



December 11, 2015

VIA ELECTRONIC FILING

Honorable Kathleen Burgess, Secretary
New York State Public Service Commission
3 Empire State Plaza, 19th Floor
Albany, New York 12223

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. for Water Service

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:

On August 26, 2015, the New York State Department of Public Service Staff (“Staff”) filed its Report on the Property Tax Reconciliation Filings by the United Water Companies (“Report”) in the above-captioned proceedings. The Report recommended denying recovery to United Water New York Inc., United Water New Rochelle Inc., and United Water Westchester Inc.¹ for a portion of their property taxes, asserting that the Companies failed to make economic obsolescence (“EO”) filings with the Office of Real Property Tax Services. As a result, the

¹ Please note that effective November 9, 2015, the following corporate name changes occurred: 1) United Water New York Inc. to SUEZ Water New York Inc.; 2) United Water Westchester Inc. to SUEZ Water Westchester Inc.; and 3) United Water Owego-Nichols Inc. to SUEZ Water Owego-Nichols Inc. SUEZ Water New York Inc., SUEZ Water Westchester Inc. and SUEZ Water Owego-Nichols Inc. will be hereinafter collectively referred to as the “Companies.”



Report proposed to disallow recovery of \$3.4 million under the Companies' property tax reconciliation mechanisms.

In previous filings the Companies set forth their disagreement with the Report. In the interest of moving forward, however, the Companies hereby accept the Report's recommendation that the Companies reduce recovery under their property tax expense mechanisms by \$3.4 million as noted in the Report.² These amounts will be reflected in the Companies' subsequent reconciliation filings.

Should you have any questions regarding this filing, please contact me

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Christopher J. Graziano".

Christopher J. Graziano
General Manager

cc: DMM Party List in Cases 09-W-0731, 09-W-0824, 09-W-0828 and 13-W-0295
David Stanton
John T. Dillon, Esq.

² In accepting Staff's \$3.4 million adjustment, the Companies are reversing their position as stated in their comments filed with the Commission on September 28, 2015. However, the Companies maintain their stance that they reasonably believed that they were not eligible for EO awards and note that their acceptance of Staff's adjustment herein does not constitute any acknowledgment of fault.