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PSC Appoints Temporary Operator for Forest Park Water Group

— **PSC Takes Swift Action After Owner of Northeast Water Services, Forest Park Water Company, Hilltop Meadows Water-Works, and Misty Hills Water Fails to Provide Adequate Water Supplies to Customers** —

ALBANY — The New York State Public Service Commission (Commission) today announced that it had directed Suez Water New York Inc. to take over the day-to-day operations of a water company in Putnam County to ensure that the company's customers will continue to receive a safe and adequate supply of water.

"The Commission is obligated to ensure that all regulated water systems provide safe and adequate service at just and reasonable prices," said Commission Chair Audrey Zibelman. "Upon investigation, it was determined that the Forest Park Group failed to provide safe and adequate service to its Putnam County customers, and it lacks the capacity to provide such service going forward. Therefore, Suez Water is appointed as temporary operator."

The Forest Park Group provides metered water service in 14 separate non-contiguous water systems to about 980 customers in the Towns of Carmel and Southeast in Putnam County and the Town of Lewisboro in Westchester County. The companies include Northeast Water Services, Forest Park Water Company, Inc., Hilltop Meadows Water-Works Corp., and Misty Hills Water Corporation.

The swift action by the Commission came after Department staff, working with local officials, had to step in late last week to restore water service to nearly 200 Forest Park customers who had lost water service. At the request of Department of Public Service staff, Suez Water visited the impaired system on June 24 to investigate its condition, and provide technical and financial support in restoring the system to full operation. Suez Water has since informed staff of multiple deficiencies with the Forest Park, including a failed well pump, non-payment of vendors and an inactive customer service telephone number. Subsequently, a well at another system failed and Suez Water is again assisting in its restoration.

The Commission has authority to appoint a temporary operator for a water utility with less than 1,000 customers when, after notice and an opportunity to be heard, the Commission finds that the utility either: failed to provide safe and adequate service; lacks necessary technical, financial or managerial ability; or actually or effectively abandoned the system. The owner of the Forest Park Group has communicated his consent for the appointment of a temporary operator.

Given the current state of the Forest Park Group, it was determined that the owner failed to provide safe and adequate service and lacks the necessary technical, financial and managerial ability to do

so. As a temporary operator, Suez Water is now authorized to operate and manage the Forest Park assets. Suez Water will be notifying each customer.

On January 14, 2016, Suez Water Owego-Nichols, Inc. filed a still-pending petition for authorization for Suez Water to acquire the assets of the sellers. While the petition remains under review, the individual Forest Park Group's Chateau Ridge system suffered a well failure. The Forest Park Group operator temporarily opened an interconnection to a neighboring water system but was unable to keep the connection open without jeopardizing the other system's integrity. Putnam County was notified of the system conditions and rendered emergency assistance for the delivery of water by tanker trucks.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 16-W-0390 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.