



The York Water Company

December 14, 2023

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Dear Secretary Chiavetta:

Enclosed is one (1) copy of State Tax Adjustment Surcharge (STAS) Attachment effective January 1, 2024.

Please note that the adjustment to the Pennsylvania Corporate Net Income Tax (“CNI”) rate effective January 1, 2024 did not impact the calculation of this STAS. The York Water Company currently has a taxable loss as filed in its most recent 2022 CNI Tax return, primarily as a result of defining its unit of property under the Internal Revenue Service’s tangible property regulations. Because the Company is currently incurring tax benefits (i.e. a net operating loss), the reduction in the CNI tax rate will ultimately reduce the tax benefits as compared to the level of tax benefit it would otherwise have experienced. This will result in the Company’s STAS rate being a charge to customers. However, The York Water Company does not intend to pass on this loss of tax benefit resulting from this CNI rate change. As a result, the STAS rate of 0.00% is unchanged from Supplement No. 20 to Tariff Wastewater-Pa. P.U.C. No. 1, effective March 1, 2023.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions regarding this filing.

Sincerely,

Matthew E. Poff
Chief Financial Officer

Enclosure

cc: Tariff Section, PUC
Office of Consumer Advocate
Office of Small Business Advocate
Michael W. Hassell, Esq. Post & Schell, PC

**THE YORK WATER COMPANY
CALCULATION OF STATE TAX ADJUSTMENT SURCHARGE**

**CORPORATE NET INCOME TAX REDUCTION
to 8.49% from 8.99%**

Last Filed Corporate Net Income Taxable Income (2022)	(\$3,721,453)
Decrease in Corporate Net Income Tax Rate Effective January 1, 2024 (8.49% - 8.99%) / (100% - 8.49%)	-0.546%
Estimated Decrease in 2024 Corporate Net Income Tax [Lesser of \$(3,721,453) x (0.546)% or \$0]	\$0
Allocation Percentage Between Water and Wastewater Based on 2022 Revenue	7.70%
Estimated Decrease in 2024 Corporate Net Income Tax for Wastewater [\$0 x 7.70%]	<u>\$0</u>
Projected Sales of Wastewater for Period January 1, 2024 through December 31, 2024 (based on November 20, 2023 Projection)	\$7,056,206
Surcharge Percent to Refund Corporate Net Income Tax Reduction [\$0 / \$7,056,206]	<u>0.00%</u>