

STATE OF NEW YORK

# Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn, (518) 474-7080

<http://www.dps.state.ny.us>

FOR RELEASE: IMMEDIATELY

08025/07-W-0639; 07-W-0872

## **PSC Seeks Comment on Rates and Merger of United Water Owego and United Water Nichols**

Albany, NY—02/21/08—The New York State Public Service Commission seeks public comments on the proposed rates of United Water Owego, Inc., and United Water Nichols, Inc., for the provision of water service and the proposal of these companies to merge and become United Water Owego-Nichols, Inc.

The date, location and times of the public statement hearings are:

**Wednesday, February 27, 2008**  
Tioga County Municipal Building  
Edward D. Hubbard Auditorium  
56 Main Street  
Owego, NY  
**4:00 p.m. -and- 7:00 p.m.**

On May 31, 2007, United Water Owego, Inc. petitioned the Commission, under §89-c of the New York State Public Service Law, for an increase in water rates and to amend its tariff accordingly. In relation to the proposed merger of United Water Nichols, Inc. into United Water Owego, Inc. and assuming PSC approval of the merger, United Water Nichols, Inc. proposed to eliminate its tariff and bill its customers at United Water Owego, Inc.'s proposed rates. The Commission may grant the petition, with or without conditions, or deny it, in whole or in part.

On July 26, 2007, these companies petitioned for approval of the merger under §§89-h and 108 of the New York State Public Service Law, which require that the PSC examine whether

the acquisition is in the public interest. The PSC has been conducting an evidentiary proceeding to consider the petition. The Commission may grant the petition, with or without conditions, or deny it, in whole or in part.

The parties, after a period of negotiation, reached an agreement in principle on the issues raised by the petitions and filed a Joint Proposal on February 13, 2008. The Joint Proposal's terms, if adopted by the PSC, would allow three annual base rate increases effective April 1, 2008, 2009, and 2010. The three rate increases would increase annual revenues by an estimated 44% in Year One, 6.7% in Year Two, and 5.6% in Year Three. Finally, the Joint Proposal provides that deferred pension and post-retirement payments other than pensions would be reviewed by Department of Public Service Staff and recovered through water rates implemented in 2008.

### **Public Statement Hearings**

To speak at the hearings, it is not necessary to make an appointment in advance or present written material. Persons will be called to speak after completing a request card. All comments at the hearings will be transcribed and become part of the Commission's formal record. Each hearing session will remain open for at least one hour, and will continue until everyone wishing to speak has been heard or other reasonable arrangements are made.

Disabled persons requiring special accommodations should contact the Department of Public Service's Human Resource Management Office at (518) 474-2520 as soon as possible.

### **Other Ways to Comment**

**Writing:** Those who cannot attend or prefer not to speak at a public statement hearing may comment by writing to Jaclyn A. Brillling, Secretary, Public Service Commission, Empire State Plaza, Albany, New York 12223-1350. Your comment should refer to "Cases 07-W-0639 and 07-W-0872 – United Water Owego and Nichols – Water Rates and Merger."

**Toll-free Opinion Line:** You may call the Commission's Opinion Line at 1-800-335-2120. This number is set up to take comments about pending cases from in-state callers, 24 hours a day. Callers should select English or Spanish and press "1" to leave comments about the United Water Owego-Nichols merger proposal.

**Internet:** Comments may also be made via the "PSC Comment Form," in the "Consumer Assistance" file accessed through the Commission's Web site at <http://www.dps.state.ny.us>. Many public libraries provide free Internet access.

All comments via these alternative methods should be submitted, or mailed and postmarked, no later than March 5, 2008. All such statements and comments will become part of the record, be made available for inspection in the Commission's file room, and be reported to the Commission for its consideration.