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June 15, 2011

BY: Electronic Filing

Honorable Jaclyn A. Brillling
Secretary
NYS Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

RE: 11-W-____ – Rate Increase Application
Woodbury Heights Estates Water Co., Inc.

Dear Secretary Brillling:

Woodbury Heights Estates Water Co., Inc. (“Woodbury” or “the Company”) hereby seeks to increase its rates for water service. Supporting revenue requirement tables are attached.

Woodbury provides metered water service to 67 residential customers located in a real estate subdivision known as County Crossing in the Town of Woodbury, Dutchess County. Fire protection service was included in the PSC’s initial revenue computations, but the Town refused to pay for the service. This increase is needed to correct revenue from rates to account for the revenue lost by the Town’s failure to pay for the fire protection service, pay operating expenses, and provide a return of investment. The Company has had the same rates for more than 10 years; lost revenue and increased operating costs have placed it in a position where it can no longer pay its own bills. The proposed rates would increase revenue by 43% over those last allowed by the PSC and increase rates to customers by 79%. If adopted, the Company’s annual revenue would increase by approximately \$43,103.

The Company is requesting a pre-tax rate of return of 11% on its rate base. This rate is the same as that recently granted to other small water utilities. The Company has a small number of customers and a relatively small rate base. This combination of factors substantially increases the financial risk associated with operating the water system. Thus, the rate of return should be higher than the rate of return granted to larger water utilities.

The Company will notify each customer of the proposed increase by mail and, therefore, is requesting waiver of the statutorily required newspaper publications.

Attached is:

Leaf No.: 12, Revision: 2, Superseding Revision: 1

The tariff has been issued by the Company is being transmitted for filing in compliance with the Commission's regulations. The tariff is filed to become effective on October 1, 2011.

The enclosed tariff leaf is a revision to the Company's Schedule, P.S.C. No. 1 – Water. Questions concerning this filing should be directed to this firm as listed on this letterhead.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Albert A. Natoli', written in a cursive style.

Albert A. Natoli

On Behalf of Woodbury Heights Estates
Water Co., Inc.

AAN:khn
Enclosures

CC: Mr. Ziggy Brach
Mr. Sam Wiesner