

LAW OFFICES
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September 3, 2019

Honorable Kathleen Burgess
Secretary, Public Service Commission
NYS Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

RE: Initial Rate Filing, Eastdale Village Water-Works Corp.

Dear Secretary Burgess:

This is the initial rate filing made for Eastdale Village Water-Works Corp. (“EV Water” or the “Company”). Submitted with this letter of transmittal is the Company’s proposed tariff, PSC-1 – Eastdale Village Water-Works Corp. The tariff includes a provision that would allow for the automatic increase of the per-gallon usage rate to reflect changes made by the wholesale provider. These documents are transmitted for filing in compliance with the requirements of the Public Service Commission of the State of New York. The tariff is to become effective no later than January 1, 2020.

Also attached are four schedules containing a projected income statement and the computation of rate base, the meter service charge, the usage rates, and the fire suppression rates. The operating cost estimates were prepared by a professional engineer.

EV Water will serve “Eastdale Village”, a subdivision in the Town of Poughkeepsie, Dutchess County. Attached is a narrative describing the development, the expected customer mix, and a description of the proposed rates. Since this is an initial filing, publication of the proposed rates is not required.

The Company is a distribution company and purchases all of its water from the Town of Poughkeepsie. The Town of Poughkeepsie issues one bill per month to the Company. EV Water’s customers will be individually metered. The Company proposes a monthly service charge to be billed in advance and a usage charge to be billed in arrears.

At full development, the proposed rates are designed to generate \$155,318 in total revenue including a net income of \$11,257. The annual bill for a customer with a ¾” meter using 75,000 gallons would be \$384. The service charge would be \$8 per month plus a usage charge of \$3.84 per thousand gallons.

As provided in the tariff, the usage charge is based on the charges levied by Poughkeepsie but is higher than Poughkeepsie's rate in order to provide a margin for water that is not registered on customer meters; *i.e.*, flushing, fire usage, and loss and unaccounted for. The tariff provides that the usage charge will increase when any increase is charged by the Town of Poughkeepsie.

Initial rates are set based upon a fully developed system and are designed to generate enough revenue to cover the Company's operation and maintenance expenses, taxes, and provide a return on investment. The Water Company will have about one-third of the cost of its plant capitalized. This, with the level of operating expenses requested in the Petition, should provide an adequate operating margin and incentive to continue the maintenance and operation of the water system indefinitely.

All potential customers will be advised of the proposed rates prior to entering into any agreements to purchase property at the subdivision.

Of course, if the Staff or the Commission needs any additional information, please feel free to contact this office.

Very truly yours,

/S

Albert A. Natoli
On Behalf of
Eastdale Village Water-Works Corp.

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Enclosures

CC: Richard Rang, P.E.