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PRESS RELEASE

New York American Water Receives Rate Order from Public Service Commission

Adjusted rates reflect \$136 million in water infrastructure investments since 2012 and a reduction of approximately \$2.7 million in operating expenses

MERRICK, NY (May 19, 2017) – The New York State Public Service Commission (PSC) has approved new rates for New York American Water, effective June 1, 2017. The PSC’s rate order reflects an annual revenue increase of \$3.6 million for New York American Water’s service areas in Long Island and the Hudson Valley after a 13-month review of the company’s rate request filed in April 2016. Even with the increase, the cost of water service for customers remains about a penny per gallon.

The main driver of the company’s rate request was the more than \$136 million New York American Water invested to replace, rehabilitate and upgrade its treatment and distribution facilities over the last five years, including over 33 miles of water main, four iron removal treatment plants, and numerous valves, service lines, and hydrants. These improvements helped to enhance water quality, service reliability and fire protection for the communities served by the company. The company also reduced its operating expenses by approximately \$2.7 million in the same timeframe.

“Over the last five years, New York American Water has made significant improvements to replace aging infrastructure and improve water quality for customers throughout our service areas,” said Carmen Tierno, president of New York American Water. “We remain committed to making needed investments in our water treatment and delivery systems to better serve our customers, while continuing to control our operating costs to help manage the impact to customers’ bills.”

Customers will receive additional information regarding rate details and the change to monthly billing in a future mailing from the company, as well as with their next bill. Beginning in June, New York American Water is transitioning customers who were formerly billed on a bi-monthly or quarterly basis to monthly billing. Monthly billing helps promote conservation and provides customers with more frequent and timely information about their water usage.

New York American Water also included in its filing a request to implement a low-income customer assistance program. The PSC stated in its order that they have initiated a collaborative process on developing a uniform program for the regulated water industry.

New York American Water's capital spending program is aligned with the federal government's focus on the need for significant, ongoing investment to address the country's aging water infrastructure. The U.S. Environmental Protection Agency reported that the nation's water utilities need \$384 billion in infrastructure investments over the next 20 years to replace aging water infrastructure and comply with stricter water quality standards. This includes more than \$22 billion in the state of New York alone. Proactive capital investment saves money in the long term by making sure that water systems do not fall into serious disrepair and put public health at risk.

[New York American Water](#), a subsidiary of American Water, is the largest investor-owned water company in New York, providing high-quality and reliable water and/or wastewater services to approximately 350,000 people. With a history dating back to 1886, American Water (NYSE: AWK) is the largest and most geographically diverse publicly traded U.S. water and wastewater utility company. The company employs 6,800 dedicated professionals who provide regulated and market-based drinking water, wastewater and other related services to an estimated 15 million people in 47 states and Ontario, Canada. More information can be found by visiting www.amwater.com.

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