



## **New York American Water Company Proposed Rate Increase & Consolidation**

**Case 16-W-0259**

In April 2016, New York American Water Company, Inc. (NYAW), requested the New York State Public Service Commission (PSC) approve proposed changes in its water service rates. NYAW serves approximately 125,000 customers in six New York counties including Nassau, Putnam, Sullivan, Ulster, Washington and Westchester.

Upon receipt of the rate filing, Department of Public Service (DPS) Staff began an analysis of the Company's request to evaluate whether – or to what extent – a rate increase is justified. DPS represents the public interest in rate proceedings and evaluates such requests with the goal of ensuring safe and reliable service at just and reasonable rates.

Review of the NYAW filing is also underway by other parties to the proceeding.

### **Information Sessions and Public Statement Hearings**

The Commission is seeking comment on the changes to water rates. An Administrative Law Judge will preside over the gathering of public comments and all evidence relating to the rate request. The comments made at the hearings will become part of the formal case record in this proceeding and will be presented to the Commission for consideration. The Commission may adopt or reject NYAW's proposal in whole or in part, or modify it by adopting changes not proposed by the Company, but by participating parties, the general public or the Commission.

Interested members of the public are invited to attend a public statement hearing and provide comments regarding the proposal.\* The hearings will be preceded by an information session where an NYAW representative will describe the Company's filing and the Administrative Law Judge will explain the rate case process and how individuals can participate. It is not necessary to make an appointment in advance or present written material in order to speak at the hearing.

Please join us at the following locations:

#### **Wednesday, July 6, 2016**

Information Session: 2:00pm & 6:00pm  
Public Statement Hearing: 3:00pm & 7:00pm

Southeast Town Hall  
1360 Route 22  
Brewster, NY 10509

#### **Wednesday, July 13, 2016**

Information Session: 1:00pm & 5:00pm  
Public Statement Hearing: 2:00pm & 6:00pm

Oceanside Library  
30 Davison Avenue  
Oceanside, NY 11572

\*Disabled persons requiring special accommodations may place a collect call to the DPS's Human Resources Management Office at 518-474-2520. TDD users may request a sign language interpreter by placing a call through the New York Relay Service at 711 to reach the Human Resource Office at the previously mentioned number. If you have difficulty understanding English, please call DPS at 1-800-342-3377 for free language assistance services.

## SUMMARY OF THE RATE CASE

On April 29, 2016, NYAW filed for new water rates to be effective April 1, 2017. NYAW submitted testimony explaining in detail why it believes that the proposed revenue requirement increases are necessary to ensure that the Company can meet the needs of providing safe, adequate and reliable water service to its customers.

According to NYAW, major rate drivers include increases in the cost of providing service, property taxes and investments in infrastructure. NYAW is proposing to replace and rehabilitate its aging distribution system mains, hydrants and services.

### **Rate Case Overview:**

**Tariff Consolidation:** Tariffs are filings, approved by the Commission that set out the rates, terms and conditions of service for utilities such as NYAW. Since 2012, NYAW has acquired numerous small water company systems, each with their own separate tariffs. NYAW is seeking to consolidate its water districts into two service areas that will contain a single set of general terms and conditions, along with a separate rate structure for the two service areas. Service Area 1, with 75,000 customers, would consist of the following water districts: Cambridge, Dykeer, Kingsvale, Long Island Water, Lucas Estates, Mill Neck Estates, Mt. Ebo, Spring Glen, Waccabuc and Wild Oaks. Service Area 2, with 50,000 customers, would include the New York Water Service and Sea Cliff districts. NYAW's long-term goal is to have one consolidated service area and tariff for its entire New York territory.

**Infrastructure:** The Company proposes various upgrades to its water system infrastructure to improve and maintain system reliability, water quality and safety. The upgrades include treatment of naturally occurring iron found in the groundwater and expansion of the main replacement program to cover aging distribution systems, hydrants and services in the entire New York territory. The Company is also seeking to recover the cost of a pilot project involving a geothermal heating and cooling system installed in an elementary school in Valley Stream, New York.

**Additional Components:** NYAW proposes a Low Income Payment Program to provide low income residential customers with a credit on their water bill equal to their monthly meter charge. The Company is also seeking to convert quarterly and bi-monthly billing customers to monthly billing.

### **Proposed Rates:**

The proposed revenue increase is approximately \$8.49 million (or 8.3% increase to current revenues). The increase would impact each service area differently, with Service Area 1 receiving a \$5.8 million increase (8.4%) and Service Area 2 receiving a \$2.7 million increase (8.1%).

The full text of the rate case, including a breakdown of expected bill impacts by customer class, may be viewed online at DPS's [www.dps.ny.gov](http://www.dps.ny.gov) website. From the homepage, click on "Search," and enter the case number ([16-W-0259](#)) in in the "Search by Case Number" field.

There are several ways to participate in the rate case process, including:

- **Request Party Status:** Some individuals or groups participate in rate cases by becoming a party in the case. Generally, parties commit to contribute to the development of a complete record in a proceeding by conducting discovery, submitting testimony, briefs, or other formal written comments, and/or participating in evidentiary hearings, procedural conferences and other formal events conducted in the case. Interested groups or individuals can submit a request for party status online through the Commission's [www.dps.ny.gov](http://www.dps.ny.gov) website by searching for the case numbers and clicking the "Request for Party Status" link at the top of the Case page. Alternatively, a request form can be downloaded from the website, obtained by calling 518-474-4520 or by writing to the Administrative Law Judge, NYS Public Service Commission, Three Empire State Plaza, Albany, NY 12223. The requestor will be provisionally given party status, subject to the right of other parties to object and subject to the determination of the Administrative Law Judge.
- **Join the Service List:** Interested persons who wish to monitor the proceedings of a particular case can do so without the formal commitment to become a party to the proceeding. The persons who subscribe to the service list of a case will receive an e-mail with a direct link to the documents issued by the Commission, such as orders, notices, and rulings. Persons unable or unwilling to receive such electronic notification will receive hard copies of Commission-issued documents by regular mail.

To register online, click on the "Subscribe to Service List" link at the top of the dedicated page for Case 16-W-0259. A "Service List and Mail Service List Request Form" can be downloaded from the site and the completed form sent by e-mail to Hon. Kathleen H. Burgess, Secretary at [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov) or by mail to: Secretary, Public Service Commission, Three Empire State Plaza, Albany, NY 12223-1350.

- **Monitor the Case on the Commission Website:** Interested persons who choose not to sign up to receive e-mail notifications can view our website at their convenience to check on the status of a case. All documents filed by parties, correspondence, hearing transcripts, and Commission issued documents in a given case are posted on the website. All comments submitted by the public are posted under the 'public comments' tab for the case.
- **Provide Comments:** There are opportunities to attend public outreach events to learn about the proposals and provide comments. All comments can be submitted at the public statement hearings held on July 6 and 13, 2016 or through the methods below:
  - **Via Mail/E-Mail:** Submit comments electronically to Kathleen H. Burgess, Secretary, at [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov) or by mail or delivery to Secretary Burgess at the Department of Public Service, Three Empire State Plaza, Albany, New York 12223-1350. Comments delivered in these manners should reference "NY American Water Co., Inc. Rate Case" (16-W-0259).

- **Via the Department's Website:** Comments may also be entered directly into the case by locating the case via the home page of the Commission's website, [www.dps.ny.gov](http://www.dps.ny.gov), by clicking on "Search," and entering the associated case number (noted above) in the "Search by Case Number" field. After clicking to open the case, enter comments in the "Post Comments" section located at the top of the page.
- **Via Toll-Free Opinion Line:** Individuals may choose to submit comments by calling the Commission's toll-free Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24-hours a day. Callers should press "1" to leave comments about Case 16-W-0259 "NY American Water Co., Inc.". Comments received via the Opinion Line are not transcribed, but a summary is provided to the Commission for their consideration.

Comments submitted via these alternate means are requested by August 12, 2016, but comments may be submitted and will be considered throughout the pendency of this proceeding. All comments will become part of the record considered by the Commission.