

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on June 20, 2007

COMMISSIONERS PRESENT:

Patricia L. Acampora, Chairwoman  
Maureen F. Harris  
Robert E. Curry, Jr.  
Cheryl A. Buley

CASE 07-W-0139 - Minor Rate Filing of Groman Shores LLC to  
increase Its Annual Revenues by about \$8,073  
or 169.9% and Adopt a New Electronic Tariff  
Schedule.

ORDER ALLOWING ANNUAL REVENUE INCREASE

(Issued and Effective June 27, 2007)

BY THE COMMISSION:

INTRODUCTION

Groman Shores LLC (Groman) provides unmetered water service to 83 seasonal customers, from April 15 through October 15, in the real estate subdivision of Groman Shores, Inc., which is located in the Town of Sandy Creek, Oswego County. Fire protection service is not provided.

On January 30, 2007, Groman filed proposed revisions to its tariff schedule P.S.C. No. 1 - Water, to become effective July 1, 2007. The company's filing reflects an increase in annual revenues of \$8,073, or 169.9%, above revenues collected in 2006. These additional revenues would result in gross annual revenues of \$12,825. Under the company's proposal, the seasonal rate would increase from \$66 to \$171 per customer.

The company also requested authorization to: (1) establish a \$5,000 replenishable escrow account fund to cover the cost of

extraordinary repairs and/or capital improvements; (2) increase its restoration of service charges from a flat rate of \$10 at all times to \$50 during normal business hours (8:00 a.m. to 4:00 p.m. Monday through Friday), \$75 outside of normal business hours (Monday through Friday), and \$100 during weekends and public holidays; and (3) replace the current annual billing with a semi-annual billing, April 1<sup>st</sup> and October 1<sup>st</sup>.

In addition, Groman filed an electronic tariff schedule to replace its current tariff schedule, P.S.C. No. 1 - Water. The standard electronic tariff, which sets forth basic requirements in specific terms related to rates, terms of payment and charges for returned checks, restoration of service charges and late payments, is described in Appendix A.

In this order, we authorize the company to increase its seasonal rate from \$66 to \$164.40 per customer, to produce additional annual revenues of \$8,168 (149.1%).<sup>1</sup> We also approve the company's requests to establish an interest-bearing escrow account with a maximum balance of \$5,000 to cover the cost of extraordinary repairs and/or capital improvements, to increase the restoration service charges, and to bill semi-annually.

#### BACKGROUND

The real estate subdivision of Groman Shores, Inc. was developed by Dr. Stanley Groman. The water system was first placed into service in 1968. Upon Dr. Groman's death in 2000, the company was conveyed to his sons, Stanley and Robert Groman. Subsequently, the sons became partners in the ownership, operation, and maintenance of Groman Shores, Inc. The company changed its charter from Groman Shores, Inc. to Groman Shores LLC

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<sup>1</sup> Appendix B contains a comparison of the company's and our pro forma income statement, along with our adjustments and revenue requirement.

to reflect the change in ownership. The ownership change did not require Commission approval.

Water is supplied by two wells fed from Sandy Pond. The system is comprised of two pump houses (main and auxiliary), separated by approximately 800 feet and connected through a four inch transite pipe, and a distribution system comprised of four inch transite pipe. Transite is a composite concrete-like material (asbestos and cement), widely used in the past to transport water. The main pump house contains two 6,500 gallon storage tanks, a 10 H.P. pump/motor, a 200 gallon pneumatic tank with an air compressor, chlorination equipment, and the well. Although functional, the main pump house needs some minor repairs such as replacement of a broken window and paint the entrance door.

The auxiliary pump house contains a 220 volt motor pump, the second well (the primary source of water supply), and chlorination equipment. The auxiliary pump house is a newer building constructed from concrete blocks and is well maintained. The distribution system is designed to operate during the summer from April 15 through October 15. Consequently, the system must be drained every fall and restarted in the spring. The water is treated with liquid hypochlorite solution for disinfection prior to pumping into the distribution system.

#### Electronic Tariff Schedule

The company filed an electronic tariff schedule to replace its current tariff schedule, P.S.C. No. 1 - Water. Groman Shores' new tariff schedule, P.S.C. No. 1 - Water, will be available to the public on the Commission's Web Site, [www.dps.state.ny.us](http://www.dps.state.ny.us). To assist small water companies in filing acceptable tariffs with the Commission, a simplified standard

electronic tariff schedule was created that sets forth the responsibilities and rights of both the company and its customers in an easily understood fashion.

#### Public Notice and Customer Notification

Pursuant to the State Administrative Procedure Act (SAPA) § 202(1), a notice of the company's filing was published in the State Register on February 14, 2007. No comments were received in response to the notice.

The company notified its customers of the proposed rate increase by individual letters dated March 7, 2007. The notice contained details of the changes proposed by the company. To date, Staff has received and responded to only one inquiry from the customers in response to the company's filing. The Commission's complaint files for the last three years contained no other complaints related to the water quality, interruption of service, or lack of pressure.

Pursuant to PSL §89-c(10)(b) and 16 NYCRR 720-8.1, the company requests waiver of the requirement of newspaper publication. We grant the request for waiver because the company's notification letter complies with the intent of the customer notification requirements.

#### DISCUSSION

On March 19, 2007, Department of Public Service Staff inspected the water system of Groman Shores. The system appears to be maintained in a satisfactory manner, with the exception of some minor repairs needed to the main pump house. The company's books and records were reviewed to ascertain the appropriate level of company's expenses to be recovered through rates. The cost to operate and maintain the system has increased over the years since the company's last rate increase in 1986 and the

current rates no longer generate enough revenue to cover the actual operating costs.

The Oswego County Department of Health's (OCDOH) annual reports for 2004, 2005, and 2006 indicated that the company's water quality met county and state standards. However, in a letter to the company dated April 4, 2007, OCDOH states that the results of their preliminary evaluation for 2007 indicated that the company's groundwater source (the wells) may be under the influence of surface water, and thus susceptible to algae, organic debris, large diameter pathogens, insects, and other macro-organisms. OCDOH defines potential groundwater sources under the influence of surface water as all infiltration galleries, springs, and wells less than 50 feet deep located within 200 feet of surface water. Both of Groman's wells are only 20 feet deep and located a relatively short distance from Sandy Pond.

Based on OCDOH requirements, a water system with groundwater sources under the influence of surface water must achieve at least 99.9% removal or inactivation of *Giardia lamblia* cysts, and at least 99.99% removal or inactivation of viruses. To accomplish this, the water company must filter and disinfect the water before distribution in the system. Groman has a few options to choose from, including:

1. Modify the groundwater source to eliminate direct surface water influence (drill newer deeper wells);
2. develop an alternate DOH approved source (for example, Develop a protected groundwater source or purchase water from a nearby approved public water System); or
3. install a filtration system.

Options one and two are expensive and would involve an extended period of time to be completed. Due to the company's

size and financial circumstances, option three is the most feasible option.

The OCDOH has indicated that raw water bacteriological sampling, microscopic particulate analysis, and/or groundwater temperature measurement for one year are required to complete a groundwater source evaluation. If, after the evaluation is completed and it is determined that the wells are under the direct influence of surface water, then the company should begin the process to install an OCDOH-approved filtration and disinfection system.

To ensure the availability of financing for this potential project and future extraordinary repairs and/or capital improvements the company requests permission to establish a \$5,000 replenishable escrow account. To fund the escrow account, a semi-annual surcharge of \$30.12 will be imposed on all customers.

Once the account has reached the maximum balance, the surcharge would stop, and the company would resume the customer surcharge only to bring the balance in the account back to the approved level. However, the company did not submit a proposed tariff statement regarding the funding of the escrow account in its initial filing.

An escrow account reduces the base rates by removing the expenses that cover extraordinary repairs from the pro forma revenue requirement. Further, any capital improvements paid for by the escrow account are customer contributed capital and will not be considered depreciable plant and should be excluded from rate base and depreciation expense in any future rate case. Appendix C provides standard tariff language for the escrow account statement.

Review of Expenses

In support of its filing, Groman submitted income statements for the years ended December 2003, 2004, 2005, and 2006. The financial statements and the income tax returns provided by the company included consolidated data from both the campground operations and water company. Groman Shores LLC consolidates the financial statements for corporation income tax purposes.

The company's books and records were reviewed during site visits. Some expenses are shared jointly for both the campground operation and the water company. The expenses were allocated based upon the purpose of each purchase. As a result of our review, 79% of the total expenses were allocated to the campground operation and 21% to the water company. Expenses that equally benefit both the water company and the campground were allocated on a 50/50 ratio.

To help determine the appropriate level of expenses for the company, company expense levels were compared to a sample of water companies of similar size. The comparison revealed that the company's expenses were in line with expenses incurred by the sampled water companies.

The company's expenses were grouped into three categories. The first category consists of expenses that are expected to remain at levels similar to previous years (Category I). The second category includes expenses that may be forecast by considering the historic data in the context of anticipated future needs (Category II). The third category consists of expenses that have no past history or have not been experienced before, and require a broader investigation to achieve

reasonable cost forecasts (Category III). Attached as Appendix B is a comparison of the company's and our pro forma income statements, along with our adjustments and authorized revenue requirement.

CATEGORY I EXPENSES

A. Purchase Power expenses

The company's filed amount of \$790 for the electric expenses is approved. The allowance reflects the 2006 actual electric expenses, which remain generally stable.

B. Water Testing

The company's filed amount of \$100 for water testing is approved. This amount is based on the tests required by the OCDOH, and the costs associated with these tests. Since the company provides water service to seasonal customers, it is required to perform quarterly testing for coliform, and *E. coli*, and annual testing for nitrates. The tests are performed by Converse Laboratories, Inc. In addition to these tests, during the operation season, April 15 through October 15, the company performs daily tests to determine the concentration of chlorine residual in water.

C. Chemicals

The company's filed amount of \$190 for chemical expenses is approved. The company's only chemical expense is the purchase of chlorine for the purpose of chlorinating the water before distribution. No change is necessary as such chemical expenses remain generally stable. The allowance reflects the 2006 actual chemical expenses.

D. Summary

No adjustments are required for Category I expenses.



CATEGORY II EXPENSES

A. Office Expenses

The company's filed amount of \$500 office expenses is decreased by \$200 to \$300. As mentioned earlier, some expenses (such office expenses, accounting, subcontracted labor) are shared jointly for water company and campground operation. The \$300 allowance reflects the prorated portion of the actual office expenses for 2006 allocated to the water company, for which the company provided supporting documentation.

B. Billing and Meter Reading

The company provides unmetered water service, Therefore, the company's filed amount of \$585 for billing and meter reading expenses is decreased by \$185, to \$400. The \$400 allowance reflects 16 hours of work at a rate of \$12.50 per hour for rendering bills to 83 customers, and collecting the money two times per year, for both the regular account and the escrow account.

C. Accounting

The company's filed amount of \$600 for accounting expenses is decreased by \$90 to \$510. The company provided supporting documentation for payroll and tax preparation service. Services were used by the campground operation and water company. A total amount was calculated and prorated 50/50 between the two companies. The \$510 allowance reflects the allocation of accounting expenses to the water company.

D. Transportation

The company's filed amount of \$200 for transportation expenses is approved. The \$200 allowance accounts for the miles driven, related to water system operation, in a normal year and the current Internal Revenue Service standard mileage rate for business use of an automobile, effective January 1, 2007, of 48.5 cents per mile. The miles driven in a normal year consist

of trips to Converse Laboratories, Inc. to deliver the required water samples to be tested, mileage associated with routine daily system checks, and supplies purchases. The total mileage associated with water system operation is approximately 412 miles per season. Consequently, the allowance for transportation expense would be \$200 (412 miles X \$0.485 per mile).

E. Operator Salary

The company's filed amount of \$2,250 for the operator salary is approved. The operator's responsibilities are: taking the chlorine residual readings, maintaining the log, cleaning and maintaining the pump houses, purchasing supplies, winterizing the system in the fall, and restarting the system in the spring.

F. Part-time Labor

The company failed to include in its filing the part-time labor costs for an employee who works for both the water company and the campground. The allowance of \$1,128 reflects the prorated portion of part-time labor allocated to the water company, for which the company provided documentation.

G. Payroll Taxes

The company's requested amount of \$400 to cover the payroll taxes on the wages paid to the operator and a part-time employee is approved.

H. Inflation Adjustment

Using the Gross Domestic Product escalator, with an inflation allowance for the period 2006 to June 30, 2008, amounts to \$304. In its forecast, the company made no request for inflation, therefore, we made a positive adjustment of \$304.

I. Summary

Adjustments for Category II expenses result in an increase of \$957. The company revenue requirement is adjusted accordingly.

CATEGORY III EXPENSES

A. Insurance

The company's filed amount of \$1,000 for insurance expenses is decreased by \$297 to \$703. The company has general and fire insurance policies that cover the campground operation and the water company. This adjustment reflects the latest known amount of insurance purchases and an allocation to the campground.

B. Depreciation

We eliminated the company's filed amount of \$550 for depreciation expense since it has no plant in rate base to depreciate, and the company did not provide any documentation to support this expense.

C. Summary

Adjustments for Category III expenses result in a decrease of \$847. The company revenue requirement is adjusted accordingly.

Rate Base

Groman did not include in its filing an amount for the rate base. The company did not capitalize the cost paid for major improvements to the water system (pump replacements, electrical panel rewiring, pump house roof repair) completed over the years, instead these costs were claimed as part of expenses. We are implementing an operating cushion of 10% or \$986 of the operating and maintenance less the supervisor salary. The Commission also allowed an operating cushion for

Groman in the prior rate case. Details of the operating cushion are shown in Appendix B.

#### Rate Design

The company proposes to increase the current rate of \$66 per customer per season to \$171, and replace the current annual billing with semi-annual billing, April 1<sup>st</sup> and October 1<sup>st</sup>. We authorize the company to increase its rate from \$66 to \$164.4 or 149.1% per customer per season, commencing July 1, 2007. To improve the cash flow, we also approve the company's request to replace the current annual billing with semi-annual billing.

#### Revenues

In its revenue forecast for the rate year ending June 30, 2008, the company anticipated that it would receive \$12,825 in gross annual revenues from a total of 75 customers.

A few customers who use their homes year-round have recently installed individual wells so that they can receive water service year-round. Although these customers installed individual wells, they still receive water service from Groman during the system's summer operational period of April 15 through October 15. The company however, is concerned that these customers may drop off its service in the future, which is why it forecast only 75 customers.

The company actually provides water service to 83 customers and consequently used this customer count in its calculation of the recommended rate and revenue requirement. To date, none of year-round customers expressed the intention to drop off Groman's service.

CONCLUSION

The company is granted an increase in the annual revenue of about \$8,168 or 149.1%. To produce this increase, the rate of \$164.40 per customer per year is authorized to go into effect on July 1, 2007. The company's request to replace the current annual billing with semi-annual billing is also approved. A flat rate of \$82.20 (equivalent to \$164.40 per year) per customer is to be charged bi-annually on April 1<sup>st</sup> and October 1<sup>st</sup>.

The company's proposal to increase its restoration of service charges from a flat rate of \$10 at all times, to \$50 during normal business hours (8:00 a.m. to 4:00 p.m. Monday through Friday), \$75 outside of normal business hours (Monday through Friday), and \$100 during weekends and public holidays is also approved. These charges more accurately represent the actual cost of providing such services, are reasonable, and in line with the restoration of service charges approved by the Commission for other small water companies (see Appendix D).

Finally, an interest-bearing escrow account will provide the company with a cash reserve to help during emergencies. Therefore, we grant the company's request to establish a replenishable interest-bearing escrow account fund, with a maximum balance of \$5,000 to cover the cost of extraordinary repairs and/or capital improvements be approved. The account will be funded through a semi-annual surcharge of \$30.12 per customer, commencing October 1, 2007.

The Commission orders:

1. Groman Shores LLC is directed to file, on not less than one day's notice, a supplement, to become effective June 30, 2007, announcing cancellation of Fourth Revised Leaf

No. 6 containing the current rate to its tariff schedule, P.S.C. No. 1 - Water.

2. Groman Shores LLC is directed to file, on not less than one day's notice, First Revised Leaf No. 12, Superseding Original Leaf No. 12, to its electronic tariff schedule, P.S.C. No. 1 - Water to become effective July 1, 2007, as set forth in Appendix E.

3. Groman Shores LLC is directed to file, on not less than one day's notice, Escrow Statement No. 1, to become effective on July 1, 2007, to its electronic tariff schedule, P.S.C. No. 1 - Water, in a form as shown in Appendix C.

4. Groman Shores LLC is directed to notify its customers individually in writing, no later than July 15, 2007, of the Commission's decision and file a copy of the notification with the Secretary to the Commission by July 31, 2007.

5. Groman Shores LLC is granted a waiver of the requirement of newspaper publication pursuant to Public Service Law §89-c(10) and 16 NYCRR §720-8.1.

6. Groman Shores LLC is directed to submit a letter to the Secretary of the Commission within ten days of the issuance of the Order, indicating whether or not it agrees with all aspects of the Order.

7. This proceeding is closed following Groman Shores LLC's compliance with ordering clauses 1, 2, 3, 4, and 6.

By the Commission,

(SIGNED)

JACLYN A. BRILLING  
Secretary

Filing By: Groman Shores LLC

Tariff Schedule P.S.C. No. 1 - Water

Issued: January 30, 2007      Effective: July 1, 2007

SAPA: 07-W-0139SA1      STATE REGISTER: February 14, 2007

NEWSPAPER PUBLICATION: Waived.

NUMBER OF CUSTOMERS: 83 un-metered seasonal.

TERRITORY SERVED: Groman Shores, Town of Sandy Creek, Oswego County.

Tariff changes:

Restoration of Service Charge:

The company proposes to increase its restoration of service charges from a flat rate of \$10 at all times, to \$50 during normal business hours (8:00 a. m. to 4:00 p.m. Monday through Friday), \$75 outside of normal business hours (Monday through Friday), and \$100 during weekends and public holidays.

Non-Payment and Returned check charge:

A bill not paid within 23 days of mailing is considered delinquent, and the company may discontinue service after complying with 16 NYCRR, Part 533. There will be a charge for processing all returned checks equal to the bank charge plus a handling fee of \$5.00 (not to exceed the maximum allowed by Section 5-328 of General Obligations Law).

Terms of Payment:

Bills shall be rendered bi-annually in advance, on April 1<sup>st</sup> and October 1<sup>st</sup>, and are due and payable upon receipt. Bills not paid within 23 days of mailing are delinquent and the late payment charge becomes applicable and service may be discontinued after proper notice as required by law.

Late Payment Charge:

A late payment charge to be computed at the rate of 1 ½ percent per month, compounded monthly, may be applied to all balances left unpaid 23 days following mailing of the bill.

## Groman Shores LLC

## Income Statement and Utility Operating Income Computation for the year ending June 31, 2008

	Company Profile	Adj. No.	Commission Adjustment	As adj. by Commission 07-W-0139	Rate increase/ (decrease)	As finally adjusted by Commission
Operating revenues	<u>\$4,950</u>	(1)	\$528	\$5,478	\$8,168	\$13,646
Operating & Maintenance (O&M)						
Officer Salary	\$0			\$0		\$0
Office Salaries	\$0			\$0		\$0
Supervisor Salary	\$1,200			\$1,200		\$1,200
Operator Salary	\$2,250			\$2,250		\$2,250
Subcontracted labor	\$0	(2)	\$1,128	\$1,128		\$1,128
Materials	\$585			\$585		\$585
Office Expenses	\$500	(3)	(\$200)	\$300		\$300
Rent	\$0			\$0		\$0
Power Purchase	\$790			\$790		\$790
Purif.chemic. & testing	\$290			\$290		\$290
Transportation	\$200			\$200		\$200
Billing & Meter Reading	\$585	(4)	(\$185)	\$400		\$400
Insurance	\$1,000	(5)	(\$297)	\$703		\$703
Repairs	\$2,000			\$2,000		\$2,000
Accounting&Legal	\$600	(6)	(\$90)	\$510		\$510
Miscellaneous	\$400			\$400		\$400
Inflation	\$0	(7)	\$304	\$304		\$304
Total Oper. & Maintenance	<u>\$10,400</u>		<u>\$660</u>	<u>\$11,060</u>	<u>\$8,168</u>	<u>\$11,060</u>
Amortizations	\$0		\$0	\$0		\$0
Depreciation	\$550	(8)	(\$550)	\$0		\$0
Operating Taxes:						
Property Taxes	\$1,200			\$1,200		\$1,200
Revenue Taxes	\$0			\$0		\$0
Payroll Taxes	<u>\$400</u>			<u>\$400</u>		<u>\$400</u>
Total Operating Taxes	<u>\$1,600</u>			<u>\$1,600</u>		<u>\$1,600</u>
Total Operating Revenue Deduction	<u>\$12,550</u>			<u>\$12,660</u>		<u>\$12,660</u>
Net Operating income/(deficiency)	<u>(\$7,600)</u>			<u>(\$7,182)</u>	<u>\$8,168</u>	<u>\$986</u>
Rate of Return on O&M						10.00%

## Revenue Requirement Calculation (proof):

O&M expenses (less Supervisor salary)	\$9,860
Cushion rate	10.00%
Cushion allow	<u>\$986</u>
Deficiency	<u>(\$7,182)</u>
Revenue Requirement	<u><u>\$8,168</u></u>



Groman Shores LLC - Commission Adjustments

<u>Adj.No.</u>	<u>Explanation</u>	<u>Amount</u>	
A.) 1	<u>Revenues</u>		Total
	To reflect 8 additional customers not accounted by the company in its revenue forecast	\$528	
			\$528
B.)	<u>O &amp; M Expenses</u>		
2	<u>Part Time labor</u>		
	To reflect Staff's addition to payroll not included by company in its initial filing	\$1,128	
3	<u>Office Expenses</u>		
	To reflect the prorated portion of the office expenses allocated to the water company	(\$200)	
4	<u>Billing and meter reading</u>		
	To reflect Staff's adjustment to meter reading - the company provides unmetered water service	(\$185)	
5	<u>Insurance</u>		
	To reflect Staff's change in prorated portion of the insurance expenses for water company vs. campground operation	(\$297)	
6	<u>Accounting &amp; Legal</u>		
	To reflect the prorated portion of accounting expenses of 50/50 between water company and campground operation	(\$90)	
7	<u>Inflation</u>		
	Staff's allowance reflects the inflation factor calculated for the period 2006 through June 30, 2008	\$304	
	<u>Total O&amp;M Expenses Adjustments</u>		<u>\$660</u>
C.)			
8	<u>Depreciation</u>		
	To reflect Staff's adjustment for depreciation expenses not substantiated by the company	(\$550)	(\$550)
	Total adjustments		\$638

PSC NO: 1 - WATER  
COMPANY: GROMAN SHORES LLC  
INITIAL EFFECTIVE DATE: July 1, 2007

STATEMENT TYPE: ESCROW  
STATEMENT No. 1

ESCROW ACCOUNT  
STATEMENT NO. 1

The company will establish an interest-bearing escrow account with a maximum balance of \$5,000, not including account interest, for the purpose of making extraordinary repairs and/or plant replacements.

The account will be subject to the following conditions:

1. The account will be funded commencing with the customer billing October 1, 2007 by means of a customer surcharge of \$30.12 semi-annually.
2. The account will be established in a bank, in a separate account, and will be under the control of the company.
3. The water company will have access to the funds in this account solely for the purposes noted above and any taxes associated with the account.
4. Once the account has reached the maximum balance, the company will be permitted to resume the customer surcharge to bring the balance in the account back to the approved level only when the balance is reduced below the maximum level by the removal of money from the account for the purposes noted above and any taxes associated with the account. The unit customer surcharge in this case will be determined by dividing the difference between the maximum level and the balance in the account at the end of the previous quarter by the number of customers at that time of billing for that quarter. The company may not charge a unit customer charge greater than \$30.12 semi-annually unless approved by the Commission.
5. This account shall bear interest and such interest shall remain in the account and be used to cover expenses or reduce payments by customers needed to replenish the account to its approved level.
6. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
7. The company must submit copies of all bank statements and a complete accounting of the revenues and expenses for the account by January 30 of each year. All information should be sent to the Secretary of the Commission's Office.

Issued By: Stan Groman, 25 Chipman Lane, Sandy Creek, NY 13145  
(Name of Officer, Title, Address)

LIST OF COMPARABLE COMPANIES

Case 00-W-1468, Orchard Hill W. Co., Monroe Hills Water System Inc., Scott Acres Water Co., Order Concerning Rate Increase (issued February 5, 2001).

Case 02-W-0881, 473 West End Realty Corp., Order Setting Rates (issued November 29, 2002).

Case 05-W-0734, Lucas Estates Water Company Inc., Order Setting Temporary Rates and Directing Establishment of an Escrow Account (issued December 28, 2005).

Case 05-W-0839, Antlers of Raquette Lake, Inc., Order Approving Temporary Rate and Establishing of Surcharge and Escrow Account (issued March 30, 2006).

Applicable to use of Service for:

Residential, small commercial, and general use.

Character of Service

Seasonal: April 15<sup>th</sup> to October 15<sup>th</sup>

Rate:

\$82.20 - semi-annually (equivalent to \$164.40 per year)

Terms of Payment

Bills shall be rendered bi-annually in advance, on April 1<sup>st</sup> and October 1<sup>st</sup>, and are due and payable upon receipt. Bills not paid within 23 days of mailing are delinquent and the late payment charge becomes applicable and service may be discontinued after proper notice as required by law.

Late Payment Charge

A late payment charge to be computed at the rate of 1 ½ percent per month, compounded monthly, may be applied to all balances left unpaid 23 days following mailing of the bill.

Term

Terminable by the customer upon 10 days' written notice to the company.