

Public Service  
Commission  
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**Groman Shores LLC**  
**25 Chipman Lane**  
**Sandy Creek, NY 13145**  
**315.387.3329**

Thursday, August 14, 2008

Honorable Jaclyn A. Brillling  
Secretary  
Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223

Re: Groman Shores LLC  
Application to Increase Rates and Adopt a New Electronic Tariff

Dear Secretary Brillling:

We wish to file a petition for a rate increase from the present \$164.40 to \$420 because (1.) Our customer base has decreased and (2.) Many of our costs were not accounted for when we applied for the 2007 increase, our first in over 20 years.

Our previous 2007 request was for a revenue increase of \$8,073 for a total gross revenue of \$12,825 which we have not taken in due to a decreased customer base. Adding to that the amount we now request will bring required total revenues to \$23,940 or based on 57 equivalent remaining users, a new annual rate per customer of \$420 to be billed once annually on April 1. Here are the details:

1. **Office Expenses** – These were not included when we first submitted expenses and include printers, computers, toner, copiers, paper and envelopes, pro-rated building property taxes, electricity, phone bill, building insurance, and heating. Inasmuch as the office is shared by Groman Shores Water and Groman Shores Campground, the water company should be paying half.
2. **Secretarial Salary** - Currently there is nothing budgeted and we are absorbing all costs. \$35 a week is what it is costing us for secretarial so that is included.
3. **Office Rent** - There is nothing budgeted for rent and we have a complete office set up in a room that would otherwise rent out for \$400 a month. We are asking Groman Shores Water to pay half of \$400/month rent and the balance to be charged to Groman Shores Campground.
4. **Supervisor Salary** – Running the water company and overseeing all aspects of it including making repairs, ordering equipment, making sure we have proper insurance, meet payroll requirements, county health department testing requirements, daily records of water usage, water levels, chemical additions,

having emergency backup power available when electricity is down, order generators, ration water when needed, pay taxes and salaries on time, address and respond to complaints, file for rate changes, communicate with the PSC, etc. consumes an inordinate amount of time. \$24 or less than \$5 a workday does not cover it so we are asking for \$60 a week which is \$12 a day or \$3,120 a year.

5. **Billing Date Chages** - We request that billing dates are changed to April 1 for the full amount plus half the escrow replenishment with the balance of escrow replenishment collected on September 15 of each year
6. **Customer base change** - Our customer base has changed due to (1.) some people dropping off the system and (2.) The local Richland Water District considers 5 campsites the equivalent of one EDU (estimated domestic usage). This is verified by the fact meters show that between 90% and 95% of the water is consumed by the homeowners. Trailers use only about 1/5<sup>th</sup> the amount of water in general

Richland Water District recognized this and charges thousands of campsites based on 5 EDU per campsite. They came up with a rate chart which is attached. Using this rate chart to arrive at an equivalent EDU number, we actually have 5.14 EDU for 28 campsites.

The Richland rate chart is read across based on the number of rooms or the number of campsites to arrive at an equivalent EDU. Inasmuch as we have 28 campsites, reading across the Richland rate sheet we have a 5.14 EDU equivalent (although to be conservative we used six). Adding our 52 homeowners gives us a total of 57.14 EDU or total users instead of the much higher number we had earlier (we based our appeal on 58). Currently Richland supplies water to Brennan Beach, a private campground of over 1000 campsites and they have been established as having roughly 200 EDU for their billing. The same with several other campgrounds supplied water by the district.

7. **Alternate Source to document EDU Equivalent** - Standards for DEC's "Design for Water Treatment Works" show 475 gallons a day for a 4 bedroom home and 400 gallons a day for 3 bedroom home. Most of the homes here are 3 of 4 bedrooms. Considering that design for water consumption for camper trailers is 50 gallons a day in most cases, sometimes as much as 100 for newer construction, that also matches the 5 : 1 ratio for campsites per EDU to determine customer base.
8. **Revised Income Statement attached** - Note that we have left most items intact but added categories we neglected to account for the first time we submitted costs such as rent, supervisor's salary, secretary's salary, etc. Secondly, our assessment went up 65% this year so we increased the water company proportion for taxes.
9. **Disconnect Charges** - We also request charging \$200 for each disconnect if anyone discontinues service since many customers have underground direct

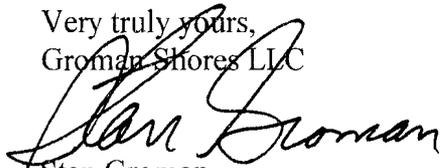
connections to the water system and there is no way to shut them off. Each line will have to be dug up and the piping removed that goes to a residence. The line will then have to be capped off. The \$200 charge will cover excavating, repair of the ground dug up and reseeding with grass, capping off old line, and removing connections to the residence. Actual costs would apply to reconnect anyone disconnected plus a proportion for any surcharges.

10. **Escrow Statement NO. 1 Leaf** – We wish to amend the escrow account to reflect the present number of users (57 instead of 83). This would alter the amount each EDU (estimated domestic usage unit) contributes toward replenishing the \$5,000 escrow account. Paragraph 1 in leaf will then state: “The account will be funded commencing with the customer billing of April 1, 2009 by means of a surcharge of \$43.86 semi-annually.” See attached Statement No. 1 attached.
  
11. **Revised Billing** – We wish to revise billing so that there is only one annual bill for the 6 month season and this will be April 1 and cover the full annual charge for the 6 month season plus any escrow replenishment. We request that a second billing be established on September 1 for the remainder of escrow replenishment for the year.

We also request that the Public Service Commission Water Rate Section would file electronically, the tariff leaf #13 and any other filing in the company’s behalf.

We appreciate you consideration of these requests and ask that you contact us if you have any questions.

Very truly yours,  
Groman Shores LLC



Stan Groman