GOVERNOR ANDREW M. CUOMO

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GOVERNOR CUOMO DIRECTS SPECIAL COUNSEL FOR RATEPAYER PROTECTION TO LEAD INQUIRY INTO FEASIBILITY OF A PUBLIC TAKEOVER OF NEW YORK AMERICAN WATER COMPANY ON LONG ISLAND

Special Counsel Will Lead the Department of Public Service’s Investigation into the Merits of Municipalizing Troubled Long Island Water Utility and Issue Report by April 1st

Governor Andrew M. Cuomo today directed Rory I. Lancman, Special Counsel for Ratepayer Protection at the New York State Department of Public Service, to commence and lead a municipalization feasibility study regarding Long Island’s largest privately-owned water company, New York American Water Company, Inc.

"For far too long, the 120,000 customers of New York American Water on Long Island have been plagued by exorbitantly high rates for water - this simply cannot continue," Governor Cuomo said. "New York is immediately launching an effort to thoroughly study all options to reduce customer costs for this vital necessity and a basic right, including a public takeover. New Yorkers deserve access to clean, safe and affordable water and we are going to pursue every avenue to make that happen."

The Department is currently reviewing the sale of New York American Water to Liberty Utilities Co., another private utility. The Liberty proceeding has triggered strong local interest in reviewing options for potential public takeover of the system. Several municipalities, including Sea Cliff and Massapequa, submitted comments analyzing the feasibility of taking over parts of the New York American Water system. Governor Cuomo included a provision in his utility reform legislation introduced in November that requires the issuance of a study by April 1, 2021 on the feasibility of a public takeover of American Water. Given the importance of the issue in the ongoing proceeding, the Governor directed the Department to begin the study immediately.

Department of Public Service CEO John B. Rhodes said, "Governor Cuomo has taken an active interest in looking for solutions to this pressing problem of high-cost water service for these consumers. One of the greatest consumer benefits of a public takeover is that the utility would become tax-exempt, which would lower costs for consumers. Lowering the cost of service is of prime importance to the Department."

Special Counsel for Ratepayer Protection Rory I. Lancman said, "Governor Cuomo is leaving no option off the table when it comes to protecting ratepayers, and that includes potentially municipalizing all or part of New York American Water Company on Long Island. The results of our analysis will help the Governor, the Commission,
legislators, local government officials, and customers make an informed decision on
how best to reduce water rates and provide safe and reliable drinking water in the long-
term."

The study being conducted by Special Counsel Lancman will include opportunities for
public comment and public hearings. The study will be completed by April 1. New York
American Water provides residential and non-residential metered and other water
services as well as public and private fire protection services in parts of Nassau,
Putnam, Sullivan, Ulster, Washington and Westchester counties. American Water has
about 124,000 customers system-wide, including about 120,000 customers on Long
Island.

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