

HARRIS BEACH PLLC
ATTORNEYS AT LAW

677 BROADWAY, SUITE 1101
ALBANY, NY 12207
(518) 427-9700

STEVEN D. WILSON

DIRECT: (518) 701-2746
FAX: (518) 427-0235
SWILSON@HARRISBEACH.COM

April 29, 2011

Honorable Jaclyn A. Brillling
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Re: Case 11-W-____: Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Long Island Water Corporation d/b/a Long Island American Water for Water Services.

Dear Secretary Brillling:

Long Island Water Corporation, d/b/a Long Island American Water ("LIAW" or the "Company") provides various types of water service to approximately 74,000 customers in Nassau County, New York.¹ By this filing, LIAW hereby seeks an increase in its rates for water service for all customer classes. The Company's supporting testimony explains in detail why the proposed increase in revenue requirement is necessary for LIAW to meet increasing costs of providing safe, reliable and quality service. While the Company strives to minimize and control costs, increases in the costs of operation, including property taxes, depreciation expense and capital expenditures associated with major plant additions necessitates the instant request. The proposed changes also give the Company an opportunity to earn a fair rate of return on its plant dedicated to providing public service.

The proposed rates are designed to produce an annual revenue increase of approximately \$9,563,146 or 19.49%. Taking into account resetting of certain surcharges, however, the net impact of the rate increase is approximately 13.23%.

In accordance with the requirements of the Public Service Law and the Public Service Commission's ("Commission") rules, to institute the revised rates, the Company is transmitting for filing the following revised tariff leaves, issued as of the date hereof by LIAW, amending its rates for metered water tariff P.S.C. No. 1, Water:

¹ A certified copy of the Company's Restated Certificate of Incorporation was filed with the Commission on August 5, 2009 in Case 09-W-0596: *In the Matter of the Application of Long Island Water Corporation d/b/a Long Island American Water, for Authority, Under Section 89-f of the Public Service Law, to Issue and Sell Up To \$20,000,000 Aggregate Principal Amount of Long-Term Debt* as Exhibit B to the petition.

Honorable Jaclyn A. Brillling
 April 29, 2011
 Page 2

HARRIS BEACH ^{PLC}
 ATTORNEYS AT LAW

Third Revised Leaf No. 60
 Third Revised Leaf No. 61
 Third Revised Leaf No. 62
 Third Revised Leaf No. 63
 Third Revised Leaf No. 64
 Third Revised Leaf No. 65
 Third Revised Leaf No. 66
 Third Revised Leaf No. 67
 Third Revised Leaf No. 68
 Third Revised Leaf No. 69

The above leaves are issued to become effective for service rendered on and after May 31, 2011.

In connection with this filing, the Company seeks approval to defer the following items of expense and begin amortizing them at the start of the rate year as detailed further in the Company's testimony and exhibits.

<u>Item</u>	<u>Estimated Costs</u>	<u>Amortization Period</u>	<u>Witness Responsible</u>
Rate Case Exp.	\$700,000	3 years	Bozman
Actuarial Studies	\$289,333	3 years	Casillo

Included with the instant filing are the Company's exhibits, workpapers and direct testimony supporting its requested rate increase. Confidential information contained in the testimony, exhibits and workpapers is being submitted separately to the Commission's Records Access Officer. Per the request of Commission Staff, fifteen (15) hard copies of the filing are being provided under separate cover. Two (2) copies of the filing are also being delivered to the State Consumer Protection Board in Albany.

Notice of this filing will be published in newspapers in accordance with the Commission's requirements set forth in PSL 89-c(10)(b) and 16 NYCRR § 720-8.1. Proof of publication of the notice will be filed upon completion. A copy of the newspaper publication is appended hereto as Attachment 1.

The Company looks forward to working cooperatively with the Commission to reach a resolution that is in the interest of all parties.

Very truly yours,

/s/

Steven D. Wilson

Attorney for Long Island Water Corporation

cc: New York State Consumer Protection Board

ATTACHMENT 1

PUBLIC NOTICE

PROPOSED CHANGE IN RATES

On April 29, 2011, Long Island Water Corporation d/b/a Long Island American Water filed an application with the New York Public Service Commission (PSC) for an overall rate increase of \$9.56 million. The increase in rates by service classification is as follows:

Service Classification	Service	Percent Increase in Rates
1	General Water Service	19.51%
2	Private Fire Hydrant Service	19.51%
3	Lawn Sprinklers	19.51%
4	Public Fire Hydrant Service	19.51%
5	Miscellaneous Water Revenue	19.51%
6	Private Fire Sprinkler Service	19.51%

If approved as proposed, the annual bill for the average residential customer using 72,000 gallons of water a year and serviced with a 5/8-inch meter would increase by \$72.04 (averages out to \$0.1974 per day). The annual bill for the average commercial customer using 200,000 gallons of water a year and serviced by a one-inch meter would increase \$180.87 (averages out to \$0.4955 per day).

As part of the rate request process, the PSC will conduct a thorough review, including public hearings, before a decision is made. The PSC may approve, modify or reject any or all of the proposed tariff changes for all rate classifications. For more information or to view a copy of the proposed tariff, please call Long Island American Water at 1-877-426-6999 or Jaclyn Brilling, Secretary to the PSC, at (518) 474-6530.