

STATE OF NEW YORK

Public Service Commission

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10053/06-W-0131

UNITED WATER NY GIVEN OK TO COLLECT SURCHARGE — Company's Revenue Under-Collected, Property Taxes Higher-Than-Expected —

Albany, NY—06/17/10—The New York State Public Service Commission (Commission) today adopted a recommendation to allow United Water New York Inc., operating in Rockland County, to collect \$3.11 million by applying a 12.5 percent surcharge on all metered customers starting with the July 1, 2010 billing and continuing through December 31, 2010.

United Water provides water service to approximately 70,240 customers in Rockland County, primarily living in the towns of Ramapo, Clarkstown, Orangetown, Stony Point, and Haverstraw. The company's affiliate provides water service to approximately 486 customers, in portions of the towns of Tuxedo, Warwick, and Monroe, in Orange County.

As part of United Water New York's existing three-year rate plan (Case 06-W-0131), the Commission authorized the company to reconcile allowances given in the rate case for metered revenues, production costs and property taxes on an annual basis. At the end of each rate year, actual billed metered revenues, production costs, and property taxes are reconciled; the company is permitted to apply a credit or surcharge to metered customers' bills to offset any net over- or under-collections.

Upon examination of the company's financial records, it was determined that for the rate year ended December 31, 2009 the total net metered revenues and production costs under-collection with interest was \$2.58 million, combined with the property tax under-collection with interest of \$524,130.

Based on this decision, an average annual usage residential customer would pay about an additional \$30 for the period July 1, 2010 through December 31, 2010. Today's decision is separate and distinct from the Commission's pending decision in the ongoing United Water New York's rate case (Case 09-W-0731).

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.state.ny.us and entering Case Number 06-W-0131 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).