

WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT

In addition to the net charges provided for in this Tariff, a Water Infrastructure and Conservation Adjustment (“WICA”) surcharge of ~~7.086.72~~% will apply to all bills with services rendered on or after ~~June~~January 1, ~~2018~~2019.

I. General Description

Purpose: To recover the fixed costs (depreciation, property taxes and pre-tax return) of certain Commission-approved non-revenue producing system improvement projects completed and placed in service and to be recorded in the individual accounts, as noted below, between base rate cases. In addition, WICA provides the Company with the resources to accelerate asset replacement for infrastructure for the purpose of improving or protecting water quality and the reliability of service and to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act.

Eligible Property: The WICA-eligible property will consist of the following:

Services* ~~over and above an annual; \$50,000 threshold~~ (account 333) and hydrants* (account 335) installed as in-kind (i.e., same size) replacements for customers;

mains and valves* (account 331) installed as replacements for existing facilities that have either reached the end of their useful life, are worn out or are in deteriorated condition;

main cleaning and re-lining projects and relocations that are non-reimbursable (account 331);

replacement of production meters (account -304-); and

replacement of pressure reducing valves (accounts- 309, 331).

*The first \$50,000 in costs related to the emergency / reactive replacement of services, valves, and hydrants in a given year’s WICA filing shall not be eligible for recovery through the WICA surcharge.

II. Computation of the WICA

Calculation: The initial charge, effective January 1, 2011, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company's rate base and will have been placed in service between January 1, 2010 and September 30, 2010. Thereafter, the WICA will be updated on an annual basis to reflect eligible plant additions placed in service during the twelve month period ending three months prior to the effective date of each WICA update (the “Project Year”). Thus, changes in the WICA rate will occur as follows:

Issued: ~~May~~January 31, 20189

Issued by: Donald Morrissey

~~Donald Morrissey~~

Effective: ~~June~~January 1, 20189

Title: Chief Financial Officer

As authorized by Order No. 26, ~~094,245~~ in Docket No. DW ~~18-161~~17-154

WATER INFRASTRUCTURE AND CONSERVATION ADJUSTMENT

In addition to the net charges provided for in this Tariff, a Water Infrastructure and Conservation Adjustment (“WICA”) surcharge of 6.72% will apply to all bills with services rendered on or after June 1, 2019.

I. General Description

Purpose: To recover the fixed costs (depreciation, property taxes and pre-tax return) of certain Commission-approved non-revenue producing system improvement projects completed and placed in service and to be recorded in the individual accounts, as noted below, between base rate cases. In addition, WICA provides the Company with the resources to accelerate asset replacement for infrastructure for the purpose of improving or protecting water quality and the reliability of service and to comply with evolving regulatory requirements imposed by the Safe Drinking Water Act.

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Services* (account 333) and hydrants* (account 335) installed as in-kind (i.e., same size) replacements for customers;

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main cleaning and re-lining projects and relocations that are non-reimbursable (account 331);

replacement of production meters (account 304); and

replacement of pressure reducing valves (accounts 309, 331).

*The first \$50,000 in costs related to the emergency / reactive replacement of services, valves, and hydrants in a given year’s WICA filing shall not be eligible for recovery through the WICA surcharge.

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Calculation: The initial charge, effective January 1, 2011, will be calculated to recover the fixed costs of eligible plant additions that have not previously been reflected in the Company’s rate base and will have been placed in service between January 1, 2010 and September 30, 2010. Thereafter, the WICA will be updated on an annual basis to reflect eligible plant additions placed in service during the twelve month period ending three months prior to the effective date of each WICA update (the “Project Year”). Thus, changes in the WICA rate will occur as follows:

Issued: May 3, 2019

Issued by: Donald Morrissey

Effective: June 1, 2019

Title: Chief Financial Officer

As authorized by Order No. 26,245 in Docket No. DW 18-161