

**BONIVILLE WATER COMPANY, INC.
13 CARRIAGE COURT
MAHOPAC, NEW YORK 10541**

May 22, 2003

Janet Hand Deixler, Secretary
State of New York Department of Public Service
Three Empire State Plaza
Albany, New York 12223-1350

Dear Secretary Deixler:

By this letter the Boniville Water Company, Inc. is formally requesting the Department of Public Service to electronically file, First Revised Leaf No. 12 and Escrow Statement No. 1, on its behalf, since it does not have the capability to make the electronic filing itself. We are seeking a rate increase designed to produce an increase of revenue of \$5,083 or 14.77% and requesting the establishment of a \$10,000 escrow account. We are asking that the 14.77% rate increase and \$10,000 escrow account be filed on May 28, 2003 with a November 1, 2003 effective date.

Enclosed is a copy of my accountant's letter to Julia Brzezinska of the New York City Water Rates Section of the Department of Public Service. This letter gives the details of our rate request and includes a pro forma income statement showing the need for the increase. The Federal Income Tax returns referred to in the letter have been provided to Staff of the Water Rates Section in New York City.

Over the last few years the company has incurred expenses for repairs, maintenance and improvements that were not covered in its rates. Future improvements are contemplated. In the very near future the purchase and installation of a new booster pump will be necessary as well as the purchase and installation of 35 outside remote meters. Fencing around the entire pumphouse is needed to prevent vandalism and the blacktop driveway to the pumphouse needs replacing. Accordingly, the company is requesting that it be allowed to establish a replenishable escrow account in the amount of \$10,000 to cover the costs of extraordinary repairs, emergency maintenance or costs related to major improvements. Small companies, such as ours, are not able to borrow funds to cover such costs and timely repairs and continue to provide safe and adequate service to its customers. The statement details how this account will be funded and maintained.

We are also requesting waiver of the requirement of newspaper publication of the proposed changes since we will notify our customers of the proposed changes individually by mail.

Sincerely,

Dorothy Boniello, President
Boniville Water Company, Inc.