

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 13-W-0303 - Proceeding on Motion of the Commission to
Examine United Water New York, Inc.'s
Development of a New Long-Term Water Supply
Source.

NOTICE SEEKING PUBLIC COMMENT ON ABANDONMENT
OF THE HAVERSTRAW PROJECT PLAN

(Issued August 6, 2015)

PLEASE TAKE NOTICE that the New York State Public Service Commission (Commission) invites comment on submissions recently filed by United Water New York Inc. (UWNY or the Company) and the Rockland County Task Force on Water Resource Management (Task Force) in compliance with the Commission Order Addressing Status of Need and Directing Further Study (issued November 17, 2014). In light of those submissions the Commission also invites comment on whether United Water New York Inc. should be authorized to abandon its proposed long-term water supply source plan.

In 2006, the New York State Public Service Commission ordered United Water New York, Inc. to identify and pursue a new long-term water supply source. At that time, it was believed that ratepayers' demand would exceed available supply by 2015 and that the new source would be needed by that time. UWNY identified a desalinization plant that would be located in the Town of Haverstraw and purify brackish water drawn from the Hudson River (Haverstraw Project).

As the Company pursued the Haverstraw Project, local opposition to it grew because of the nature of the project, its cost, and the perceived lack of need for the facility. On July 19, 2013¹, the Commission established this proceeding to

¹ Case 13-W-0303, United Water New York, Inc. - Long-Term Water Supply, Order Instituting Proceeding (issued July 19, 2013).

investigate the Company's on-going need for a new long-term water supply source in Rockland County.

On November 17, 2014, the Commission issued an Order,² which determined that changes in projected demand delayed the need for a new long-term water supply source.³ In response to significant public opposition, and the desire to avoid unnecessary expenditures, the Commission ordered UWNY to suspend its pursuit of the Haverstraw Project, its chosen project, and instead: work with the Task Force to identify measures to reduce water demand by two million gallons per day (MGD) and conduct a study of other potential water supply projects that could provide two to three MGD, with a report to be filed within six months.

On June 30, 2015, UWNY filed its Report on the Feasibility of Incremental Water Supply Projects and Conservation Opportunities in Rockland County, New York (UWNY Report), and on July 22, 2015 the Task Force filed its report, Water Losses and Customer Water Use in the United Water New York System, prepared by their consultant, Amy Vickers & Associates, Inc. (Vickers Report).⁴

With these two reports, the Commission now has before it the most current information regarding the demand for water in Rockland County and a scope of options for addressing that

² Case 13-W-0303, supra, Order Addressing Status of Need and Directing Further Study (issued November 17, 2014).

³ In 2006, the Commission ordered UWNY to identify and pursue a new long-term water supply source to be in service by 2015 because the then current demand projections indicated a need. See Case 06-W-0131 et al., United Water New York, Inc. et al. - Rates and Merger, Order Approving Merger and Adopting Three-Year Rate Plan (issued December 14, 2006).

⁴ The parties requested and received an extension of time to submit the reports.

demand. The Commission invites comments on the UWNY Report, the Vickers Report, and whether, based on the reports, the Commission should authorize UWNY to abandon the Haverstraw Project. The reports, and other documents related to the matter, are available for review at the Department of Public Service webpage for [Case 13-W-0303](#).

While there has been significant public concern over the Company's choice to pursue the Haverstraw Project, the Commission's November 17, 2014 order in Case 13-W-0303 found that the Company's actions were prudent, based upon the facts and circumstances known to the Company when it was making its decisions regarding the Haverstraw Project. That order has not been challenged and is legally binding. In addition, in a related case considering UWNY's request to implement a surcharge to collect some of the development costs of the Haverstraw Project, [Case 13-W-0246](#), the Commission made findings and authorized recovery of certain of UWNY's costs incurred through March of 2013.⁵ A petition for rehearing of that order remains pending along with several letters in support of the petition.⁶ Comments in response to this Notice should be limited to the question of whether it is in the public interest for UWNY to pursue other options to meet anticipated demand and abandon the Haverstraw Project.

Parties may file initial by comments by September 21, 2015, with reply comments due October 12, 2015. All comments will become part of the record considered by the Commission.

⁵ Case 13-W-0246, United Water New York, Inc. - Surcharge, Order Denying Surcharge and Making Determinations Regarding the Treatment of Certain Long-Term Water Supply Development Costs (issued November 14, 2014).

⁶ For example, July 6, 2015 letter from Alden H. Wolfe, Chairman of the Legislature of Rockland County, and June 30, 2015 letter from several Rockland County Legislators.

Written comments will be posted for public viewing on the Commission's website. There are several ways to provide your comments to the Commission:

Via the Internet or Mail: The public may submit comments directly into the case file by locating the case via the Commission's website, www.dps.ny.gov, by clicking on "Search," and entering "13-W-0303" in the "Search by Case Number" field. Then access the screen to enter comments by clicking on the "Post Comments" box located at the top of the page. Comments may also be filed electronically to the Hon. Kathleen H. Burgess, Secretary, at secretary@dps.ny.gov or by mail or delivery to Secretary Burgess at the New York State Public Service Commission, Three Empire State Plaza, Albany, New York 12223-1350.

Toll-Free Opinion Line: Individuals may choose to submit comments by calling the Commission's Opinion Line at 1-800-335-2120. This line is set up to receive in-state calls 24-hours a day. These calls are not transcribed but a summary is reported to the Commission.

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.

(SIGNED)

KATHLEEN H. BURGESS
Secretary