

SW New York 2019 Consolidated Rate Case Technical Meeting

April 10, 2019



SW New York 2019 Consolidated Rate Case – Calendar – Important Dates

- **Test Year – 12 months ending 9/30/2018**
- **Filing date March 4, 2019**
- **One-Year case**
- **Bridge Period – October 2018 – January 2020 (16 months)**
- **Rate Year 1 – February 2020 – January 2021**

SW New York 2019 Consolidated Rate Case – Case Drivers & Goals

- **Consolidation of all five New York Operating Units**
 - SWNY, SWWC (RD#1 & RD#2), SWON, Forest Park
 - Rockland – SWNY, Westchester – RD#1 & RD#2, Owego – SWON and Forest Park
 - Uniform tariff with one set of rules and regulations
 - Harmonize rates and rate structure where appropriate
 - Inclining block (conservation-oriented) for Residential, Multi-Family & Non-Residential, modeled after SWNY's current structure
 - Fixed meter charge
 - Delivery charge – Rate Base and non-production expenses
 - Commodity/Production charge – production expenses

SW New York 2019 Consolidated Rate Case – Case Drivers & Goals

- **Resolve QNYM and TCJA EADIT Issues**
- **Increased level of investment- \$440M over 5 years**
 - DeForest Upgrade
 - Westchester Disinfection Project
 - Planned increase in main replacement rate
 - 1% for SWNY in 2020
 - SWWC and SWON 1% by 2023
- **West Nyack Move**
 - Sale of West Nyack building
 - Leasehold improvements
- **Conservation Program**
 - Resetting of program
 - Roll-out to Westchester / Owego

SW New York 2019 Consolidated Rate Case – Case Drivers & Goals

- **Overall increase - \$31.5M or 19.8% over projected revenues at current rates**
 - Over \$100M in Rate Base (mainly Plant in Service) - \$9M
 - Higher income taxes - \$8M
 - Lower revenues from lower volumes - \$7M
 - Property Taxes - \$4M
 - QNYM Regulatory Liability Amortization (SWNY) - \$4M
 - Monthly Bill Impacts on average residential customers
 - SWNY - \$10.43
 - SWFP - \$3.06
 - SWWC RD#1 – (\$4.24)
 - SWWC RD#2 - \$5.36

SW New York 2019 Consolidated Rate Case – Capital Structure

- **Capital Structure**
 - 50% Debt @ 4.66%
 - 50% Equity @ 10.00%
 - Rate of Return = 7.33%

SW New York 2019 Consolidated Rate Case – Communication Plan

- **Meetings with local officials**
 - Westchester & Rockland Supervisors / County Executives
 - Owego Nichols local politicians
 - Discuss Rate Case Drivers
 - Results so far

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