



May 29, 2020

Hon. Michelle L. Phillips
Secretary to the Commission
New York State Public Service Commission
3 Empire State Plaza
Albany, New York 12223

**Re: New York American Water Company, Inc.
System Improvement Charge (SIC) Surcharge
Case 16-W-0259**

Dear Secretary Phillips:

New York American Water hereby submits System Improvement Charge Statement No. 4 to Tariff, P.S.C. No. 5 – Water, originally effective August 1, 2020 and deferred until September 1, 2020, under the Public Service Commission Order *Postponing Approved Delivery Rate Increases and System Improvement Charge* dated March 25, 2020. The Commission’s Order Establishing Rates for Water Service issued May 18, 2017 in the above referenced matter adopted the provision of the Joint Proposal that provided for the SIC surcharge to go into effect 60 days after submittal unless Staff submits a letter to the Company indicating that the proposed surcharge should be adjusted.

The purpose of this letter is to outline the expenditures that New York American Water has completed as part of the System Improvement Charge (“SIC”) program, as authorized pursuant to the Commission’s Orders in Case 16-W-0259, Issued and Effective May 18, 2017, and February 6, 2020, and to request the implementation of a surcharge to recover costs related to the SIC program.

As set forth in Exhibit A, the total expenditures made to date for the projects included in this filing are \$9,686,592 with no asset retirements.

Set out below is a listing of the eligible projects submitted for cost recovery in this filing, as authorized in Case 16-W-0259:

- Submarine Crossing (I38-030049). See Exhibit A1.
- Plant 7 Tank Roof Replacement (I38-030076).¹ See Exhibit A2.
- Municipal Main Replacements (R38-03B2). See Exhibit A3.

¹ The Plant 7 Tank Roof Replacement project is complete and will be placed in service upon receipt of confirmatory laboratory samples which are expected shortly. This filing will be supplemented.



New York American Water respectfully requests recovery of \$9,686,592, which results in an annual revenue requirement of \$719,794, including depreciation expense and after gross-up for income taxes. Please see Exhibits A1 – A3 for detailed calculations for each project.

Invoices and additional detail supporting the expenditures, including final cost updates where applicable, will be submitted to Staff separately. New York American Water also respectfully requests that this SIC surcharge go into effect on September 1, 2020.

If you have any questions, or require additional information, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "John T. Dillon", is written over a circular blue stamp or watermark.

John T. Dillon

JTD:dlc
Enclosures

cc: Michael Rieder, NYS Department of Public Service
Timothy Canty, NYS Department of Public Service
Lynda DiMenna, President, New York American Water Company, Inc.
John T. Kilpatrick, New York American Water Company, Inc.
Lisa N. Figliozzi, New York American Water Company, Inc.

