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January 3, 2022

Honorable Michelle L. Phillips
Secretary, Public Service Commission
NYS Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

RE: Case 22-W-_____ – Initial Rate Filing by the
Hudson Valley Research Park Water-Works Corp.

Dear Secretary Phillips:

This initial rate filing is made by Hudson Valley Research Park Water-Works Corp. (“HVRP” or the “Company”). Submitted with this letter of transmittal is the Company’s proposed tariff, PSC-1 – Hudson Valley Research Park Water-Works Corp. (Appendix 1). The tariff is to become effective May 4, 2022. These documents are transmitted for filing in compliance with the requirements of the Public Service Commission of the State of New York.

Hudson Valley Research Park Water-Works Corp.

HVRP is a transportation corporation formed on September 20, 2021. Its Certificate of Incorporation is Appendix 2.

The water system began operation in 2007 and supplied water within an area formerly known as the IBM East Campus, later known as the Hudson Valley Research Park (the “Site”). GLOBALFOUNDRIES U.S. 2 LLC (“GF”) obtained the Site in 2015. The water system was not under the jurisdiction of the Public Service Commission.

The Site is bounded by Lime Kiln Road to the east, Interstate I-84 to the south, the utility power line right-of-way to the west and Route 52 to the north and is entirely within the Town of East Fishkill, Dutchess County. In 2017 the Site was subdivided into eight parcels. After subdivision, some parcels were sold, and the Site now includes GF’s Fab 10 and iPark 84. Lots #1 and 5 are owned or controlled by GF. Lots #2, 3, 4, 6, 7, and 8 are owned by i.Park East Fishkill LLC, iPark East Fishkill I LLC, iPark East Fishkill II LLC, i.Park East Fishkill III LLC, and i.Park East Fishkill B338 LLC (collectively “iPark”). Lots #2, 3, and 7, owned by iPark, have buildings that are being provided water service.

The Dutchess County Department of Behavioral and Community Health directed that a water-works corporation be formed under the Transportation Corporations Law of the State of New York to be the entity that provides water service to parcels that were receiving water service. GF complied with this directive, obtained permission from the Town of East Fishkill

(“Town”), and formed HVRP. No changes in service are contemplated, and the Company will begin to supply water after the Public Service Commission approves the tariff filed with this filing.

The Town authorized HVRP to serve only existing buildings that had been receiving water service. HVRP will use the existing water system to serve these buildings. The Lot number and owner of the five lots containing the commercial buildings that will be served are:

- Lot #1, the Hudson Valley Research Park Sewage Works Corporation;
- Lot #2, owned by i.Park East Fishkill I LLC;
- Lot #3, owned by i.Park East Fishkill II LLC;
- Lot #5, owned by GF; and
- Lot #7, owned by i.Park East Fishkill LLC, i.Park East Fishkill B338 LLC, and i.Park East Fishkill III LLC.

Although there are five services, HVRP will effectively have only two customers – (1) GF, which owns the water-works corporation, and (2) the owners of iPark. The proposed rates are the current rates for water service that were established by agreement with iPark.

A description of the service area is included in the attached Appendix 3. Appendix 3 is an engineering study by D&B Engineers and Architects conducted to establish the value of the property that will be used by HVRP to provide service and entitled “Hudson Valley Research Park Water-Works Corporation, Asset Evaluation” (“Engineer’s Evaluation”).

Each customer will be notified by mail of the filing and the proposed rates within 30 days of the date of this filing. Since this is an initial filing, publication of the proposed rates is not required.

The Water Supply System

Potable water is purchased by GF from the Dutchess County Water and Wastewater Authority (“DCWWA”). GF has a Water Sale Agreement with DCWWA. The HVRP will have access to this supply, and the supply is more than adequate to serve the needs of the service area. The purchased water is stored and distributed to the Site.

A detailed description of the water supply facilities is included in Engineer’s Evaluation, Appendix 3. The value of the water system is \$15,017,000; see Appendix 3, its Appendix A.

Proposed Tariff

The proposed electronic tariff, Appendix 1, contains the rates, rules, and regulations under which a company will operate. It is a standard tariff that is similar to many others approved by the Commission for numerous other small water companies. The proposed tariff defines when a bill will be considered delinquent and establishes a late payment charge of 1½

percent per month, compounded monthly, a returned check charge equal to the bank charge plus a handling fee of \$5.00, and has reconnection fees of \$50 during normal business hours, \$75 during weekday non-business hours, and \$100 on weekends and holidays.

The customers will be billed monthly in arrears for usage. The proposed usage rate of \$6.62 per thousand gallons is the rate that iPark agreed to when it purchased the properties on the Site.

Supporting Schedules

Attached Appendix 4 includes schedules showing the Company's revenue requirement and rate base. Schedule 1 is a detailed income statement that shows the Company's estimated revenue and operating expenses. The operating cost estimates were prepared based upon the actual operating cost of the facility. No allowance for State and Federal income taxes has been included since the requested rate of return is on a pre-tax basis. Schedule 2 shows the Company's computation of rate base based upon the depreciated value of the facilities at the time they are dedicated to public service.

As provided in the tariff, the rates are based on the charges levied by DCWWA but is higher than DCWWA's rate in order to provide for the operating cost incurred to supply service to the customers. The tariff includes a provision that would allow for the automatic increase of the per-gallon usage rate to reflect changes in the charges made by the wholesale provider, DCWWA.

If the Staff or the Commission needs any additional information, please feel free to contact this office.

Very truly yours,



Albert A. Natoli
On Behalf of
Hudson Valley Research Park
Water-Works Corp.

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Enclosures

CC: Carmine Mele, Esq.
Gary Marone, Engineering