

STATE OF NEW YORK

# Public Service Commission

Audrey Zibelman, Chair

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## **PSC LOWERS UNITED WATER'S RATE REQUEST FOR CUSTOMERS IN WESTCHESTER COUNTY**

— Approved Rates Below Initial \$14M Rate Request —

Albany, NY—11/13/14—The New York State Public Service Commission (Commission) today rejected United Water New Rochelle Inc. (UWNR) and United Water Westchester Inc. (UWW) joint request to increase revenues by \$14.4 million, or 23 percent, over a one-year period. The companies filed the rate request to recover certain expenses, including capital investments. Instead, the Commission limited the increase in revenues to cover increases in operational expenses, property taxes, and other expenses. Combined, the water companies will increase rates by only \$10.2 million, or 16.3 percent, with the increase spread over three years to minimize customer impact.

“The agreement that we are adopting today is the results of months of negotiations between normally adversarial parties,” said Commission Chair Audrey Zibelman. “It will allow the company to continue to provide safe and reliable services while allowing customers the ability to budget their funds knowing rates increases will be fixed over the term of the three-year rate plan, thereby balancing customer interests and the financial viability of the company.”

The Commission’s decision to adopt the proposed joint proposal will also result in the administrative merger of the two companies already owned by a common parent, but the company will retain separate rate districts for the two service territories.

The two companies are subsidiaries of United Waterworks Inc. UWNR provides water service to approximately 31,000 customers in 12 municipalities in Westchester County. UWW supplies water service to about 12,500 customers in three municipalities in Westchester County, the Villages of Rye Brook and Port Chester and the City of Rye. UWNR, UWW, the villages of Rye Brook and Port Chester, and the City of Rye, and Department of Public Service staff signed the joint proposal. Public statement hearings were held on August 5 and 6 in the cities of New Rochelle and Rye, respectively.

Under the company's original proposal, average monthly bills for the typical residential UWNR customer would have increased from approximately \$68.50 to \$83.64 (approximately 22 percent), and similar UWW customer bills would increase from about \$67.17 to \$88.25 (approximately 31 percent).

Under the terms of the adopted joint proposal, the average monthly bills for UWNR residential customers with 5/8" meters will increase from \$68.50 to \$77.41 in the first year (13 percent), \$83.24 in the second year (7.5 percent), and \$89.05 in the third year (7 percent). Meanwhile, average monthly bills for UWW residential customers with 5/8" meters will increase from \$67.17 to \$67.24 in the first year, \$68.03 in the second year, and \$68.81 in the third year or approximately 2.4 percent overall.

The joint proposal recommended establishment of a rate plan covering the three years November 1, 2014 through October 31, 2017. New rates for the first year, however, will not become effective until December 5, 2014.

A multi-year rate plan enables the company to focus on improving and efficient utility operations while avoiding the costs associated with rate filings for the next two years. Meanwhile, the Commission determined the merger is in the public interest, and will result in operational efficiencies, service improvements and economies of scale, valued at \$183,000 in the first year alone.

The Commission's decision today, when issued, may be obtained by going to the Commission Documents section of the Commission's Web site at [www.dps.ny.gov](http://www.dps.ny.gov) and entering Case Number 13-W-0539 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission orders 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.