

STATE OF NEW YORK

Public Service Commission

Garry A. Brown, Chairman

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09094/09-W-0237

PSC Holds Public Hearings for NY Water Joint Proposal

Albany, NY—10/14/09—The New York Public Service Commission will hold public statement hearings concerning a Joint Proposal that was filed by New York Water Service Corporation and the New York State Department of Public Service Staff on Wednesday, September 30, 2009.

The Joint Proposal includes terms those two parties jointly believe the Commission should adopt for purposes of resolving all of the issues in the case. The Commission can adopt some or all of the proposed terms or adopt completely different terms.

The Public Statement hearings will be held as follows:

Levittown

Thursday, October 29, 2009

2:00 p.m. *and* 7:00 p.m.

Levittown Public Library

Community Room

1 Bluegrass Lane

Each hearing will continue for at least one hour, and thereafter as necessary to accommodate speakers, but not for more than two hours.

It is not necessary to make an appointment to speak at one of the public statement hearings. Persons will be called to speak after completing a request card. The hearings will be transcribed verbatim by a court reporter. Persons who speak at one hearing will not be allowed to speak at the second, unless there is time remaining after all other persons desiring to speak have been accommodated.

Disabled persons requiring special accommodations may place a collect call to the Department of Public Service's Human Resource Management office at 518-474-2520, as soon as possible.

Joint Proposal

The Joint Proposal is 18 pages long and has supporting attachments. Among other things, the Joint Proposal states that the Commission should allow the Company to change its rates in order to generate incremental annual revenues in the next three years, with the first increase going into effect on February 6, 2010.

One approach to accomplish this would be to allow the Company to increase its annual revenues by \$1.915 million (8.47%) in year one, \$.418 million (1.57%) in year two, and \$.526 million (1.95%) in year three. Another approach is to allow the Company to increase its annual revenues by \$1.318 million (5.83%) in year one, \$1.082 million (4.16%) in year two, and \$1.082 million (4.00%) in year three.

The Joint Proposal's proponents contend that, taking into account the time value of money, the impact of each of these two options is identical. The proponents propose that the Commission select the option it believes is most reasonable.

Analysis of the Joint Proposal's reasonableness is now ongoing. Preliminary indications are that the total incremental revenue increase proposed for the first year is needed by the Company primarily for the following specific reasons, among others:

<u>Reason</u>	<u>Dollar Amount</u>
1. Property Taxes	\$1.0 million
2. Carrying Costs on New Infrastructure	\$0.6 million
3. Production Costs	\$0.6 million
4. Pension Costs	\$0.7 million
5. All Other Costs and Revenue Changes	<\$1.0> million
6. Total	\$1.9 million

Where to Review Joint Proposal

The Joint Proposal and a summary of it (the Joint Proposal Summary) can be found in electronic format on the Department of Public Service web site at <http://www.dps.state.ny.us> by placing your cursor on “Water” and clicking on “NYWS Rate Case.”¹ Many libraries offer free internet service. Hard copies of the Joint Proposal and the Joint Proposal Summary are also available for inspection at the Company’s 60 Brooklyn Avenue, Merrick office, and at the following libraries:

Bellmore Memorial Library
2288 Bedford Avenue

Merrick Library
2279 Merrick Avenue

Massapequa Public Library
523 Central Avenue

Wantagh Public Library
3285 Park Avenue

North Bellmore Public Library
1551 Newbridge Road

Seaford Public Library
2234 Jackson Avenue

Amityville Public Library
Corner of Oak and John Streets

Levittown Public Library
1 Bluegrass Lane

Other Ways to Comment on the Joint Proposal

Interested parties are invited to comment on the reasonableness of the terms of the Joint Proposal, giving reasons for their opinions. Such comments can be submitted at the public statement hearings or by any one of the following means:

Writing: Comments may be mailed to Hon. Jaclyn A. Brillling, Secretary, Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350.

Internet: Send an e-mail to the Commission Secretary at Secretary@dps.state.ny.us.

Toll-Free Opinion Line: Leave a taped message on the Commission’s toll-free opinion line at 1-800-335-2120. The number is designed to take comments on pending cases from in-State callers, 24 hours a day. Callers should press “1” to leave oral comments and follow the instructions given.

¹ If inaccuracies are discovered in the Summary, an updated, corrected JP Summary will be posted on the DPS web site, bearing a new date.

For each of these alternatives, the comments should refer to the Joint Proposal or JP in Case 09-W-0237, New York Water Service Corporation - Water Rates and Service Quality. All public comments on the reasonableness of the terms of the Joint Proposal are due as soon as possible, but must be received by not later than November 6, 2009.

All public comments timely received, regardless of the method by which they are transmitted, become part of the official case record, are posted on the DPS web site for public inspection, and will be summarized for the Commission for consideration during its deliberations. All public comments previously filed in this case will likewise be reported to the Commission and considered by it.