

UNITED WATER NEW YORK DIVISION
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VIA ELECTRONIC FILING SYSTEM

Hon. Kathleen Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, New York 12223-1350
secretary@dps.ny.gov

- Re: Case 09-W-0731 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of United Water New York Inc.**
- Case 09-W-0824 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of United Water New Rochelle Inc. for Water Service**
- Case 09-W-0828 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of United Water Westchester Inc. for Water Service**
- 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**

Dear Secretary Burgess:

This letter represents the comments of United Water New York Inc., United Water New Rochelle Inc., and United Water Westchester Inc. (collectively, the “Companies”) in response to the Notice Soliciting Comments on Staff Report on the Property Tax Reconciliation Filings (“Notice”) issued by the New York State Public Service Commission (“Commission”) on August 26, 2015, in the above-referenced proceedings.

The August 26, 2015 Department of Public Service Staff Report on the Property Tax Reconciliation Filings by the United Water Companies (“Staff Report”) contends that the Companies unreasonably failed to make economic obsolescence (“EO”) filings with the Office of Real Property Tax Services (“ORPTS”), which would have allegedly allowed the Companies



to potentially reduce their property tax liabilities by a total of \$4 million. As a result, Staff recommends an adjustment to disallow recovery of \$3.4 million under the Companies' property tax reconciliation mechanisms.

The position of the Companies is well stated in their multiple filings on the issue – including the Rebuttal Testimony of Timothy J. Michaelson (pages 9-12) and the March 14, 2014 Reply Brief of United Water New York Inc. (pages 17-23) filed in Case 13-W-0295, and in discovery responses (including question 5 to STAFF-1 SEK-1) in Cases 09-W-0731, 09-W-0824, and 09-W-0828 – and that position will not be restated in detail here.

The Companies previously and reasonably believed that they were not eligible for an EO award based upon the plain language of the relevant regulations (*i.e.*, 20 NYCRR § 8185-1.1(186)). Since learning that they may be eligible for EO awards, the Companies have taken steps to remedy the situation and diligently filed the appropriate forms with ORPTS – and the Companies will of course continue to apply for EO awards on a going forward basis. Accordingly, the Companies respectfully submit that the Commission should not accept Staff's recommendation because any adjustment to disallow recovery is not warranted under the circumstances.

United Water thanks the Commission for its review and consideration of the information provided in this letter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Christopher J. Graziano'.

Christopher J. Graziano
General Manager
United Water New York Inc.

cc: All Active Parties
David Stanton
John T. Dillon, Esq.