



August 21, 2020

Michelle L. Phillips, Secretary to the Commission  
NYS Department of Public Service  
Three Empire State Plaza, 20<sup>th</sup> Floor  
Albany, NY 12223

Dear Michelle,

Thank you for this opportunity to demonstrate the need for a rate increase for Bristol Water-Works Corporation. We have broken down our request in the manner described in the correspondence provide to us by NYS, dated June 25, 2020, so it can be clearly and easily followed.

We have included the following information:

1. Three-year comparative income statement for 2017-2019 and a projected income statement for 2020, in the format prescribed by you.
2. Total annual revenue increase requested (see "requested increase" column in attached income statement). Our current projected income for a calendar year is \$133,491 for residential customers at current rates. Our requested annual income for a calendar year is \$272,500, which is an increase of \$139,009.
3. Total percentage increase in revenues requested for residential customers is 104.1%.
4. The current and proposed rates by customer class (residential customers only going forward – see Leaf 12 attached)
5. As discussed with your office, copies of the Company's corporate income tax returns and balance sheets for the past 3 years will be provided at a later date and upon request.

As indicated in the Appendix A within, the Company has incurred significant operating losses the past three years, totaling approximately \$94,000, \$50,000 and \$41,000 during the years ended December 31, 2017, 2018 and 2019, respectively. These losses were incurred as a result of the two prior rate amounts not being sufficient to cover operating costs. The deficits over the past few years have led to significant debt, borrowings on our line-of-credit and amounts owed to vendors, as well as not being able to afford paying a salary to the president or dividends to its ownership entity.

In addition, as a result of COVID-19, the Company recently lost its most significant customer (commercial customer), which will lead to a large loss of revenues going forward equal to approx. \$92,000 and has left our Company in a dire financial position. This revenue will need to be re-allocated to residential customers and is a large reason for the increase that is requested.

In addition to the rate increase attached, we are also requesting **temporarily relief and immediate increases** to our current rates on an emergency basis pursuant to Public Service law Section 114. We believe we have demonstrated in the paperwork within our need for **immediate temporary relief, no later than the next billing cycle starting October 1<sup>st</sup>, 2020**. Our current bank balance, on August 21, 2020, is **negative \$2,175**. Our next



# BRISTOL

— WATER WORKS CORPORATION —

billing cycle does not start until October 1<sup>st</sup>, therefore we have no additional cash coming in until mid-October. We are in an **immediate** and **dire** need for a significant rate increase. If we have an approved rate increase, we will take the measures to borrow on our line-of-credit or take on additional debt to keep us afloat until the rate increase kicks in. Without such an approved and immediate rate increase, however, we cannot take on additional debt and will be forced to shut down the plant, leaving 300+ customers without clean water.

We plan to notify residents via direct notification by mailing a letter. As such, we are requesting a waiver of newspaper publication. We are requesting that the temporary rates become effective no later than October 1, 2020, and that our permanent rates become effective on January 1, 2021.

For these reasons, the rate increase requested in the attached is essential for our Company to stay afloat and pay our current obligations, much less our past obligations and debt that is owed. These are challenging times financially for our company; and we appreciate your consideration for a much-needed rate increase to allow us to continue to operate. Thanks in advance for your timely consideration of our request.

Best regards,

Todd Cook  
President