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April 16, 2015

Via Electronic Filing

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

Re: Docket No. M-2015-2471695
Newtown Artesian Water Company
Supplement No. 109 to Tariff Water - Pa. P.U.C. No. 9

Dear Secretary Chiavetta:

We are counsel to The Newtown Artesian Water Company ("Company") in the above matter which concerns the Company's Supplement No. 109 to Tariff Water - Pa. P.U.C. No. 9. Supplement No. 109 decreases the Company's Purchased Water Adjustment Clause ("PWAC") effective May 1, 2015, to \$0.1427 per 1,000 gallons. The Bureau of Audits has reviewed the Supporting Information submitted with the Supplement and asked that the Company submit the Revised Supporting Information enclosed with this letter. The Revised Supporting Information calculates a slightly higher PWAC of \$0.1543 in comparison to the PWAC of \$0.1427 established in Supplement No. 109. The Company has provided notice to its customers of Supplement No. 109 and the PWAC of \$0.1427 and, rather than increase the PWAC to \$0.1543, which might require a second customer notice, the Company has decided to make no change to the PWAC of \$0.1427 which will take effect on May 1, 2015. The difference between the rate of \$0.1427 per 1,000 gallons and \$0.1543 per 1,000 gallons will be captured in the Company's 2015 year-end reconciliation. Please contact me with any questions about this matter.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By

Thomas T. Niesen

Enclosure

cc: Larry Treaster (via email, w/encl.)
Brenden E. Brett, Esq. (via email, w/encl.)
George Forsyth (via email, w/encl.)
Harold Walker, III (via email, w/encl.)

Newtown Artesian Water Company
Purchased Water Adjustment Clause Computation (REVISED)

<u>Line</u>	<u>Adjustment Line Item</u>	<u>Illustration</u>	<u>Acronyms</u>	<u>Source/Explanation</u>
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PWAC = (CHGPWC x 462,972)
785,882

FROM TARIFF PAGE 31 EFFECTIVE 10/15/2011		
Baseline Purchase Water Cost (per thousand gallons)		\$3.45
BCWSA (Customer)	\$0.01	
BCWSA (Consumption)	\$3.44	
OTHER	\$0.00	
Baseline 1,000 Gallons Purchase Water		462,972
BCWSA	462,972	
OTHER	0	
Baseline Water Sales (per thousand gallons)		785,882

PURCHASED WATER ADJUSTMENT

1.	Baseline Purchased Water Cost (per thousand gallons)			
2.	BCWSA - Baseline Purchased Water Cost (per thousand gallons)	\$3.45	<i>Baseline data from tariff</i>	
3.	OTHER - Baseline Purchased Water Cost (per thousand gallons)	\$3.45	<i>Baseline data from tariff</i>	
4.	Baseline 1,000 Gallons of Purchased Water	\$0.00	<i>Baseline data from tariff</i>	
5.	BCWSA - Baseline Purchased Water Cost (per thousand gallons)	462,972	<i>Baseline data from tariff</i>	
6.	OTHER - Baseline Purchased Water Cost (per thousand gallons)	462,972	<i>Baseline data from tariff</i>	
7.	Baseline 1,000 Gallons of Water Sales	0	<i>Baseline data from tariff</i>	
8.	Baseline Purchased Water Expense	785,882	<i>Baseline data from tariff</i>	
		\$1,597,253	<i>Baseline data</i>	Ln 1 x Ln 4
<u>Purchase Water Cost (per thousand gallons) Effective 7/01/2014</u>				
9.	BCWSA (Customer)	\$0.01	<i>Baseline data</i>	
10.	BCWSA (Consumption)	\$3.54	<i>Pro Forma rate</i>	
11.	OTHER	\$2.673	<i>Pro Forma rate</i>	
12.	<u>1,000 Gallons of Purchased Water Effective 5/1/2014</u>			
13.	BCWSA	462,972		Ln 13 + Ln 14
14.	OTHER	380,847	<i>Pro Forma Gallons</i>	
		82,125	<i>Pro Forma Gallons</i>	
15.	Pro Forma Purchase Water Cost (per thousand gallons)	\$3.39		((Ln 13 x (Ln 9 + Ln 10)) + (Ln 14 x Ln 11)) / Ln 12
16.	Change in Purchase Water Cost (per thousand gallons)	(\$0.06)	<i>CHGPWC</i>	Ln 15 - Ln 1
17.	Pro Forma Change in Purchased Water Expense	(\$25,726)		Ln 16 x Ln 4
18.	PWAC (per thousand gallons) -			
19.	"determined to the nearest one-hundredth cent (0.01¢)"	(\$0.0327)	<i>PWAC</i>	Ln 17/Ln 7
<u>Reconciliation of Over (Under) Collections from 2014</u>				
21.	Actual Volume of Water Sold (1,000 Gallons) in 2014	724,880	<i>Actual Data</i>	
22.	Actual Purchased Water Costs Recovered in Base Rates in 2014	\$1,471,506		(Ln 21 x (Ln 8 / Ln 7))
23.	Actual Purchased Water Cost Incurred in 2014	\$1,539,165	<i>Actual Data</i>	
24.	Base Rate Revenue Over (Under) Collected	(\$67,659)		(Ln 22 - Ln 23)
25.	PWAC Revenue Collected	(\$26,966)	<i>Actual Data</i>	
26.	PWAC Over (Under) Recovery Account from 2014	(\$94,625)		(Ln 24 + Ln 25)
27.	BCWSA Over (Under) Payment of Finance Charge from 2012		<i>Actual Data</i>	(Actual Data x -1)
28.	BCWSA Over (Under) Payment of Finance Charge from 2014 (Refunded 2015)	\$2,059	<i>Actual Data</i>	
29.	Approved Over (Under) Recovery Account Calendar Year 2014	(\$54,397)	<i>Actual Data</i>	
30.	Net Over (Under) Recovery from 2014	(\$146,963)		(Ln 26 through Ln 29)
31.	Current PWAC (C-factor + E-factor Revenue)		<i>Actual Data</i>	
32.	Baseline 1,000 Gallons of Water Sales for Jan-Apr 2015			(LN 7/12 mos) x 4 mos
33.	Pro Forma Additions to Over (Under) Recovery Acct for Jan-Apr 2015			(Ln 31 x Ln 32)
34.	Pro Forma Over (Under) Recovery Account at May 1, 2015	(\$146,963)		(Ln 30 + Ln 33)

Newtown Artesian Water Company
Purchased Water Adjustment Clause Computation (REVISED)

<u>Line</u>	<u>Adjustment Line Item</u>	<u>Illustration</u>	<u>Acronyms</u>	<u>Source/Explanation</u>
35.	Determination of PWAC			
36.	Pro Forma Over (Under) Recovery Account at May 1, 2015	\$ 146,963		(Ln 34 x-1)
37.	Baseline 1,000 Gallons of Annual Water Sales	<u>785,882</u>		Ln7
38.	Under (Over) Recovery Account 1,000 Gallons of Water Sale from 2014	<u>\$0.1870</u>		(Ln 36 / Ln 37)
39.	Proforma PWAC Without Annual Reconciliation	<u>(\$0.0327)</u>		Ln 19
40.	PWAC (per thousand gallons) - "determined to the nearest one-hundredth cent (0.01)"	<u><u>\$0.1543</u></u>	PWAC	Ln 38 + Ln 39
41.	Baseline Revenues	\$5,800,782	Baseline data	
42.	Pro Forma Purchased Water Expense			
43.	as a percent of Baseline Revenues	2.1%		(Ln 40 x Ln 7)/Ln 41
44.	Mandated Cap on PWAC at 7.5% of Revenues	7.5%	Rate Cap	
45.	Mandated Cap in Recoverable Purchased Water Expense	\$435,059		Ln 44 x Ln 41
46.	Maximum PWAC (per thousand gallons) - Under the Cap			
47.	"determined to the nearest one-hundredth cent (0.01)"	\$0.5536	PWAC	Ln 45/Ln 7