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Electronically Filed

Honorable Michelle L. Phillips
Secretary to the Commission
NYS Public Service Commission
3 Empire State Plaza
Albany, New York 12223

RE: CASE 23-W-____ – Minor Rate Filing of Dover Plains Water Company to Increase its Annual Revenues by Approximately \$85,485, or 67%, to Establish a Customer Surcharge to Fund a Replenishable Escrow Account, and for Waiver of Notice Requirements.

Dear Secretary Phillips:

Enclosed for filing with the Public Service Commission (“**Commission**”) pursuant to Public Service Law (“**PSL**”), § 89-C(10)(b), are proposed revisions to the tariff of Dover Plains Water Company (“**Dover**” or the “**Company**”), PSC No: 5 - Water, to become effective on January 1, 2024. The proposed leaves are:

Leaf :12, Revision: 1, Superseding Revision: 0;
Leaf :13, Revision: 1, Superseding Revision: 0;
Leaf :14, Revision: 1, Superseding Revision: 0;
Leaf :15, Revision: 1, Superseding Revision: 0; and
Leaf:16, Revision: 1, Superseding Revision: 0.

The Company is also proposing to establish a replenishable escrow account with a maximum balance of \$15,000. The funds would be available for meter installations and upgrades, extraordinary repairs, and plant replacements. The account would be initially funded by a surcharge of \$30 per customer per quarter and be replenished via a quarterly surcharge of up to \$30 per customer.

The attached tariff leaves and draft escrow account statement are being filed in the Commission’s electronic tariff filing system. Also attached is the Company’s verification and a Method of Service form.

Dover operates in the Village of Dover Plains, Town of Dover, Dutchess County. It provides water service to 295 accounts, which include 233 unmetered, 41 metered, 17 hydrant,

and 4 fire protection sprinkler accounts. In addition, the Company provides interruptible water service to water tanker trucks.

The proposed rates represent an across-the-board increase by 68%. Even after the proposed increase, rates, exclusive of the surcharge related to the escrow account, the average residential flat-rate customer would only pay \$150.22 quarterly, *i.e.*, \$600.86 annually.

The Company's prior owners needed to retire for health reasons and could no longer operate the system nor finance needed repairs, replacements, and improvements. The system needed more attentive management and the financial resources to make past-due upgrades and replacements. The Company was transferred to its current owners pursuant to the Commission's Order in Case 21-W-0716 – Petition of Dover Plains Water Company for Approval of a Transfer of Its Stock, Issued and Effective October 8, 2021. The sale closed on November 5, 2021.

The new owners recognized the frailty of the system, identified aged infrastructure that needed replacements, and promptly made major repairs that were needed. The water system had turbine pumps atop each of the two wells, which brought the water system to operating pressure. Each pump was more than 60 years old and had exceeded its expected life span. When the water system was acquired, only one of the two pumps was working. With only one well operating, the system had no backup. Also, running this size water system without resting the wells stressed the one operating well and caused maintenance to be deferred. The new owners provided the supervision and funding needed to replace both pumps, screens, service valves, control panels, chemical feed pumps, and miscellaneous plumbing in the pump house.

As expected, in an older system like this one, valves that were critical for daily operation, emergencies, and general maintenance needed to be repaired or replaced. Throughout the service area, many service valves have become inaccessible due to being buried (unmarked), paved over in driveways, or buried in cement in sidewalks. Some valves that are inaccessible are critical in operating a water system efficiently and need to be identified and marked or made accessible.

Also, to conserve water and identify leaks in the system, more customers need to be metered.

The new owners have provided the funding for repairs, replacements, and improvements to strengthen the system but need this rate increase to continue to place the system in good repair, increase the number of customers that are metered, obtain compensation for the needed improvement in management and operations, and to pay for the added testing requirements.

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. In addition, the cost to operations have increased substantially.

In this filing, Dover seeks a pre-tax rate of return of 10.5%. The attached schedules and the supporting documentation, which will be provided to the Commission upon request, demonstrate that the existing rates must be increased.

Dover 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 are 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 flourish at the end.

Albert A. Natoli

on behalf of Dover Plains Water Company

AAN:khn
Enclosures

