

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 12-W-0051 - Petition for Approval, Pursuant to Public Service Law §113(2), of a Proposed Allocation of Certain Tax Refunds between Long Island Water Corporation d/b/a Long Island American Water and Ratepayers.

NOTICE INVITING COMMENTS ON
PROPOSED RATE TREATMENT OF PROPERTY TAX REFUNDS FROM
TOWN OF HEMPSTEAD TO LONG ISLAND AMERICAN WATER

(Issued December 28, 2012)

The N.Y.S. Public Service Commission seeks public comments on a proposal ("Joint Proposal") regarding rate treatment of a \$1.7 million property tax refund from the Town of Hempstead to Long Island Water Corp. d/b/a Long Island American Water (LIAW). The refund resulted from litigation in which LIAW challenged the Town's calculation of trash collection fees.

The Joint Proposal, negotiated by LIAW and Staff of the N.Y.S. Department of Public Service and submitted for the Commission's review, is that LIAW retain \$201,000 (14%) of the net proceeds remaining after deducting certain litigation costs, and allocate the remaining \$1,350,000 to all LIAW customers. The customers' proposed share consists of 86% of the net proceeds; and either 100% or 86% of interest accruals, depending on the source and vintage of the accrual. The Joint Proposal states that the resulting credit would be about \$18.47 per customer.

The Town also was a party to the negotiations, but it opposes the resulting Joint Proposal. The Town argues that the customers' share of refunds from LIAW should be paid not to customers generally, but only to those customers who reside in special taxing districts where the Town will impose new taxes to

generate the court-ordered refund from the Town to LIAW initially.

The Commission may accept, reject, or modify the parties' proposals in whole or in part. It encourages the public to comment as follows.

Writing: Comments can be written and submitted electronically to the Secretary at secretary@dps.ny.gov. Persons unable to submit comments electronically may mail or deliver them to Hon. Jeffrey C. Cohen, Acting Secretary, Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350. Your comment should refer to "Case 12-W-0051 - Long Island American Water tax refunds."

Toll-Free Opinion Line: You can call the Commission's Opinion Line at 1-800-335-2120. This number is set up to take comments about pending cases from in-state callers at any time. Please press "1" and state that you are commenting about the Long Island American Water tax refund.

All comments by these methods originally were due by December 17, 2012, according to a previous notice. However, on behalf of persons that might want additional time, the Town has asked that the deadline be extended. Accordingly, comments must be received by the Secretary no later than January 10, 2013. All such comments will become part of the record; will be posted for public viewing on the Commission's website at www.dps.ny.gov, if written; and will be reported to the Commission for its consideration.

In addition to the comments, one can find the Joint Proposal, the parties' arguments supporting or opposing it, and any exhibits, affidavits, pleadings, and other documents issued or filed in this case by searching for Case 12-W-0051 on the above website. Many libraries offer free Internet access.

Individuals with difficulty understanding or reading English are encouraged to call the Commission at 1-800-342-3377 for free language assistance services regarding this notice.

This matter is being heard in Case 12-W-0051, *Petition for Approval, Pursuant to Public Service Law Section 113(2), of a Proposed Allocation of Certain Tax Refunds between Long Island Water Corporation d/b/a Long Island American Water and Ratepayers.*

(SIGNED)

JEFFREY C. COHEN
Acting Secretary