

System Improvement Charge (SIC)

Frequently Asked Questions About the SIC

The New York Public Service Commission approved an increase in the System Improvement Charge (SIC). Effective March 15, 2016, the SIC will increase from 5.99% to 6.63% of the customer's bill.

How does the increase affect my water bill?

The System Improvement Charge (SIC) is increasing from 5.99% to 6.63% of the customer's water charges. For example, for a typical residential customer, using 6,000 gallons of water a month, the increase would be \$0.22.

What is the purpose of the SIC Charge?

The System Improvement Charge (SIC) helps to fund improvements that have been made by New York American Water to its facilities and infrastructure. In this case, the charge covers many large improvement projects, including rehabilitating and replacing the roof on the company's South Tank in Oceanside; adding a portable iron filtration and removal unit to its Lakeview plant; and completing Phase 2 of its conversion of chemical treatment processes at Plant #8 (previously completed Plants #10 and #20) to improve water service reliability.

Is this charge reviewed or approved by a state agency?

The assessment of the SIC surcharge for these projects has been authorized by the New York State Public Service Commission and is subject to the Commission's approval. The PSC audits all expenditures incurred under the program and must ultimately approve the investments before the company recovers the costs.

For what period does this increase apply and how much did the company invest?

Commencing March 15, 2016, the PSC approved an additional \$2,898,746 in SIC-qualified investments for the above noted projects. Under the terms of the Company's rate case order, the surcharge will be in place until rates are reset, at which time all costs will be fully accounted for in base rates.

How long has this charge been in place?

This SIC was first approved by the New York State Public Service Commission (PSC) in December 2013 to recover the costs associated with the construction of iron filtration plant #15. It has since been updated various times as additional projects have been completed and approved.

When did the new SIC rate become effective?

The new rates were effective March 15, 2016.

Must all customers pay the SIC?

No. Public and private fire services are exempt from paying the SIC.