

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

March 3, 2023

SUBJECT: Proposed Major Revenue Increase for Rate Year Ending January 31, 2025
Case Nos.: 23-W-0111
Utility: **Veolia Water New York, Inc.**
Date Filed: March 2, 2023 Final Suspension Date: January 31, 2024

Veolia Water New York, Inc. (VWNY or the Company) filed tariff amendments, which were accepted today, that would increase total annual revenues by approximately \$18.4 million or 14.1 percent for the proposed New York District, and by \$14.1 million or 16.8 percent for the proposed Westchester District for the rate year ending January 31, 2025. According to the Company, the proposed revenues will increase the monthly bill of an average residential customer by approximately \$5.89 or 9.01 percent in Rockland and Orange Counties; by approximately \$11.78 or 19.38 percent in the City of Rye, the Villages of Rye Brook and Port Chester in Westchester County; by approximately \$6.20 or 9.28 percent in the legacy Heritage Hills system; and by approximately \$15.81 or 45.75 percent in Owego and Nichols in Tioga County. (These average bill impacts assume a meter size of five-eighths inch and are based on the average residential customer's consumption in each system. Specifically, this means 6 centum cubic feet (CCF) for Rockland and Orange Counties, 7 CCF for Westchester, 4 CCF for Owego and Nichols, and 6 CCF for Heritage Hills.) Customers in the other portions of Westchester will see an approximate increase of \$12.09 or 16.50 percent to their monthly bill.

In its filing letter, VWNY asserts that necessary capital investments for the provision of safe, adequate, and reliable water service are a major driver of the requested increases. According to VWNY, it has invested approximately \$328 million in the past three years and plans to invest an additional \$473 million over the next four-year period, starting at the onset of the new rate plan. A significant factor driving these investments, the Company explains, are new regulatory standards for emerging contaminants. The Company states that it has also experienced, and forecasts, increases to treatment expenses; increases to chemical, energy and purchased water expenses; and has experienced costs and lost revenues resulting from the COVID-19 pandemic.

Rate cases are a primary instrument of government regulation of these industries. Interested persons may intervene and become parties in a utility company's rate case. Typical intervenors include: industrial, commercial and other large-scale users of electricity; public interest groups; representatives of residential, low-income and elderly customers; local municipal officials; and, dedicated advocacy groups. The applicable legal requirements require the Public Service Commission (PSC) to render a decision within 11 months after a major rate case is filed. Rate cases proceed in an entirely public and open process.