

BONIVILLE WATER COMPANY

P.O. Box 1283
Port Chester, New York 10573
(914) 720-1822

October 19, 2016

Kathleen H. Burgess, Secretary to the Commission
Department of Public Service
Three Empire State Plaza, 20th Floor
Albany, NY 12223

RE: Boniville Water Company – Minor Rate Filing

Dear Secretary Burgess:

Enclosed for your review and analysis is the following:

1. Three Year Comparative Income Statement
2. Revised Tariff Leaf No. 12 to P.S.C. No. 4 – Water, containing our proposed rate, to become effective February 1, 2017.
3. Escrow Account Statement No. 4 (ESCW)

Boniville is seeking a \$25,000 increase, a 45% increase in total operating revenues. The increase will help bring the Company toward earning a rate of return that is comparable to those granted to other water corporations and will allow the Company to generate the funds necessary to properly operate the system.

The Company is also requesting an increase in the escrow account maximum value, increasing the total from \$10,000 to \$20,000. The Company further requests to increase the escrow account surcharge maximum from \$100 per quarter to \$200 per quarter. Also, please note that the increases have not been assessed in about 8-10 years.

The Company provides metered water service to 97 customers in the Town of Carmel in Putnam County.

All of the customers are charged for three line items on a quarterly basis. First, they are charged \$0.0055 per gallon they use. Second, they are charged \$116.50 for a quarterly service charge. Lastly, they are charged a variable rate of \$0-\$100 for Emergency Repair and Water Testing. This charge is based off of the amount of money spent by the Company per quarter for anything that is not considered to be covered through base rates.

Reasons for the Increase

The need for the increase is driven by revenues that are less than projected. The Company has not applied for a rate increase in about 8-10 years, and of course with everything, expenses increase. With expenses going up and revenues remaining the same, it is becoming harder to maintain a positive bottom line.

Another driver of the increase in expenses is the Westchester County Health Department imposing mandatory testing on a more often basis. With the testing being required more frequently, costs are incurred more frequently. These costs were not considered for the current rates that are in place.

While revenue from sales have remained relatively identical, our accounting fees have increased. Unexpected Expenses has risen astronomically as well. While we do have an escrow account that is capped at \$11,000 from 2014 to 2015, with 2016 expected to be even higher. As a quick summary, from 2014 to 2015 alone, Boniville has incurred an increase of \$9,700 worth of expenses, with not a single increase in rates. Please note this increase relates to one year's worth of differences, and the Company has not applied for an increase in 8-10 years.

The Company's filing is based upon historic periods that ended December 31, 2014, December 31, 2015, and the current year up to June 2016.

Waiver of newspaper publication is requested for the proposed minor rate filing as we will individually notify our customers of the proposed rate change.

Yours truly,

William Beckford