



Fiscal Year 2012 Upstate Rate Hearing

June 6, 2011

Upstate Rate

- ❖ Wholesale to 55 upstate water utilities, which distribute the water to their retail customers
- ❖ Upstate communities entitled to quantities of water equal to the per capita consumption in New York City times the population of the upstate community. This consumption is billed at the “Entitlement Rate”
- ❖ The Entitlement Rate =
 - The capital and operating costs of supplying and treating water
 - Excluding any in-City costs
 - Divided by the forecast consumption in City and upstate
- ❖ Excess consumption above the entitled quantities is billed at an Excess Rate, which is equal to the in-City rate

Calculating the Upstate Rate

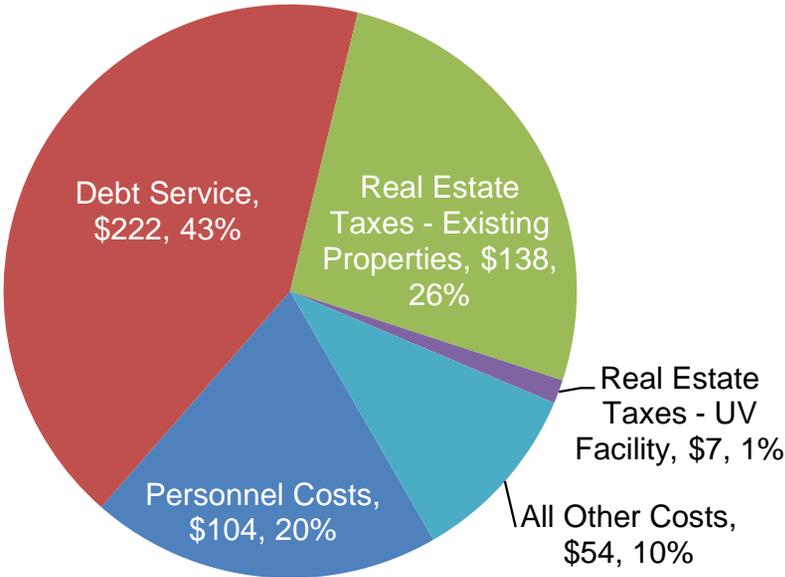
- ❖ Upstate costs of supplying and/or treating water
- ❖ Reconcile final costs and consumption for prior fiscal years, as applicable
- ❖ Forecast consumption based on ten-year regression analysis
- ❖ Divide Net Cost of Service by Consumption to calculate Entitlement Rate

	Enacted FY 2011	Proposed FY 2012	Proposed FY 2012 with Stipulation
Net Cost of Service	\$472,271,930	\$503,179,269	\$493,179,269
Consumption	410,771	406,298	406,298
Entitlement Rate/MG	\$1,149.72	\$1,238.45	\$1,213.84
Change in Rate		7.7%	5.6%

Costs of Supplying Water

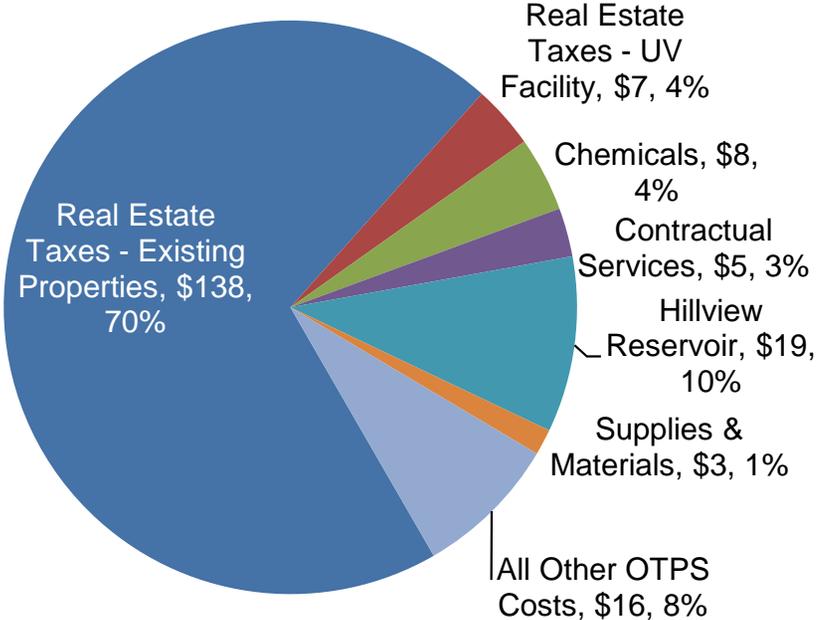


FY 2012 Cost of Service



Total: \$524.8 million

FY 2012 OTPS Costs



Total: \$196.7 million

Components of Water Service Costs

Cost Component	(\$ Millions)	% of Total
Debt Service	\$222	45%
Property Taxes	\$145	29%
Direct Personnel Expenses	\$104	21%
Other than Personal Services	\$41	8%
Hillview Operating Expenses	\$19	4%
Less: Miscellaneous Revenues	(\$7)	-1%
Less: Credit for FY 2010 Reconciliation	(\$22)	-4%
Less: Credit for Stipulation	(\$10)	-2%
Net Total Cost of Service	\$493	100%

Calculation of FY 2012 Rate



Net Total Cost of Service	\$493,179,269
Estimated Consumption (MG)	406,298
Proposed Unit Rate for FY 2012 (\$ per MG)	\$1,213.84
Current Unit Rate for FY 2011 (\$ per MG)	\$1,149.72
Proposed % Change	5.6%
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Last Year's Rate Projection for FY 2012	\$1,312.20
Last Year's Projected % Increase	14.1%
Current Projection vs. Last Year's Projection	-60.5%

Upstate Rate Comparison



	FY 2011 Rate					FY 2012 Rate	
	Total Water Rate	NYC Water Supply Portion	Upstate Utility Portion	NYC % of Total	Upstate Utility % of Total	FY 2012 Increase by NYC	NYC Increase as % of Total Water Rate
Carmel	\$802.14	\$114.97	\$687.17	14%	86%	\$6.41	0.8%
Mamaroneck	\$697.05	\$114.97	\$582.08	16%	84%	\$6.41	0.9%
New Rochelle	\$633.42	\$114.97	\$518.45	18%	82%	\$6.41	1.0%
New York City	\$394.39	\$114.97	N/A	29%	N/A	\$29.41	7.5%
White Plains	\$222.10	\$114.97	\$107.13	52%	48%	\$6.41	2.9%
Yonkers	\$205.88	\$114.97	\$90.91	56%	44%	\$6.41	3.1%

Calculations assume average annual usage of 100,000 gallons