

# **Veolia Water New York, Inc. 23-W-0111 Rate Case Overview**



## VWNY 23-W-0111 - Agenda

- Major Case Issues / Drivers
- Revenue Requirement
- Communications
- Public Statement Hearings

### **Consolidation into two Rate Districts**

- New York (Rockland, Orange, Owego, Heritage Hills)
  - Harmonized rates for all customers within the district
- Westchester Rate Districts 1 & 2
  - One revenue requirement
  - Further incremental move towards rate harmonization

- **Low-Income Program**

- Estimate of qualifying customers
- Estimate of participating customers
- Estimate of program cost – \$0 Fixed Fee (or reduction)
- Identification of qualifying customers
  - LIHWAP
  - NJ Shares (verify HEAP or SNAP recipient)
- Utilizes \$1.5M of Veolia Low-Income funding in RY1 and until fully utilized
  - RY1 estimate \$680k

## Capital costs for the treatment of PFAS

- Proposed separate surcharge (similar to SIC)
  - Includes Return, Depreciation, Chemicals (filter media), other O&M
  - Estimated ~ \$60M of CAPEX required at current state levels (10 ppt)
  - Additional investment / operating expenses due to EPA's lowered threshold (4 ppt) – under development
  - Provides transparency to customers
  - To occur over the next few years

## VWNY 23-W-0111 – Major Case Issues / Drivers

- Rate Base increase ~ \$100M over RY4 of the previous rate plan
- Expense increases \$14M
  - Includes \$4M Rate Moderator
  - Includes updated Depreciation Rates
  - Amortization of COVID costs / lost revenue
  - Update amortization of Tax Cuts and Jobs Act liability
  - Reflects Inflationary Pressures
- Proposed Capital Structure and Return on Equity

	%	Rate	Weight
Debt	47%	4.20%	1.97%
Equity	53%	10.50%	5.57%
Total			7.54%

### Revenue Requirement

- New York (Rockland, Orange, Owego & Heritage Hills) - \$18.4M (+14.1%)
- Westchester - \$14.1M (+16.8%)
- Consolidated - \$32.5M (+15.2%)

### Customer Impacts

- Rockland and Orange County, \$0.19 per day
- City of Rye, and the villages of Rye Brook and Port Chester in Westchester County, \$0.38 per day
- Other parts of Westchester, \$0.39 per day
- Heritage Hills, \$0.20 per day
- Owego, \$0.51 per day

## VWNY 23-W-0111 – Capital Plan

### Capital Plan\*

Includes Rockland, Westchester, Heritage Hills Water and Owego

Veolia Water New York - Capital Investment Plan <i>in Million US \$</i>	Capital Plan				
	2023	2024	2025	2026	2027
Plant large projects	\$33,488	\$12,350	\$9,600	\$10,550	\$13,000
Plant common projects	5,266	7,934	14,408	17,906	17,906
Plant roll-up	4,287	4,967	5,008	4,937	4,937
Network large projects	-	-	-	-	-
Network common projects	40,997	49,406	46,325	48,598	48,673
Network blankets	20,879	21,608	26,516	28,412	27,312
Meter projects	136	137	138	139	139
Meter blankets	4,354	4,506	4,601	4,203	4,203
Overheads	3,505	3,610	3,719	3,830	3,830
<b>Total</b>	<b>\$112,912</b>	<b>\$104,518</b>	<b>\$110,314</b>	<b>\$118,574</b>	<b>\$119,999</b>

\* Not including PFAS treatment to proposed EPA limit.



### Other Miscellaneous Items

- Rate Moderator from Veolia/SUEZ Transaction included in RY 1 (allocated based upon revenues).
- Eliminate the customer payment portion of the Customer side LSL replacement mechanism.
- Update to RAC mechanism
  - Include variations in bad debt costs from a target expense.
  - Include miscellaneous revenues in the RAC mechanism.
  - Apply SIC mechanism review language to RAC.
- Include the costs of the required service line inventory and lead replacement as part of the overall 1% underground infrastructure maintenance costs (mains).

### Education and Outreach

- Pre-filing Executive Briefings
  - Congressional, state representatives
  - County, Town and Village officials
- Media Relations
  - Issued press release on March 3
  - Posted to Veolia web site
  - Distributed to local, regional media
  - News reports on major media outlets: News 12 TV, The Journal News
  - Local radio appearance
- Other
  - Distribute printed rate case filings at public libraries
  - Informational sessions with social service agencies
  - Explanatory social media content
- Dedicated PFAS Website

## VWNY 23-W-0111 – Public Statement Hearings

### Schedule: Virtual Public Hearings

Register on [www.webex.com](https://www.webex.com) by 4:30 p.m. Monday, May 8, 2023

<b>DATE: May 10, 2023</b> <b>TIME: 1 p.m.</b>
Meeting Number: <b>2342 078 1207</b> Password: <b>May10-1pm</b>
Phone Access: <b>518-549-0500</b>
Access Code: <b>2342 078 1207</b>
<b>TIME: 5 p.m.</b>
Meeting Number: <b>2343 039 2095</b> Password: <b>May10-5pm</b>
Phone Access: <b>518-549-0500</b>
Access Code: <b>2343 039 2095</b>

## VWNY 23-W-0111 – Public Statement Hearings

### Schedule: Virtual Public Hearings

Register on [www.webex.com](https://www.webex.com) by 4:30 p.m. Monday, May 15, 2023

<b>DATE: May 17, 2023</b> <b>TIME: 1 p.m.</b>
Meeting Number: <b>2332 323 1025</b> Password: <b>May17-1pm</b>
Phone Access: <b>518-549-0500</b>
Access Code: <b>2332 323 1025</b>
<b>TIME: 5 p.m.</b>
Meeting Number: <b>2341 318 0156</b> Password: <b>May17-5pm</b>
Phone Access: <b>518-549-0500</b>
Access Code: <b>2341 318 0156</b>



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