

..DID: 17839  
..TXT:

December 4, 2001

Honorable Janet Hand Deixler  
Secretary  
Public Service Commission  
3 Empire State Plaza  
Albany, New York 12223

Dear Secretary Deixler:

By this letter, Ocean Bay Water Corporation ("OBPWC" or the "Company") is submitting for filing a tariff revision to reduce the tax surcharge levied on customers' bills. Enclosed are the original and three copies of the proposed tariff leaf and a table that supports the filing.

This filing appears necessary to remain in compliance with the Commission's Order in Cases 00-M-1556, and 00-G-1614 of December 21, 2000. In that order the Commission stated: all gross revenues taxes should be collected through a surcharge tariff at the then currently effective statutory rate. The tax rates change in 2002. Thus the surcharge leaf should be changed to reflect those rates and this filing is intended to accomplish that goal.

The filing would decrease the amount surcharges to customers from 3.7850% to 3.2021%. The attached table shows the computation of the percentage that would be applied. The proposed tariff is: Second Revised Leaf No. 18, Superceding First Revised Leaf No. 18. This leaf is to become effective on January 1, 2002.

OBPWC requests that the statutorily-required newspaper publication be waived. The publication would be costly and newspaper publication to its 300 customers would not be effective since the vast majority of its customers do not live in the service area. OBPWC will notify its customers of the change in its January 2002 billing. Since the amount collected will be reconciled after the close of the 2002 books, any issues with respect to the filing can be addressed before the reconciliation that will occur during 2003.

Thank you for your consideration.

Very Truly Yours,

Albert A. Natoli