

**STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
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September 1, 2011

Hon. Harvey Weisenberg
Member of the Assembly
Room 731
Legislative Office Building
Albany, NY 12248

Re: Case 11-W-0200 – Long Island Water Corporation, d/b/a Long Island
American Water Rates

Dear Assemblyman Weisenberg:

Thank you for your July 20, 2011 letter to Chairman Brown regarding the captioned proceeding. I respond for him.

You raise issues that have been identified by the Staff of the Department in reviewing the Long Island American Water (LIAW or the company) filing in this, as well as prior proceedings. Specifically, the issues related to iron in the groundwater is one that is raised in recurring rate cases. Iron is a naturally occurring mineral in the groundwater aquifers that LIAW uses as its water source. Historically, iron levels have not been considered to be a health concern by the Environmental Protection Agency (EPA), but the discoloration that it can cause can be a nuisance. Water quality is regulated by the local health department, although the Public Service Commission regulates the rates and charges that would be necessary for the company to comply with department of health regulations. A new iron filtration facility was placed in service in March of 2011 near the border of Malverne and Lynbrook. This brings the total to 6 iron removal facilities in LIAW's system. Another similar iron filtration facility is expected to be placed in service by the end of 2013 and will be located in Lynbrook. When iron levels in the raw water of a well exceed 1.5ppm (maximum allowed by the state health code), LIAW either takes that well out of service or the water is filtered if there is a filtration facility at the well location. The company uses chemical sequestering methods in cases where raw water iron levels are low enough to where sequestering is effective. LIAW also has a program to flush its system to remove sediment that can settle in the distribution mains.

The increases that the company received in the past were not strictly to rectify iron problems in the water. Increased operation and maintenance expenses, property taxes and other plant improvements contributed to the previous increases and are all major drivers of this current case.

Thank you for taking the time to submit your comments in this proceeding. I have forwarded your remarks to the assigned Administrative Law Judge and have added your letter to the record of Case 11-W-0200. You may access your letter and the entire record at www.dps.state.ny.us. Your letter, together with the entire record will be taken into consideration during Staff's investigation and analysis of the current rate case and brought to the Commission for a determination later this year.

Please feel free to contact me should you require further assistance. Again I thank you for taking the time to write with your valuable comments.

Yours very truly,

Jaclyn A. Brillling
Secretary