

**GUASTELLA ASSOCIATES, LLC**  
UTILITY MANAGEMENT • VALUATION • RATE CONSULTANTS

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June 20, 2016

BY EMAIL

Hon. Kathleen M. Burgess  
Secretary to the Commission  
Agency Building 3  
Albany NY 12223-1350

RE: Electronic Filing of Initial Rate Application by Deans Corners Water Works, Inc.

Dear Secretary Burgess:

Guastella Associates LLC is consultant to Deans Corners Water Works, Inc. ("Company"). We have prepared an initial rate analysis and related tariff, and submit this initial rate application on behalf of the Company.

The rate study and resultant rates have been determined on the basis of a "complete system" analysis, similar to previous studies we have prepared for other newly formed water utility clients over the years. Under the complete system analysis, the customers added during the growth years only pay a proportionate share of the costs of providing service, and the developer absorbs the difference as part of its real estate business. In accordance with Commission policy, because the Company had in effect notified potential customers, in a prospectus, of the specific level of water bills, the proposed initial rates reflect that level, requiring the imputation of contributions in aid of construction at 73% of the original cost of utility plant in service.

The rate analysis is in a working spreadsheet computer file, including tabs with work papers in order to facilitate Staff's examination. Most of the work has been performed by Gary White, our Senior Vice President, who will likely be working at his Clifton Park, NY, office during Staff's review. His email address is [guastella\\_newyork@msn.com](mailto:guastella_newyork@msn.com) and please copy the undersigned at [jfg@guastella.com](mailto:jfg@guastella.com) with any questions or if additional information is needed.

We look forward to working with the Commission and Staff regarding the matter.

Respectfully submitted,  
GUASTELLA ASSOCIATES LLC



John F. Guastella  
President

Cc: Christopher Munch, President  
Deans Corners Water Works, Inc.