



October 29, 2009

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

*Sent via U.S. Mail and E-Mail*

Dear Secretary Brilling:

I am again writing to you with regard to Aqua's request for a rate increase (case # 09-W-0237).

As you are aware, Aqua's proposed rate increase has generated considerable opposition from its customers, who were already angry about how much they have to pay for water.

Approximately 3,000 people have already expressed their concern and outrage over Aqua's proposal to the PSC during the public comment period. Hundreds turned out at two PSC public hearings this past September to oppose Aqua's proposal. Many of these individuals have also contacted my office and I am glad to see that so many people are taking the time to make their voices heard.

We have been informed that during the hearing process, Aqua and staff from the Department of Public Service entered into negotiations. Instead of a 12 percent increase in one year, a new proposal has been offered that phases in a double digit rate increase over a three year period.

Under option one of this plan, residents would see their average annual bill rise by 8.47 percent in year one, 1.57 percent in year two, and 1.95 percent in year three, a total increase of 12.32% when compounded.

Under option two, ratepayers' average annual bills would rise by 5.83 percent in year one, 4.16 percent in year two, and 4 percent in year three, a total of 14.64 percent when compounded.

When the System Improvement Charge (SIC) is factored in, the base rate increase under option one is 21.86% when compounded and 24.62 percent under option two when compounded. Incorporation of this SIC into the base rate, instead of keeping it separate as it is now, will skew future base rate increases.

This hardly addresses any of the concerns put forth by Aqua's customers, who question the need for an increase at all.

Both of these options also do nothing to address the concerns raised by local fire departments who are seeing significant increases in their hydrant rental costs. These costs will ultimately be passed on to residents through their fire district taxes.

In addition, there has been no material put forth which would allow residents to easily do an "apples to apples" comparison of how the details of Aqua's original proposal differ from the revised one that is currently under consideration. This is further complicated by the inclusion of the SIC into the base rate. Such material should have been made available to ensure that residents could fully understand the impact of this proposal.

As I and others have stated at previous public hearings, Aqua-America, Aqua-New York's parent company, is a very profitable enterprise which boasts about its profits during the worst economic crisis since the great depression. It pays millions of dollars in salaries, bonuses, and raises to its top executives, and consistently delivers increasing dividends to its shareholders. These profits come out of our pockets.

During the close of my remarks at the public statement hearings on September 1st, I stated that it's time for Aqua to focus on their customers rather than their executives and shareholders. Judging by the latest proposal, this has not been done.

I again respectfully urge the PSC to reject Aqua's request for a rate increase.

Sincerely,



CHARLES J. FUSCHILLO, JR.  
New York State Senator

