

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 23-W-0111 - Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Veolia Water New York, Inc. for Water Service.

NOTICE OF JOINT PROPOSAL AND
SOLICITING PUBLIC COMMENT

(Issued January 22, 2024)

PLEASE TAKE NOTICE that comments are sought concerning a Joint Proposal filed in the above-captioned proceeding on January 4, 2024. The Joint Proposal would establish a new rate plan for Veolia Water New York, Inc. (Veolia or the Company) for four years from February 1, 2024, through December 31, 2027, with Rate Year 1 (RY1), Rate Year 2 (RY2), and Rate Year 3 (RY3) defined as the 12 months ending on January 31, 2025, January 31, 2026, and January 31, 2027, respectively. Rate Year 4 (RY4) will reflect the 11-month period commencing on February 1, 2027, and ending on December 31, 2027, thus allowing the Company to synchronize its rate year with the calendar year in its next rate filing. The signatories to the Joint Proposal are Veolia; trial staff of the Department of Public Service; the City of Rye, the Village of Port Chester, and the Village of Rye Brook (collectively, the Westchester Municipalities); the Public Utility Law Project of New York, Inc. (PULP);¹ the Rockland Business Association; and Laborers' Local 754.

Pursuant to the Joint Proposal, Veolia's existing New York (Rockland and Orange Counties), Owego-Nichols, and Heritage Hills operating units would be consolidated into one "New York Rate District" subject to a single revenue requirement. The

¹ The Westchester Municipalities and PULP support the Joint Proposal in part.

Company's Westchester Rate District 1 and Westchester Rate District 2 (the Westchester Rate District) will likewise be subject to a single revenue requirement. Rates in the Westchester Rate District would continue progressing towards harmonization.

Rates would be levelized to moderate rate increases for customers in the New York Rate District, resulting in an \$8,678,019 increase in RY1 (6.7%), a \$9,258,535 increase in RY2 (6.7%), a \$9,877,884 increase in RY3 (6.7%), and a \$9,660,442 increase in RY4 (6.1%). In the Westchester Rate District, levelized increases would result in a \$4,961,865 increase in RY1 (5.9%), a \$5,253,693 increase in RY2 (5.9%), a \$5,562,684 increase in RY3 (5.9%), and a \$5,399,027 increase in RY4 (5.4%).

The proposed revenue requirements reflect a common equity ratio of 48 percent and a return on equity of 9.10 percent. The proposed rate plan would also include an earnings sharing mechanism pursuant to which customers would share annual earnings that exceed 9.60 percent. Among other things, the Joint Proposal would continue the Company's Conservation and Efficiency Program, establish a Water Affordability Program, and require that the Company take certain actions related to climate change and the environment.

The full text of the Joint Proposal, a summary of its key provisions (prepared by Veolia), and other filings in this proceeding may be reviewed online at the Department of Public Service web page at www.dps.ny.gov (please click "File Search" under the "Commission Files" heading, then enter "23-W-0111" in the "Search by Case Number" field).

The Public Service Commission (Commission) may adopt, adopt with changes, or reject, in whole or in part, any of the terms proposed in the Joint Proposal. The Commission may also adopt terms other than those proposed.

Comments on the Joint Proposal are requested by March 1, 2024, but will continue to be accepted while this case remains pending before the Commission. Comments should refer to "Case 23-W-0111."

Ways to Comment

Internet or Mail: Please go to the Department's website, www.dps.ny.gov, click on "File Search" (located under the heading "Commission Files"), enter case number "23-W-0111" in the "Search by Case Number" field, then click on "Post Comments" at the top of the page. Alternatively, comments may be mailed to the Hon. Michelle L. Phillips, Secretary, Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350.

Written comments will become part of the record considered by the Commission and may be accessed on the Department of Public Service website by searching the case number, as described above, and clicking on the "Public Comments" tab.

Toll-Free Opinion Line: You may call the Commission's Opinion Line at 1-800-335-2120. This line is set up to receive comments about pending cases from in-State callers 24-hours a day. These calls are not transcribed verbatim, but a summary is provided to the Commission.

(SIGNED)

MICHELLE L. PHILLIPS
Secretary