

LAW OFFICES  
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September 10, 2018

Hon. Kathleen H. Burgess  
Secretary to the Commission  
NYS Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

RE: Case 18-W-\_\_\_\_ – Emerald Green Lake Louise Marie Water Company, Inc.  
Filing to Increase Rates for Water Service, to Establish Metered Rates,  
and for Waiver of Notice Requirements

Dear Secretary Burgess:

Enclosed for filing with the Public Service Commission (the “Commission”) pursuant to Public Service Law (“PSL”), § 89-C(10)(b), are proposed revisions to the tariff of Emerald Green Lake Louise Marie Water Company, Inc. (“EGLLM” or the “Company”), PSC No: 1 - Water, which are to become effective on February 1, 2019. The proposed leaves are:

Leaf :12, Revision: 6, Superceding Revision: 5.  
Leaf :13, Revision: 2, Superceding Revision: 1.

The Company is seeking to implement metered rates and end the separate service classification for seasonal service. Service Classification No. 2 would apply only to the few customers who have not yet allowed the Company to install meters and is designed to allow the Company to continue to bill from un-metered service and provide an incentive to the customers to allow for meters to be installed. The Company does not expect to collect anything more than a nominal amount from this interim rate, since it believes all customers will allow the installation of meters soon after this rate is approved.

The attached tariff leaf is being filed in the Commission’s electronic tariff filing system. Also attached is a Method of Service form.

EGLLM provides water service to about 845 seasonal and all-year-round customers in real estate developments known as Lake Louise Marie and Emerald Green in Sullivan County. No fire protection service is provided. The proposed rates would increase charges to all 845 customers.

The proposed rates would increase total revenues from the sale of water by \$242,737, a 48.6% increase. The proposed tariff changes would implement metered rates, eliminate the separate seasonal service classification, and establish an interim flat rate for customers who have

not yet allowed EGLLM access to install a meter. Although there would be no specific rate for seasonal customers, seasonal customers could maintain approximately the same percent discount that they receive under the seasonal service classification by simply disconnecting service on a seasonal basis.

Under the proposed rates, the average monthly bill for a year-round customer would be about \$75; approximately \$900 per year. The average seasonal customer would pay \$700 per year.

The Company is wholly owned by the Emerald Green Property Owners Association ("Emerald Green POA"). Approximately 75% of the customers are members of the Emerald Green POA. Since the last filing, the dam that maintains the Company's reservoir needed to be rehabilitated. This improvement cost \$1,198,083 and the funds to complete the project were advanced by the Emerald Green POA. The Company's rate base was only \$378,410 when it last obtained rate relief, nearly 9 years ago. EGLLM's last increase was granted in Case 09-W-0537 by Order issued and effective January 21, 2010.

The increase is necessary to provide sufficient revenues to enable the Company to continue to provide safe and reliable service to its customers, plan and implement necessary improvements, and permit the Company's owners to earn a return on investment that is commensurate with returns granted to other utilities. Since the last increase, EGLLM has made the previously referenced reservoir improvements, purchased property and buildings for a new tank, made purification system improvements, and metered nearly all of its customers. The rate base has increased more than fivefold to \$2,005,575. In addition, the costs of operations have increased substantially.

In this filing, EGLLM seeks a pre-tax rate of return of 9.5%. The attached schedules and the supporting documentation, which will be provided to the Commission, upon request, demonstrate that the existing rates must be increased.

Meters have been installed on all but about 75 customer accounts. The Company has 6 customers with 1" meters. All the rest have 3/4" meters. The proposed tariff includes larger meters to allow the Company to install larger meters if the need ever arises.

The proposed metered rates would collect a relatively small portion of the revenue from usage. Revenue from usage would pay the variable costs incurred by the utility. This rate design is a balance that protects customers from high bills related to usage and the Company from unnecessarily high exposure from a reduction in sales because of changes in usage. After conversion to metered service, some customers inevitably experience high bills because they continue to use water as if they were still un-metered. Similarly, companies sometimes experience substantial revenue losses when customers, after seeing their first metered bills, substantially reduce usage. The proposed metered rate is intended to be a first step. After the customers and the Company have experience with the changes in usage that occurs when customers are faced with bills that reflect actual usage, the Company can review the fairness of the charges among the customers and, if needed, file a new rate design.

EGLLM will notify each customer of the proposed increase by mail and, therefore, is requesting waiver of the statutorily required newspaper publication.

Thank you for your consideration, and if there any questions, please feel free to contact me regarding this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Albert A. Natoli". The signature is fluid and cursive, with a prominent initial "A".

Albert A. Natoli  
on behalf of Emerald Green  
Lake Louise Marie Water Company, Inc.

AAN:khn  
Enclosures

CC: Mr. Michael Hoyt

VERIFICATION

STATE OF NEW YORK )  
 ) ss:  
COUNTY OF SULLIVAN )

Michael Hoyt, being duly sworn, deposes and says that deponent is the General Manager of Emerald Green Lake Louise Marie Water Co., the corporation named in the within proceeding; that deponent has read the foregoing Petition for a Rate Increase, submitted by letter from Albert A. Natoli, Esq., and knows the contents thereof; that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters, deponent believes it to be true.



Michael Hoyt

Sworn to before me on the

6th day of August, 2018

September

  
Notary Public

MARGARET DZIUBA DEBSKI  
Notary Public, State of New York  
Sullivan County Clerk's # 2746  
Commission Expires Sept. 2, 2020