

ISI= the original cost to the Company of eligible infrastructure system improvement projects, less accumulated depreciation.

PTRR= the pre-tax return rate applicable to eligible infrastructure system improvement projects.

Dep= annual depreciation expense related to eligible infrastructure system improvement projects.

PT= annual property taxes related to eligible infrastructure system improvement projects.

BRWR= base retail water revenues as approved by the Commission in the Company's last rate proceeding, DW 08-098, or a subsequent docket.

Annual updates: Supporting data for each annual update will be filed with the Commission and the Office of Consumer Advocate sixty (60) days prior to the effective date of the update. The Company shall also provide notice to the Towns.

III. Safeguards

Return analysis: With each WICA filing, the Company shall include a return analysis as a basis for its decision to file the WICA petition, which will compare the Company's actual rate of return to its authorized WACC. If the Company exceeds the authorized WACC of 7.54% by more than fifty basis points for any calendar year calculated under the cost of capital method using end of period balances, the Company shall not pursue a WICA adjustment for that year. The previously approved WICA surcharge, if applicable, will remain in effect until either the filing of its next WICA adjustment the following calendar year or the next base rate proceeding. If the Company has exceeded the fifty-basis point threshold in a given year, it may include its WICA eligible plant investments for recovery in a future WICA filing when it is next eligible to submit a WICA filing.

Cap: The amount of the WICA applied between general rate case filings shall not exceed seven and one-half percent (7.5%) of the Company's annual retail water revenues as approved in its most recent rate filing, and shall not exceed five percent (5%) of such revenues for any twelve-month period.

Issued: April 20, 2023

Issued by: Donald Morrissey

Effective: March 1, 2023

Title: President

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Issued: ~~January 1, 2016~~ April 20, 2023 Issued by: ~~_____~~ Donald Morrissey

Effective: March 1, 2023 ~~January 1, 2016~~
Title: ~~Chief Financial Officer~~ President