

March 26, 2015

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: The Newtown Artesian Water Company - State Tax Adjustment Surcharge


Dear Secretary Chiavetta:

We are counsel to The Newtown Artesian Water Company and are submitting via electronic filing the Company's Supplement No. 110 to its Tariff Water - Pa. P.U.C. No. 9. Supplement No. 110 recomputes the State Tax Adjustment Surcharge in accordance with the Pennsylvania Public Utility Commission's Order of March 10, 1970.

Please contact the undersigned with any questions about this matter.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By 

Thomas T. Niesen

Enclosure

cc: Bureau of Audits (w/enclosure)
Bureau of Investigation and Enforcement (w/enclosure)
Office of Consumer Advocate (w/enclosure)
Office of Small Business Advocate (w/enclosure)
Brenden Brett, Esq. (w/enclosure)
Nancy Faist (w/enclosure)

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NEWTOWN ARTESIAN WATER COMPANY
Newtown, Pennsylvania 18940

Supplement No. 110
To
Water-Pa. P.U.C. No. 9

THE NEWTOWN ARTESIAN WATER COMPANY

Rates and Rules
Governing the Supply
of Water Service
in
Newtown Borough,
the Township of Newtown and
the Township of Middletown,
Bucks County, Pennsylvania

ISSUED: March 26, 2015

EFFECTIVE: April 1, 2015

Don Smith, Secretary
The Newtown Artesian Water Company
Newtown, Pennsylvania 18940

NOTICE

This Tariff Makes Increases, Decreases and/or Changes in Existing Rates, Rules, and Regulations.

NEWTOWN ARTESIAN WATER COMPANY
Newtown, Pennsylvania 18940

Supplement No. 110
To
WATER-PA. P.U.C. No. 9
Ninety-Seventh Revised Page No. 2
Canceling
Ninety-Sixth Revised Page No. 2

LIST OF CHANGES MADE BY THIS SUPPLEMENT

This tariff supplement increases the State Tax Adjustment Surcharge based upon a recomputation in accordance with the Pennsylvania Public Utility Commission's Order of March 10, 1970, and as amended.

NEWTOWN ARTESIAN WATER COMPANY
Newtown, Pennsylvania 18940

Supplement No. 110
To
WATER-PA. P.U.C. No. 9
Ninety-Seventh Revised Page No. 3
Canceling
Ninety-Sixth Revised Page No. 3

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Schedule of Flat Rates		
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(C) Indicates change.

NEWTOWN ARTESIAN WATER COMPANY
Newtown, Pennsylvania 18940

Supplement No. 110
To
WATER-PA. P.U.C. No. 9
Thirty-Fifth Revised Page No. 4
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Thirty-Fourth Revised Page No. 4

STATE TAX ADJUSTMENT SURCHARGE

In addition to the changes in this tariff, a surcharge of -0.013% will (I)
apply to all bills for services rendered on or after April 1, 2014.

The above surcharge will be recomputed, using the elements prescribed by
the Commission:

- (a) Whenever any of the tax rates used in calculation of the surcharge
are changed;
- (b) Whenever the utility makes effective increased or decreased rates;
- (c) And on March 31, 1975, and year thereafter.

The above recalculation will be submitted to the Commission within ten
(10) days after the occurrences of the event or date which occasions such
recomputation. If the recomputed surcharge is less than the one in effect the
utility will, and if the recomputed surcharge is more than the one then in
effect, the utility may submit with such recomputation a tariff or supplement
to reflect such recomputed surcharge, the effective date of which shall be ten
(10) days after filing.

(I) Indicates increase

Computation of surcharge to be applied to Water Company's services
 for services rendered on or after the effective date of this Supplement.

Adjustment to PURTA Liability

Revised Assessment dated August 11, 2014 (see Exhibit A)

Net decrease 12/98-12/12	\$	(1,956)	
Amount due based on 32.4251 mills		358,951	
Amount of Purta tax included in rate base		<u>356,952</u>	
			<u>1,999</u>
			43

Reconciliation

Total amount to be collected/ (refunded)			<u>(742)</u>
			<u>(\$699)</u>

Intrastate Operating Revenue

Intrastate Revenue Base	\$	<u>5,452,646</u>
Total Intrastate Revenue Base		5,452,646
Effective time period (4/1/2015 - 3/31/2016)	365 / 365	<u>1.0000</u>

Total Adjusted Intrastate Operating Revenues 5,452,646

Calculation of State Tax Adjustment Surcharge (699) / 5,452,646

Surcharge Rate -0.013 %

NEWTOWN ARTESIAN WATER COMPANY
 STAS RECONCILIATION ANALYSIS
 PERIOD - 5/1/14 THROUGH 4/30/15

I. Intrastate Operating / STAS Revenues
 Collected - 5/1/14 through 4/30/15

User Category	Intrastate Operating Revenue				STAS Revenue Collected
	Gross		Net		
	Amount	% of Total	Amount	% of Total	
Water	\$5,415,182	100.00%	\$5,452,646	100.00%	(\$37,464)

II. Allocation of STAS Revenue Collected
 - 5/1/14 through 4/30/15 by STAS Category

STAS Tax Category	Estimated Tax Liability from Original Filing		Allocation of STAS Revenue Collected
	Amount	% of Total	Water
PURTA	7,559	-19.78%	7,412
RECONCILIATION	(45,765)	119.78%	(44,876)
Total	(\$38,206)	100.00%	(\$37,464)

III. Reconciliation - STAS Revenues Collected versus
 Tax Liability 5/1/13 through 4/30/14

STAS Reconciliation			
STAS Tax Category	Revenue Collected	Tax Liability	Over/(Under) Collection
PURTA	7,412	7,559	(147)
RECONCILIATION	(44,876)	(45,765)	889
Total	(\$37,464)	(\$38,206)	\$742

NEWTOWN ARTESIAN WATER COMPANY
 CASH RECEIPTS FOR STAS RECONCILIATION
 2014-2015

NEWTOWN ARTESIAN RATE AREA

<u>MONTH</u>	<u>GROSS RECEIPTS</u>	<u>STAS COLLECTED</u>	<u>NET RECEIPTS</u>
5/14	184,841	(1,177)	186,018
6/14	259,746	(1,753)	261,499
7/14	238,049	(1,684)	239,733
8/14	241,372	(1,687)	243,059
9/14	185,448	(1,318)	186,766
10/14	250,940	(1,759)	252,699
11/14	223,362	(1,579)	224,941
12/14	221,275	(1,549)	222,824
1/15	209,873	(1,452)	211,325
2/15	194,512	(1,371)	195,883
3/14 est	208,975	(1,463)	210,438
4/14 est	<u>214,968</u>	<u>(1,505)</u>	<u>216,473</u>
	<u>2,633,361</u>	<u>(18,297)</u>	<u>2,651,658</u>

INDIAN ROCK RATE AREA

<u>MONTH</u>	<u>GROSS RECEIPTS</u>	<u>STAS COLLECTED</u>	<u>NET RECEIPTS</u>
5/14	187,780	(1,066)	188,846
6/14	226,072	(1,544)	227,616
7/14	291,978	(2,043)	294,021
8/14	186,341	(1,313)	187,654
9/14	212,330	(1,481)	213,811
10/14	302,516	(2,132)	304,648
11/14	191,101	(1,331)	192,432
12/14	231,863	(1,616)	233,479
1/15	270,021	(1,868)	271,889
2/15	198,845	(1,394)	200,239
3/14 est	211,121	(1,478)	212,599
4/14 est	<u>271,853</u>	<u>(1,901)</u>	<u>273,754</u>
	<u>2,781,821</u>	<u>(19,167)</u>	<u>2,800,988</u>
Grand Total	<u>5,415,182</u>	<u>(37,464)</u>	<u>5,452,646</u>

Exhibit A

August 11, 2014

NEWTOWN ARTESIAN WATER CO
P.O. BOX 217

NEWTOWN, PA 18940

Re: 2013 Pennsylvania Public Utility Realty Tax
** Correction to LINE 5, Liability Amount (August 1, 2014 Notice)

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, the Department of Revenue on August 1, 2014 provided notice of the state taxable values of PURTA realty and the millage rate for tax year 2013. Please be advised that the amount of 2013 PURTA tax printed on the original letter and referenced as LINE 5 was incorrect. The corrected calculation is herein provided and the net difference indicated.

Payment of any additional tax if needed is required within 45 days of the mailing date of this notice. Previous payments or use of credits should be taken into consideration. Payments and correspondence relevant to the PURTA program or this notice should be mailed directly to the above address.

The Bureau of Corporation Taxes regrets any inconvenience or confusion this may have caused.

Thank you for your attention to this matter.

Sincerely,

Department of Revenue
Bureau of Corporation Taxes

Tax Year	2013
1) Total Realty Tax Equivalent (RTE):	\$ 31,406,409
2) Total State Taxable Value (STV) for all utilities:	\$ 1,265,107,644
3) PURTA Millage Rate, including 7.6 mills for PTA:	32.4251 mills
4) Utility STV:	\$11,070,166
** 5) Corrected Liability (Line 3 x Line 4)	\$358,951
5) Original Liability: (August 1, 2014)	\$353,630
Net Difference:	\$5,321

PLEASE SEE PAGE 2
FOR YEARS 1998 - 2012

Account ID: 3504492

