

CORRECTED COPY OF TESTIMONY

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Case 13-W-0295

Wednesday, April 23, 2014

Public Comment: Remarks of John J. Tormey III, Esq., of Pearl River, NY

Case 13-W-0295 (Matter #13-01437), Before The New York State Public Service Commission
[\[http://www.dps.ny.gov\]](http://www.dps.ny.gov)

Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of United Water New York Inc. for Water Service (the "Rate Case")

Honorable Rafael A. Epstein, Administrative Law Judge, Presiding
Honorable David R. Van Ort, Administrative Law Judge, Presiding

Honorable Chair Audrey Zibelman, Esq.
Honorable PSC Commissioner Patricia L. Acampora, Esq.
Honorable PSC Commissioner Gregg C. Sayre, Esq.
Honorable PSC Commissioner Garry A. Brown, Esq.
Honorable PSC Commissioner Diane X. Burman, Esq.

Hearing Dates:

Wednesday, April 23, 2014 (West Nyack, NY)

Thursday, October 2, 2013 (Ramapo, NY)

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Dear Madame Chair Zibelman, Commissioner Acampora, Commissioner Sayre, Commissioner Brown, Commissioner Burman, and Your Honors, Judge Epstein and Judge Van Ort.

May It Please This Tribunal, The Honorable New York State Public Service Commission:

I am an attorney who lives in Rockland County, New York. I am a Party to this Rate Case. I am also a Party to the related Surcharge Case and the related Need Case. I brought a Motion To Consolidate the three (3) Cases which is still pending.

I join in the many calls made yesterday and today, for a plenary forensic audit to be performed on United Water's so-called finances. As should already now be well-known to communities like Toms River, New Jersey; Camden, New Jersey; Haworth, New Jersey; Gary, Indiana; Atlanta, Georgia; Monsey, New York; New Rochelle, New York; Reidsville, North Carolina; and New Hartford, Connecticut; United Water is an off-shore-controlled hydra which is not to be trusted.

I am speaking out this evening in opposition to United Water's request for a US\$21.3 million dollar rate increase, as discussed in PSC's literature.

I am speaking out this evening in opposition to United Water's request for a 28.9% rate increase, as also discussed in PSC's literature.

I am speaking out this evening in opposition to the Recommended Decision of the Administrative Law Judges proposing a US\$11.1 million rate increase, as also discussed in PSC's literature.

I am speaking out this evening in opposition to the Recommended Decision of the Administrative Law Judges proposing a rate increase of 15% in total revenues to UWNY, as also discussed in PSC's literature.

The rate increases proposed by United Water are greedy, confiscatory, and far beyond what Rockland County, New York rate-payers can actually afford.

The rate increases proposed by the Recommended Decision of the Administrative Law Judges, with all due respect to Your Honors, are far in excess of the economic realities currently prevailing in the County of Rockland, in the State of New York, and in the United States of America.

The latest annual inflation rate for the United States is **1.5%** through the 12 months ended March 2014, as published by the U.S. government on April 15, 2014:

<http://www.usinflationcalculator.com/inflation/current-inflation-rates/>

Indeed, the latest published cost-of-living adjustment, or "COLA" - [which by the way is what we should all be drinking instead of United Water's toxic cocktail out of our tap] - is also **1.5%** with respect to both Social Security benefits and SSI payments:

<http://www.ssa.gov/OACT/cola/latestCOLA.html>

Yet somehow, United Water believes it is entitled to a rate increase of almost twenty times the latest annual inflation rate. Perhaps United Water believes it has done twenty times as good a job "managing" Rockland County's water resources - as compared to the working people comprising the 300,000+ Rockland County residents, many of whom would have been lucky to receive a 1.5% pay wage increase over the last several years through our recent Great Recession.

The fact of the matter is, United Water has done a lousy job. United Water has grossly mismanaged and wasted out Rockland County water resources. Now United Water is trying to stick us with the tab. Perhaps even more insulting, United Water is seeking to make you, Your

Honors and the PSC, the accomplices *post facto* to what is in my opinion United Water's white-collar economic crime.

Equally stark is the comparison of the latest 1.5% annual inflation rate, to the 15% ALJ-proposed rate increase in the Recommended Decision issued by Your Honors. Making that comparison, it has now dawned on me. There must have been a mistake. There must have been a typographical error in the Recommended Decision. The 15% rate increase must have actually been intended to comport with the 1.5% annual inflation rate instead. *Voila*, as the French would say - someone must have accidentally moved the decimal point over, one integer-space to the right, before issuing the Recommended Decision with a number "15" in it.

Unless Your Honors and the PSC drastically revise downward, the proposed rate increase from 15% to a far-lesser number, which I believe should be zero percent based upon the shoddy service, lousy product, and despicable business practices that United Water regularly delivers to us in Rockland County - I guess that working people in Rockland County are going to now have to save up their money to pay their water bills, which bills by the way are now proposed to hit them twelve times a year on a monthly rather than a quarterly basis.

What a perfect solution. The free market will take care of all of it, just like "trickle-down" economics says! All we rate-paying citizens have to do is bank the money in a savings account, and the massive amount of interest that we collect will be more than enough to subsidize our water habit for which we, the victims, should of course be blamed.

Here are the interest rates we can look forward to collecting:

0.90% Annual Percentage Yield: GE Capital Bank
0.95% Annual Percentage Yield: GE Capital Retail Bank
0.87% Annual Percentage Yield: Ally Capital Retail Bank
0.90% Annual Percentage Yield: Barclays
0.95% Annual Percentage Yield: CIT Bank
0.75% Annual Percentage Yield: Capitol One 360
0.85% Annual Percentage Yield: Mutual of Omaha
www.consumerismcommentary.com/rates/

The fact of the matter is, Your Honors, the people of Rockland County can now try to bank their money in the hopes of ultimately catching-up to United Water's confiscatory billings, as proposed.

But the economic reality is that the money is not there. For most Rockland residents who conservatively conserve their money, these rate-payers won't be able to catch up to a 28.9% rate-hike. They won't even be able to catch up to a 15% rate-hike.

The wages of most working people in Rockland County are not being increased 28.9%. The wages of most working people in Rockland County are not being increased 15%, either.

Rather, Rockland County wage increases were measured at **0.7%** for the Second Quarter of 2012-2013:

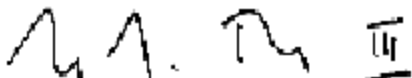
<http://www.bls.gov/ro2/qcew9350.htm>

Not only is that not a number to celebrate. It is also not a number that can carry a 28.9% water rate-hike or even a 15% water rate-hike.

I respectfully submit to Your Honors that both the United Water original 28.9% rate-hike request, and also the as-modified 15% rate-hike initially proposed by Your Honors in the Recommended Decision, are simply out of keeping, out of step, and out of touch with the prevailing economic reality on the streets and roads and in the households and workplaces of Rockland County and its residents.

I urge Your Honors to please reject United Water's rate-increase request and accord United Water but a zero percent rate-increase. Alternatively, I urge Your Honors to move that decimal point one integer-space to the left back to its rightful position, such that the 15% ALJ-proposed rate now be re-characterized so as to comport with the 1.5% inflation rate which is our economic reality prevailing here in Rockland County, New York.

Very truly yours,



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