

STATE OF NEW YORK

Public Service Commission

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14047/13-W-0539; 13-W-0564; 14-W-0006

PSC SEEKS INPUT ON UNITED WATER MERGER AND RATE PLAN — Comments Sought on UW New Rochelle and UW Westchester Proceeding —

Albany, NY – 07/17/14 – The New York State Public Service Commission (Commission) is seeking comment on a joint proposal recommending the Commission approve the requests of United Water New Rochelle, Inc. (UWNR) and United Water Westchester, Inc. (UWW) to merge UWW into UWNR and to modify rates to increase their combined annual revenues by \$14.47 million (23 percent). A joint proposal, signed by parties in the proceeding, was filed with the Commission on July 3, 2014. The Commission may accept, reject or modify, in whole or in part, the proposal.

The public will have an opportunity to present their comments regarding the proposed mergers of UWW and UWNR and the proposed revenue increase at two separate public statement hearings in New Rochelle and Rye, in Westchester County. These hearings will take place before an Administrative Law Judge assigned by the Commission to hear this case. A verbatim transcript of the hearings will be made and included in the record of the proceeding.

The public statement hearings will be held as follows:

TUESDAY, AUGUST 5

New Rochelle City Hall

515 North Avenue

New Rochelle, NY 10801

6:00 p.m.: Public Statement Hearing

WEDNESDAY, AUGUST 6

Rye City Hall
1051 Boston Post Road
Rye, NY 10580
6:00 p.m.: Public Statement Hearing

It is not necessary to make an appointment in advance or to present written material in order to speak at the public statement hearings. Speakers will be called after completing a card requesting time to speak. Disabled persons requiring special accommodations may place a collect call to the Department of Public Service's Human Resources Management Office at (518) 474-2520 as soon as possible. TDD users may request a sign language interpreter by placing a call through the New York Relay Service at 711 to reach the Department of Public Service's Human Resource Office at the previously mentioned number.

In November 2013, the two water companies filed a request with the Commission to increase their delivery rates for water service in Westchester County. The affiliated companies then filed testimony in January 2014 seeking Commission approval to merge UWW into UWNR, with UWW customers billed at the proposed UWNR rates. The companies' proposed one-year rate change would increase the combined annual revenues of UWNR and UWW by \$14.47 million (23 percent).

Department of Public Service Staff and other parties in the proceeding examined the companies' proposals and put forth counter proposals. On July 3, 2014, following negotiations, a joint proposal was signed by both companies and Staff, providing for a rate plan that would run from November 1, 2014 through October 31, 2017. The Joint Proposal reflects the base rate increases (and percentages) for each of the three rate years, as well as the rate and percentage increases under a levelized three-year rate plan. The rate increases under the levelized three-year plan would be \$4.25 million (6.8 percent) in year one, \$4.25 million (6.4 percent) in year two, and \$4.35 million (6.0 percent) in year three. The combined UWNR and UWW increases in the Joint Proposal without levelization amount to \$6,811,235 (10.89 percent), \$1,384,606 (2.0 percent) and \$1,987,016 (2.81 percent) in Rate Years One, Two and Three, respectively. The Joint Proposal contains a number of other provisions related to the companies' operations and service.

Under the proposed merger, there would be one company and it will be designated United Water Westchester.

Other Ways to Comment

Internet or Mail: In addition to the formal hearings, comments may be sent electronically to the Secretary, at secretary@dps.ny.gov, or mailed or delivered to Hon. Kathleen H. Burgess, Secretary, Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Your comments should refer to “Cases 13-W-0539 et al. – United Water New Rochelle, Inc. and United Water Westchester, Inc. – Water Rates and Merger.”

Toll-free Opinion Line: Comments may also be submitted through the Commission’s Opinion Line at 1-800-335-2120. This number is designed to take comments about pending cases from in-state callers, 24 hours a day. Callers should press “1” to leave comments, and refer to “Cases 13-W-0539 et al. – United Water New Rochelle, Inc. and United Water Westchester, Inc. – Water Rates and Merger.”

Comments will become part of the record considered by the Commission. Written comments may be accessed on the Commission’s website by searching either Case Number 13-W-0539, 13-W-0564, or 14-W-0006 (at www.dps.ny.gov, enter either case number in the input box labeled "Search for Case/Matter Number") and clicking on the “Public Comments” tab. Many libraries offer free Internet access.

A full copy of the joint proposal is available on the Commission’s website at <http://www.dps.ny.gov>. (From the homepage, click on “Search,” then in “Search by Case Number” insert either Case Number 13-W-0539, 13-W-0564, or 14-W-0006. Comments are requested no later than August 27, 2014, but will be accepted throughout the pendency of this proceeding.

The Commission’s decision in this case, when issued, may be obtained on the Commission’s website by searching either of the Case Numbers as described above. 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.