

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
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June 10, 2009

Mr. Kevin H. Doherty
Manager of Rates
United Water
200 Old Hook Road
Harrington Park, NJ 06740

SUBJECT: Case 04-W-1221 United Water New Rochelle – Long Term Main Renewal
Project Surcharge

Dear Mr. Doherty:

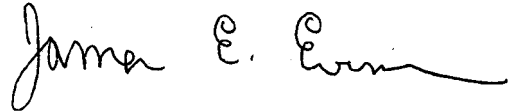
In Case 04-W-1221, the Commission authorized United Water New Rochelle (UWNR or the company) to spend up to \$2.5 million per year on Long Term Main Renewal Project (LTMRP) work. The Commission capped the level for such work at a cumulative \$8.0 million over the four year term of the rate plan and allowed the company to recover its LTMRP expenditures through a surcharge, subject to verification by Staff.

On May 1, 2009, and later updated on June 8, 2009, the company provided documentation to support additional expenditures of approximately \$1.205 million for projects completed in the winter of 2008 and calculated the resultant LTMRP surcharge would increase from 3.59% to 4.02%. The specific projects included the installation of 2,567 feet of 6" ductile iron pipe, 55 services, and 1 hydrant to replace old, undersized mains and associated services and hydrants on Hamilton Avenue, Kent Avenue, Cleveland Avenue, Cleveland Court, Flower Street, and Birch Street in Hastings and New Rochelle.

Staff reviewed the company's updated submission, including the vendor invoices and the method for calculating the surcharge amount, and found that the company has properly accounted for the additions and kept within the terms of the rate plan. As a result, the company may increase the LTMRP surcharge to 4.02%, effective June 15, 2009.

If you have any questions, please contact Kevin Manz at 518-474-8222.

Sincerely,

A handwritten signature in black ink, appearing to read "James E. Evensen". The signature is fluid and cursive, with the first name "James" being the most prominent.

James E. Evensen
Chief, Water Rates Section
Office of Electric, Gas and Water

cc: Kevin A. Manz, Utility Engineer 2