

Filed: Session of April 24, 2014
Approved as Recommended
and so Ordered
by the Commission

KATHLEEN H. BURGESS
Secretary
Issued & Effective April 28, 2014

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

March 31, 2014

TO: THE COMMISSION

FROM: OFFICE OF ELECTRIC, GAS & WATER – Gas and Water Rates

SUBJECT: Case 13-W-0295 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of United Water New York Inc. for Water Service.

EXTENSION OF MAXIMUM SUSPENSION PERIOD
FOR MAJOR RATE FILING

On July 2, 2013, United Water New York Inc. (UWNY or the Company) filed amendments to its tariff schedule, P.S.C. No. 1 – Water requesting an increase in revenues for water service of approximately \$21.3 million for the rate year ending May 31, 2015. This is a 28.9% increase in revenues from base rates (or about a 19.8% increase for a typical residential customer's annual bill of approximately \$720 at current rates to \$863 at the Company's proposed rates). The Company is also proposing to change from quarterly to monthly billing. By Notices issued July 12, 2013 and November 8, 2013, the Commission suspended the proposed revisions through May 28, 2014. The investigation in this proceeding is continuing.

By letter dated January 24, 2014, UWNY agreed to a further extension of the suspension period through June 28, 2014 subject to a “make-whole” provision that would keep UWNY in the same position they would have been absent the extension. UWNY understands being “made whole” to mean that the Company would recover or refund any revenue under-collections or over-collections, respectively, resulting from the extended suspension period. The Company would calculate any revenue adjustments as the difference between (1) sales revenues UWNY would have billed at new rates during the extension of the suspension period and (2) the same level of sales revenues at current rates. The revenue adjustments would include all applicable surcharges and carrying charges, and would be subject to reconciliation in accordance with all applicable adjustment mechanisms. After further discussion with the parties and the Administrative Law Judges assigned to this proceeding, by letter dated February 21, 2014, UWNY agreed to a further two-day extension of the suspension period through June 30, 2014, subject to the same “make-whole” provision.

Recommendation

It is recommended that:

1. the operation of the matters suspended by Notices dated July 12, 2013 and November 8, 2013 in this proceeding be further suspended and the use of the rates, charges, rules and regulations stated in said Notices be further deferred through June 30, 2014 unless otherwise ordered by the Commission;
2. United Water New York Inc. be directed to file with the Commission, not later than May 21, 2014, a consecutively numbered supplement announcing the extension of the suspension period of the suspended amendments;

3. United Water New York Inc. should be made whole, as defined in this Order, for the period between May 28, 2014 and the date the Commission sets new rates, charges, rules and regulations for the Company's water business; and
4. this proceeding be continued.

Respectfully submitted,

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Reviewed by:

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Office of General Counsel

Approved by:

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