

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE
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November 8, 2010

Mr. Kevin H. Doherty
Manager of Rates
United Water
200 Old Hook Road,
Harrington Park, NJ 07640

RE: Case 07-W-0639 – United Water Owego-Nichols Inc. (UWON) – Tank
Painting Surcharge (TPS)

Dear Mr. Doherty:

In Case 07-W-0639, the Commission authorized UWON to implement the Tank Painting Surcharge designed to recover, over a 15-year period, the revenue requirement associated with the cost of Lockheed Martin storage tank painting and rehabilitation work. Section VII of the Joint Proposal (JP) approved by the Commission in Case 07-W-0639 provided for a reconciliation of authorized versus actual revenues collected through the TPS, and for any over or under -collections to be reflected in the following year's surcharge.

On November 1, 2010, the company submitted the second TPS filing in accordance with the terms of the JP. The reconciliation of the authorized versus actual revenues resulted in a surcharge of 3.53%, to be applied to all metered and fire protection customers starting on January 1, 2011.

Staff reviewed the company's submission, including the surcharge calculation, and found that the calculation of the 3.53% surcharge was properly done. Accordingly, the company may file TPS Statement No. 3, to its electronic tariff schedule P.S.C. No.1 -Water, containing the 3.53% TP surcharge to become effective January 1, 2011.

If you have any questions, please contact me at 212-417-2321.

Sincerely,

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

cc: M. Scott, Deputy Director, Office of Electric, Gas and Water
J. Lochner, Chief, Office of Accounting and Finance
V. Oreifej, Utility Engineer II