

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 1.5715% will apply to all bills with services rendered on or after January 1, 2011.

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 (account 333), meters (account 334) 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);

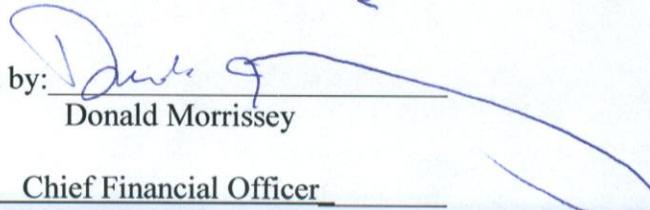
replacement of production meters (account 304); and

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

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. Thus, changes in the WICA rate will occur as follows:

Issued: January 1, 2011

Issued by: 
Donald Morrissey

Effective: January 1, 2011

Title: Chief Financial Officer

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Issued: ~~September 25, 2009~~January 1, 2011 Issued by: _____
Donald Morrissey

Effective: ~~September 25, 2009~~January 1, 2011 Title: Chief Financial Officer
As authorized in order ~~25,019~~25,186 in Case DW ~~08-098~~10-293