



February 23, 2011

Via the NYPSC Electronic Tariff System

Jaclyn A. Brilling, Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Dear Secretary Brilling:

Pursuant to the Order of the Public Service Commission, State of New York, issued and effective March 5, 2008 in Case 07-W-0508, enclosed herewith for filing is Statement 5 of the Distribution System Improvement Surcharge of Long Island Water Corporation d/b/a Long Island American Water. This tariff filing sets the surcharge at 1.97% per the attached letter dated February 14, 2011.

Respectfully submitted,

/s/ John N. Casillo

John N. Casillo

JNC:dlc
Enclosures

c: William M. Varley, President, Long Island American Water

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
90 CHURCH STREET, NEW YORK, NY 10007-2919
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Secretary

February 14, 2011

Mr. William M. Varley
President
Long Island American Water
733 Sunrise Highway
Lynbrook, NY 11563

RE: Case 07-W-0508 - Long Island Water Corporation (LIWC) -- Distribution
System Improvement Charge (DSIC) Surcharge filing

Dear Mr. Varley:

This letter is in response to LIWC's DSIC surcharge filing made on December 9, 2010, in accordance with the terms of the Joint Proposal (JP) approved by the Commission in Case 07-W-0508.

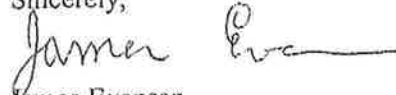
The company's submission shows that during the six month period April 1, 2010 through September 30, 2010, LIWC incurred a total capital cost of \$5,117,907 for water main, hydrant and service line replacements and capitalized water main repairs. In accordance with the terms of the JP, \$2,138,107 of this amount qualifies to be recovered through the DSIC surcharge mechanism. Staff has completed its review of the company's submission and finds that the company proposal to recover an additional 0.52% surcharge from all metered customers is proper.

In addition, LIWC proposes to make a retroactive adjustment to the DSIC surcharge for the six-month period ended March 31, 2010 to reflect the use of bonus depreciation to compute deferred income taxes. The adjustment reduces the DSIC surcharge for the period from 1.48% to 1.45%. Staff has determined the adjustment is proper. Adding this amount to the DSIC surcharge for the six-month period ended September 30, 2010 results in a total DSIC surcharge of 1.97%. J

The company, therefore, should file Distribution System Improvement Charge Statement No. 5, as described in the JP, to become effective February 18, 2011.

If I can be of further assistance, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "James Evensen".

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

cc: John Casillo, Financial Manager
Long Island American Water

Alia Jassim, Principal Engineering Technician
Office of Electric, Gas & Water