00%	20.00%	5
340400 Data Handling Equipment	0	0	0	0		20.00%	32.00%	19.20%	11.52%	11.52%	5
340500 Other Office Equipment	0	0	0	0		14.29%	24.49%	17.49%	12.49%	8.93%	7
341100 Trans Equip LI Duty Trks	69,000	13,800	22,080	13,248		20.00%	32.00%	19.20%	11.52%	11.52%	5
341300 Trans Equip Autos	55,000	11,000	17,600	10,560		20.00%	32.00%	19.20%	11.52%	11.52%	5
341200 Trans Equip Heavy Duty Trks	130,000	26,000	41,600	24,960		20.00%	32.00%	19.20%	11.52%	11.52%	5
341400 Trans Equip Backhoes	0	0	0	0		20.00%	32.00%	19.20%	11.52%	11.52%	5
342000 Stores Equipment	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
343000 Tools,Shop,Garage Equip	124,848	2,497	4,994	4,994		2.00%	4.00%	4.00%	4.00%	4.00%	25
343100 Tools,Shop,Garage Equip Oth	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
344000 Laboratory Equipment	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
345000 Power Operated Equipment	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
345100 Power Oper Equip Other	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
346100 Comm Equip Non-Telephone	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
346190 Remote Control & Instrument	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
346200 Comm Equip-Telephone	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
347000 Misc Equipment	0	0	0	0		2.00%	4.00%	4.00%	4.00%	4.00%	25
252120 customer advances	98,713	1,974	3,949	3,949		2.00%	4.00%	4.00%	4.00%	4.00%	25
2011 property retirements	(435,500)	(8,710)	(17,420)	(17,420)		2.00%	2.00%	4.00%	4.00%	4.00%	25
Repair Expense Adjustment-2011	(601,821)	(12,036)	(24,073)	(24,073)		2.00%	4.00%	4.00%	4.00%	4.00%	25

Long Island American Water  
 Projected Federal and State Tax Depreciation

Exhibit 12  
 Tab 31

		2010	2011	2012	2013						
<u>2012</u>											
301000	Organization	\$0		\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	
302000	Franchises	0		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303200	Land & Ld Rights SS	0		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303300	Land & Ld Rights P	0		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303500	Land & Ld Rights TD	0		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303501	Land TD	0		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
303600	Land & Land Rights AG	0		0	0	0.00%	0.00%	0.00%	0.00%	0.00%	
304200	Struct & Imp P	45,000		577	1,154	1.28%	2.56%	2.56%	2.56%	2.56%	39
304300	Struct & Imp WT	0		0	0	1.28%	2.56%	2.56%	2.56%	2.56%	39
304500	Struct & Imp AG	0		0	0	1.28%	2.56%	2.56%	2.56%	2.56%	39
304600	Struct & Imp Offices	60,000		769	1,538	1.28%	2.56%	2.56%	2.56%	2.56%	39
304700	Struct & Imp Store.Shop.Gar	0		0	0	1.28%	2.56%	2.56%	2.56%	2.56%	39
307000	Wells & Springs	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
307200	Wells Only (LI)	157,500		3,150	6,300	2.00%	4.00%	4.00%	4.00%	4.00%	25
310000	Power Generation Equip Other(3101)	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
310200	Boiler Plant Equipment	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
311200	Pump Equip Electric	234,500		4,690	9,380	2.00%	4.00%	4.00%	4.00%	4.00%	25
311300	Pump Equip Diesel	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
311400	Pump Equip Hydraulic	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
320100	WT Equip Non-Media	204,500		4,090	8,180	2.00%	4.00%	4.00%	4.00%	4.00%	25
320110	WT Equip Purification (LI)	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
320200	WT Equip Filter Media	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
330000	Dist Reservoirs & Standpipe	60,000		1,200	2,400	2.00%	4.00%	4.00%	4.00%	4.00%	25
330200	Dist Reservoirs-Ground Level	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
331003	TD Mains Paving (LI)	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
331100	TD Mains 4in & Less	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
331230	TD Mains 6in & Grtr (LI)	2,979,055		59,581	119,163	2.00%	4.00%	4.00%	4.00%	4.00%	25
332000	Fire Mains	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
333000	Services	780,035		15,601	31,201	2.00%	4.00%	4.00%	4.00%	4.00%	25
334100	Meters	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
334130	Meters Other	363,750		7,275	14,550	2.00%	4.00%	4.00%	4.00%	4.00%	25
334200	Meter Installations	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
335000	Hydrants	271,500		5,430	10,860	2.00%	4.00%	4.00%	4.00%	4.00%	25
339600	Misc. Intangible Plant-CPS	0		0	0	10.00%	20.00%	20.00%	20.00%	20.00%	5
340100	Office Furniture & Equip	7,500		1,072	1,837	14.29%	24.49%	17.49%	12.49%	8.93%	7
340200	Comp & Periph Equipment	62,500		12,500	20,000	20.00%	32.00%	19.20%	11.52%	11.52%	5
340300	Computer Software	1,297,032		129,703	259,406	10.00%	20.00%	20.00%	20.00%	20.00%	5
340400	Data Handling Equipment	0		0	0	20.00%	32.00%	19.20%	11.52%	11.52%	5
340500	Other Office Equipment	0		0	0	14.29%	24.49%	17.49%	12.49%	8.93%	7
341100	Trans Equip LI Duty Trks	49,500		9,900	15,840	20.00%	32.00%	19.20%	11.52%	11.52%	5
341300	Trans Equip Autos	43,000		8,600	13,760	20.00%	32.00%	19.20%	11.52%	11.52%	5
341200	Trans Equip Heavy Duty Trks	0		0	0	20.00%	32.00%	19.20%	11.52%	11.52%	5
341400	Trans Equip Backhoes	100,000		20,000	32,000	20.00%	32.00%	19.20%	11.52%	11.52%	5
342000	Stores Equipment	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
343000	Tools.Shop.Garage Equip	62,000		1,240	2,480	2.00%	4.00%	4.00%	4.00%	4.00%	25
343100	Tools.Shop.Garage Equip Oth	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
344000	Laboratory Equipment	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
345000	Power Operated Equipment	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
345100	Power Oper Equip Other	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
346100	Comm Equip Non-Telephone	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
347000	Misc Equipment	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
252120	customer advances	0		0	0	2.00%	4.00%	4.00%	4.00%	4.00%	25
	2012 property retirements	(197,500)		(3,950)	(7,900)	2.00%	2.00%	2.00%	2.00%	4.00%	25
	Repair Expense Adjustment-2012	(563,926)		(11,279)	(22,557)	2.00%	4.00%	4.00%	4.00%	4.00%	25
	Bonus-2012 50% Bonus	6,672,382		6,672,382		100.00%					

Long Island American Water  
 Projected Federal and State Tax Depreciation

Exhibit 12  
 Tab 31

		2010	2011	2012	2013					
<u>2013</u>										
301000	Organization	\$0		\$0		0.00%	0.00%	0.00%	0.00%	0.00%
302000	Franchises	0		0		0.00%	0.00%	0.00%	0.00%	0.00%
303200	Land & Ld Rights SS	0		0		0.00%	0.00%	0.00%	0.00%	0.00%
303300	Land & Ld Rights P	0		0		0.00%	0.00%	0.00%	0.00%	0.00%
303500	Land & Ld Rights TD	0		0		0.00%	0.00%	0.00%	0.00%	0.00%
303501	Land TD	0		0		0.00%	0.00%	0.00%	0.00%	0.00%
303600	Land & Land Rights AG	0		0		0.00%	0.00%	0.00%	0.00%	0.00%
304200	Struct & Imp P	11,250		144		1.28%	2.56%	2.56%	2.56%	2.56%
304300	Struct & Imp WT	0		0		1.28%	2.56%	2.56%	2.56%	2.56%
304500	Struct & Imp AG	0		0		1.28%	2.56%	2.56%	2.56%	2.56%
304600	Struct & Imp Offices	15,000		192		1.28%	2.56%	2.56%	2.56%	2.56%
304700	Struct & Imp Store,Shop,Gar	0		0		1.28%	2.56%	2.56%	2.56%	2.56%
307000	Wells & Springs	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
307200	Wells Only (LI)	81,250		1,625		2.00%	4.00%	4.00%	4.00%	4.00%
310000	Power Generation Equip Other(3101C	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
310200	Boiler Plant Equipment	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
311200	Pump Equip Electric	117,250		2,345		2.00%	4.00%	4.00%	4.00%	4.00%
311300	Pump Equip Diesel	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
311400	Pump Equip Hydraulic	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
320100	WT Equip Non-Media	102,250		2,045		2.00%	4.00%	4.00%	4.00%	4.00%
320110	WT Equip Purification (LI)	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
320200	WT Equip Filter Media	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
330000	Dist Reservoirs & Standpipe	30,000		600		2.00%	4.00%	4.00%	4.00%	4.00%
330200	Dist Reservoirs-Ground Level	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
331003	TD Mains Paving (LI)	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
331100	TD Mains 4in & Less	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
331230	TD Mains 6in & Grtr (LI)	1,522,657		30,453		2.00%	4.00%	4.00%	4.00%	4.00%
332000	Fire Mains	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
333000	Services	441,268		8,825		2.00%	4.00%	4.00%	4.00%	4.00%
334100	Meters	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
334130	Meters Other	196,250		3,925		2.00%	4.00%	4.00%	4.00%	4.00%
334200	Meter Installations	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
335000	Hydrants	114,500		2,290		2.00%	4.00%	4.00%	4.00%	4.00%
339600	Misc. Intangible Plant-CPS	0		0		10.00%	20.00%	20.00%	20.00%	20.00%
340100	Office Furniture & Equip	3,750		536		14.29%	24.49%	17.49%	12.49%	8.93%
340200	Comp & Periph Equipment	0		0		20.00%	32.00%	19.20%	11.52%	11.52%
340300	Computer Software	0		0		10.00%	20.00%	20.00%	20.00%	20.00%
340400	Data Handling Equipment	0		0		20.00%	32.00%	19.20%	11.52%	11.52%
340500	Other Office Equipment	0		0		14.29%	24.49%	17.49%	12.49%	8.93%
341100	Trans Equip LI Duty Trks	0		0		20.00%	32.00%	19.20%	11.52%	11.52%
341300	Trans Equip Autos	0		0		20.00%	32.00%	19.20%	11.52%	11.52%
341200	Trans Equip Heavy Duty Trks	0		0		20.00%	32.00%	19.20%	11.52%	11.52%
341400	Trans Equip Backhoes	0		0		20.00%	32.00%	19.20%	11.52%	11.52%
342000	Stores Equipment	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
343000	Tools,Shop,Garage Equip	36,250		725		2.00%	4.00%	4.00%	4.00%	4.00%
343100	Tools,Shop,Garage Equip Oth	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
344000	Laboratory Equipment	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
345000	Power Operated Equipment	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
345100	Power Oper Equip Other	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
345100	Comm Equip Non-Telephone	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
347000	Misc Equipment	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
252120	customer advances	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
	2013 property retirements	(88,125)		(1,762)		2.00%	2.00%	2.00%	2.00%	2.00%
	Repair Expense Adjustment-2013	0		0		2.00%	4.00%	4.00%	4.00%	4.00%
	<b>TOTAL FEDERAL TAX DEPRECIATION EXPENSE</b>		<b>8,653,567</b>	<b>3,370,090</b>	<b>10,646,066</b>					<b>4,111,695</b>
ADD	State tax depreciation @ 12/31/09 (2)		3,167,748	3,036,597	2,950,285					2,820,079
ADD	Federal tax depreciation (excl. bonus)		42,999	542,169	1,243,952					1,506,014
ADD	Federal Bonus Depreciation		224,722	510,186	509,766					500,685
	<b>TOTAL STATE TAX DEPRECIATION EXPENSE</b>		<b>3,435,468</b>	<b>4,108,952</b>	<b>4,704,003</b>					<b>4,826,777</b>



## Federal Tax Depreciation UPIS 2009

**Federal  
Tax Deprec  
Expense**

---

**2010**

Regular	<b>\$3,032,940</b>
Repair Adjmt	<u>(103,824)</u>
<b>Total 2010</b>	<b>\$2,929,116</b>

**2011**

Regular	\$2,931,745
Repair Adjmt	<u>(103,824)</u>
<b>Total 2011</b>	<b>\$2,827,921</b>

**2012**

Regular	<b>\$2,833,557</b>
Repair Adjmt	<u>(103,824)</u>
<b>Total 2012</b>	<b>\$2,729,733</b>

**2013**

Regular	\$2,709,505
Repair Adjmt	<u>(103,824)</u>
<b>Total 2013</b>	<b>\$2,605,681</b>

\$2,595,603 2009 Repairs

4% Tax Depr-Water Property\$103,824 Reduced Tax Expense for Repairs Adjustment

## State Tax Depreciation UPIS 2009

	<u>State Tax Deprec Expense</u>
<b>2010</b>	
Regular	\$3,375,395.82
Repair Adjmt	<u>(207,648)</u>
<b>Total 2010</b>	<b>\$3,167,748</b>
<b>2011</b>	
Regular	\$3,264,245.36
Repair Adjmt	<u>(207,648)</u>
<b>Total 2011</b>	<b>\$3,056,597</b>
<b>2012</b>	
Regular	\$3,157,933.58
Repair Adjmt	<u>(207,648)</u>
<b>Total 2012</b>	<b>\$2,950,285</b>
<b>2013</b>	
Regular	\$3,027,726.82
Repair Adjmt	<u>(207,648)</u>
<b>Total 2013</b>	<b>\$2,820,079</b>

**Long Island does not conform to the Federal Bonus Depreciation**

\$5,191,205 2009 Repairs w/o bonus

4% Tax Depr-Water Property

(\$207,648) Reduced Tax Expense for Repairs Adjustment

Long Island American Water  
Amortization of Flow Through Regulatory Asset (a/c 187.20)

Exhibit 12  
Tab 31

Book Depreciation Rate  
1.80%  
2.22% effective April 2005  
2.28% effective April 2008

	Projected Book Depreciation	Projected Tax Depreciation	Tax	Difference	X 35.00%	Amortization 65.00% 59.29%	Balance a/c 187.20 @ 12/31
Basis	\$34,560,169		\$34,560,169				
Accumulated depreciation	(15,238,940)		(27,659,121)				
Adjusted Basis @ 12/31/99	\$19,321,229	\$6,901,048	\$6,901,048	\$12,420,181	\$4,347,063	\$6,637,790	\$6,637,790
2000	(622,083)	(603,414)	(603,414)	(18,669)	(6,634)	(10,053)	6,677,737
2001	(622,083)	(594,265)	(594,265)	(27,798)	(9,729)	(14,968)	6,662,769
2002	(622,083)	(585,284)	(585,284)	(36,799)	(12,890)	(19,815)	6,642,954
2003	(622,083)	(573,860)	(573,860)	(48,203)	(16,871)	(25,955)	6,616,999
2004	(622,083)	(562,475)	(562,475)	(59,608)	(20,863)	(32,097)	6,584,902
2005	3 mos (155,521)	(553,528)	(138,382)	(17,138)	(5,898)	(9,229)	6,575,673
2005	9 mos (575,427)		(415,148)	(160,281)	(56,058)	(94,612)	6,481,061
2006	3 mos (191,809)	(544,570)	(136,143)	(55,696)	(19,483)	(32,859)	6,448,202
2006	9 mos (575,427)		(408,428)	(166,999)	(58,450)	(98,578)	6,349,624
2007	3 mos (191,809)	(535,647)	(133,932)	(57,897)	(20,264)	(34,176)	6,315,448
2007	9 mos (575,427)		(401,735)	(173,692)	(60,792)	(102,528)	6,212,920
2008	3 mos (191,809)	(370,266)	(82,236)	(99,237)	(34,733)	(53,436)	6,159,485
2008	9 mos (590,979)		(246,708)	(344,270)	(120,494)	(185,376)	5,974,108
2009	3 mos (196,993)	(204,923)	(82,236)	(114,757)	(40,165)	(61,792)	5,912,316
2009	9 mos (590,979)		(246,709)	(344,270)	(120,494)	(185,376)	5,726,940
2010	3 mos (196,993)	(201,558)	(82,236)	(114,757)	(40,165)	(61,792)	5,665,148
2010	9 mos (590,979)		(246,709)	(344,270)	(120,494)	(185,376)	5,479,772
2011	3 mos (196,993)	(197,961)	(82,236)	(114,757)	(40,165)	(61,792)	5,417,980
2011	9 mos (590,979)		(148,468)	(442,493)	(154,873)	(239,256)	5,179,714
2012	3 mos (196,993)	(187,680)	(48,520)	(150,073)	(52,526)	(80,899)	5,098,906
2012	9 mos (590,979)		(140,760)	(450,219)	(157,577)	(242,426)	4,856,480
2013	3 mos (196,993)	(178,132)	(44,533)	(152,460)	(53,391)	(82,094)	4,774,386
2013	9 mos (590,979)		(133,599)	(457,380)	(160,083)	(246,281)	4,528,105
2014	3 mos (196,993)	(177,118)	(44,280)	(152,713)	(53,450)	(82,230)	4,445,874
2014	9 mos (590,979)		(132,839)	(458,140)	(160,349)	(246,691)	4,199,183
2015	3 mos (196,993)	(167,561)	(41,860)	(155,103)	(54,286)	(83,517)	4,115,667
2015	9 mos (590,979)		(125,671)	(465,308)	(162,858)	(250,551)	3,865,116
2016	3 mos (196,993)	(141,400)	(35,350)	(161,643)	(56,575)	(87,039)	3,778,078
2016	9 mos (590,979)		(108,050)	(482,929)	(169,725)	(261,116)	3,516,962
2017	3 mos (196,993)	(124,800)	(31,200)	(165,793)	(58,028)	(89,273)	3,427,689
2017	9 mos (590,979)		(83,600)	(497,379)	(174,083)	(267,819)	3,159,869
2018	3 mos (196,993)	(107,636)	(26,908)	(170,084)	(59,539)	(91,584)	3,068,286
2018	9 mos (590,979)		(80,727)	(510,252)	(178,588)	(274,751)	2,793,535
2019	3 mos (196,993)	(72,352)	(18,088)	(178,905)	(62,617)	(96,333)	2,697,201
2019	9 mos (590,979)		(17,657)	(573,322)	(200,663)	(309,712)	2,387,489
2020	3 mos (196,993)	(47,683)	0	(196,993)	(68,948)	(106,073)	2,282,416
2020	9 mos (590,979)		0	(590,979)	(206,843)	(318,219)	1,964,197
2021	3 mos (196,993)	(28,994)	0	(196,993)	(68,948)	(106,073)	1,858,124
2021	9 mos (590,979)		0	(590,979)	(206,843)	(318,219)	1,539,904
2022	3 mos (196,993)	(26,993)	0	(196,993)	(68,948)	(106,073)	1,433,831
2022	9 mos (590,979)		0	(590,979)	(206,843)	(318,219)	1,115,612
2023	3 mos (196,993)	(26,927)	0	(196,993)	(68,948)	(106,073)	1,009,539
2023	9 mos (590,979)		0	(590,979)	(206,843)	(318,219)	691,319
2024	3 mos (196,993)	(26,856)	0	(196,993)	(68,948)	(106,073)	585,246
2024	9 mos (590,979)		0	(590,979)	(206,843)	(318,219)	267,027
2025	3 mos (196,993)	(26,857)	0	(196,993)	(68,948)	(106,073)	160,954
2025	9 mos (590,979)		0	(590,979)	(206,843)	(318,219)	(31,850)
2026	0	(18,641)	0	0	0	0	(31,850)
2026	0		0	0	0	0	(31,850)
2027	0	(10,391)	0	0	0	0	(31,850)
2027	0		0	0	0	0	(31,850)
2028	0	(5,195)	0	0	0	0	(31,850)
2028	0		0	0	0	0	(31,850)
2029	0		0	0	0	0	(31,850)
2029	0		0	0	0	0	(31,850)
2030	0		0	0	0	0	(31,850)
2030	0		0	0	0	0	(31,850)
2031	0		0	0	0	0	(31,850)
2031	0		0	0	0	0	(31,850)
2032	0		0	0	0	0	(31,850)
2032	0		0	0	0	0	(31,850)

Amortization schedule adjusted to reflect straight-line recovery for rate years beginning April 2005, 2008 & 2010. See page 15 - Joint Proposal dated 12/21/2007



**Long Island American Water  
Monthly Comparison of 12-Month PSC Complaints  
January 2007 through December 2010**

January	<b>2007</b>	<b>8</b>
February		<b>8</b>
March		<b>4</b>
April		<b>8</b>
May		<b>7</b>
June		<b>9</b>
July		<b>1</b>
August		<b>7</b>
September		<b>2</b>
October		<b>3</b>
November		<b>4</b>
December		<b>2</b>
	<b>Total</b>	<b>63</b>
January	<b>2008</b>	<b>3</b>
February		<b>5</b>
March		<b>3</b>
April		<b>1</b>
May		<b>10</b>
June		<b>11</b>
July		<b>7</b>
August		<b>11</b>
September		<b>9</b>
October		<b>12</b>
November		<b>7</b>
December		<b>10</b>
	<b>Total</b>	<b>89</b>
January	<b>2009</b>	<b>7</b>
February		<b>7</b>
March		<b>8</b>
April		<b>8</b>
May		<b>7</b>
June		<b>4</b>
July		<b>10</b>
August		<b>5</b>
September		<b>13</b>
October		<b>6</b>
November		<b>7</b>
December		<b>4</b>
	<b>Total</b>	<b>86</b>

**Long Island American Water**  
**Monthly Comparison of 12-Month PSC Complaints**  
**January 2007 through December 2010**

January	<b>2010</b>	<b>4</b>
February		<b>3</b>
March		<b>4</b>
April		<b>7</b>
May		<b>3</b>
June		<b>9</b>
July		<b>4</b>
August		<b>9</b>
September		<b>8</b>
October		<b>3</b>
November		<b>11</b>
December		<b>6</b>
<b>Total</b>		<b>71</b>