

Filed Session of July 28, 2004
Approved as Recommended
and so Ordered
by the Commission

JACLYN A. BRILLING

Secretary

Issued and Effective August 2, 2004

STATE OF NEW YORK
DEPARTMENT OF PUBLIC SERVICE

July 12, 2004

TO: THE COMMISSION

FROM: OFFICE OF GAS AND WATER - WATER RATES SECTION

SUBJECT: CASE 04-W-0561 - Petition of Saratoga Water Services, Inc. for a Waiver of the Requirements of Inconsistent Tariff Provisions and 16 NYCRR Sections 501 and 502, Concerning Water Main Extensions, Pertinent to Service to a Planned Subdivision being Constructed by Parade Ground Village Partnership, a Development in the Town of Malta, Saratoga County.

SAPA: 04-W-0561SA1 - Published in State Register on May 26, 2004.

SUMMARY OF

RECOMMENDATION: The tariff provisions that relate to main extensions, referencing 16 NYCRR, Parts 501 and 502, should be waived.

Background

On May 29, 1997, Saratoga Water Services, Inc. (SWS or the company) and Parade Ground Village Partnership (Parade Ground) submitted a joint petition requesting approval of an Agreement between SWS and Parade Ground dated May 5, 1997. Under the Agreement, SWS would extend water service to Parade Ground's real estate subdivision known as Parade Ground Village

(subdivision) in the Town of Malta, Saratoga County. The subdivision consists of commercial properties. SWS requested authorization to serve Parade Ground's subdivision in accordance with its existing tariff. The petitioners also requested waiver of tariff provisions that would affect the transaction, specifically waiver of the water main extension regulations set forth at 16 NYCRR Parts 501 and 502.

In a ruling, issued on October 10, 1997, the Commission found and declared, based on the facts contained in the joint petition, that the Agreement between SWS and Parade Ground was reasonable and in the public interest.¹ However, the request for waiver of tariff provisions inconsistent with the Agreement was considered premature because the New York State Department of Environmental Conservation (DEC) had not issued a permit for the expansion of the company's service territory. The Commission, therefore, denied the request and SWS and Parade Ground were advised to refile after obtaining the requisite DEC approval. On April 8, 1998, the DEC issued the permit, but the company neglected to file a petition for waiver of the main extension regulations.

Parade Ground completed construction of the subdivision and, in compliance with the Agreement, conveyed the water system facilities to SWS on August 1, 1999. By petition filed on April 29, 2004, and amended on May 10, 2004, the company seeks waiver of the main extension regulations.

¹ Case 97-W-1009, Saratoga Water Services, Inc. and Parade Ground Village Partnership - Extension of Water Service, Declaratory Ruling (issued October 10, 1997) (Declaratory Ruling).

Waiver of Tariff Provisions Relating to Main Extensions

Parts 501 and 502 contain rules and regulations pertaining to the extension of mains and the construction of and maintenance of water service pipes. The current regulations entitle a customer, served by a company with annual revenues less than \$1,000,000, to a main extension based on the company's financial ability and existing investment in mains. For main extensions in excess of 75 feet, a customer would have to pay a surcharge of 19% per year for 10 years.

Parade Ground paid the entire cost to connect to SWS' system, SWS assumed ownership of water facilities constructed by Parade Ground, and Parade Ground contributed \$6,600 toward the cost of additional storage facilities that may become necessary as the result of the provision of water service to the subdivision. The Commission has granted a waiver of the main extension regulations in order to protect the public interest in the past.²

Discussion and Conclusion

In its Declaratory Ruling the Commission found that the proposed Agreement and extension of service territory were in the public interest. Since DEC has approved the company's expansion the company's request for waiver of the main extension provisions should be granted.

Recommendation

It is recommended that:

1. The petition by Saratoga Water Services, Inc. pertaining to the Parade Ground Village Partnership, be granted as described in the body of this order, as it is in the public interest.

² Case 97-W-1346, Saratoga Water Services, Inc. - Waiver of Tariff Provisions, Untitled Order (issued October 6, 1997).

2. The company's request for waiver of tariff provisions referring to 16 NYCRR, Parts 501 and 502, be approved.
3. The proceeding be closed.

Respectfully submitted,

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