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July 13, 2016

Ms. Kathleen H. Burgess, Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

**RE: NY American Water Co., Inc. Rate Case #16-W-0259**

Dear Ms. Burgess:

LI Clean Air Water and Soil, Ltd. ("CAWS") is a party to the above matter and opposes the rate increase requested by New York American Water ("American Water") on several grounds.

First, the increase of over 8% is unwarranted and unsupported. While American Water reports record profits, its Long Island customers continue to struggle in an economic downturn and should not be subject to a rate increase well in excess of inflation, the CPI and the New York State Tax Cap. In fact, all districts within American Water's territory raised taxes by less than 2%. While American Water, unfortunately, is not subject to that cap, the Public Service Commission ("PSC") is charged with protecting American Waters customers and should consider the economy, the tax cap and American Water's incredible profits.

Second, American Water fails to show need. Its expansion in Merrick was of its own choosing and, to a large extent, is already passed to its customers. Likewise, if the PSC considers the 2011 rate increase, infrastructure improvements, expansion and iron-removal facilities, were already awarded as a basis for the exorbitant and record rate increases granted.

Third, the PSC must consider they most residents are in water districts and protected by the state tax cap. Customers of American Water are entitled to the same protection. If not, CAWS respectfully requests that the PSC, as an agency of New York State is violating the equal protection clause of the state constitution.

Fourth, inherent with this requested rate increase is the PSC's past and continued allowances of American Water's passing of 100% of its property tax liability to its customers. This unequivocally means that town and county taxpayers who are American Water customers pay county, town and local district property taxes for their water company's property, which taxes benefit ALL county, town and district taxpayers, while water district customers do not pay property taxes for their water district's property. The result is American Water Company's customers pay for maintenance, supply and American Water's record profits as well as American Water's property taxes, which benefits ALL taxpayers, while water district customers only pay for maintenance, supply and usage. Clearly, the PSC must redress this violation of equal protection rights.

Fifth, historically, American Water filed property tax grievances and received refunds and paid school taxes to school districts served by public water districts, which tax liability was passed onto its customers. Upon information and belief, American Water was successful in certain tax

grievances and states that such monies were passed to its customers. CAWS request that the PSC investigate. Moreover, the payment of taxes to school district served by public water should be eliminated and if already eliminated, such savings should be passed to the customers. Please investigate. Further, if American Water still pays taxes to school districts it does not serve, American Water customers are once again paying taxes that benefits residents that receive public water and make no such tax payments. Again, a constitutional violation.

And lastly, in 2009, when what was then Aqua Water, proposed a rate hike, our director, former Legislator Dave Denenberg and former Senator Charles Fuschillo notified us of the proposed hearing and we were granted a September hearing. The hearing was very well attended. People were turned away at the door since the library was filled to capacity.

At this time, we respectfully request that hearings be held in September 2016. Notice of this hearing was difficult to find as it was posted in the classified section of Newsday and our state and county representatives failed to inform us about the hearing, which is scheduled in the summer when many people are away. Further, as NYAW's 125,000 customers did not receive sufficient notice of these hearings as no notice was sent with our bills, we believe that a meeting in the fall would be in the best interest of the public.

Therefore, in order for the public to participate in these hearings and to afford CAWS, as party to these proceedings, equal opportunity to prepare a case in opposition to this proposal, CAWS respectfully requests that the Public Service Commission hold hearings in September and extend the public comment period until November 1, 2016.

Thank you for your attention to this matter.

Very truly yours,



Claudia Borecky



Donald Davidson



Dave Denenberg

Directors

LI Clean Air Water and Soil, Ltd.