

Birch Hill Water Supply, Inc.

GW-J. Green 13741

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July 31, 2006

Jaclyn A. Brilling, Esq.
Secretary to the Commission
NYS Public Service Commission
3 Empire State Plaza
Albany, NY 12223-1350

SUBJECT: Case 06-W-0498 - Tariff filing of Birch Hill Water Supply Corporation to continue its Escrow Account Surcharge of \$55 per customer for two additional billing periods.

Dear Secretary Brilling:

The above-referenced proceeding is to continue the company's escrow account for two additional quarters to cover the cost of redeveloping its two producing wells.

The purpose of this letter is to request continuation of the company's escrow account. For seven additional quarters, a surcharge to \$55.00/customer/quarter will provide \$26,180.00 to redevelop two abandoned wells. Below is a breakdown of the known estimated costs per well:

Estimated cost per well:

Video monitoring to determine condition	\$ 475.00
Hydrosurge utilizing a cable tool rig using a solid surge block and bailer	\$ 7,000.00
New pump	<u>\$ 4,000.00</u>
Total per well	\$11,475.00

Additionally, this request will cover an overage in the amount of \$1321.39 from the redevelopment of the first two wells, which were completed in June, 2006.

After the redevelopment of all four wells, the company will request a surcharge in a reduced amount to provide funds for preventative maintenance which will include hydrosurging one well a year at an anticipated cost of \$8,000.00.

Thank you in advance for your cooperation.

Very truly yours,

Joyce Heaton, President
Joyce Heaton

/jeh

cc: Ms. Joanne Green
Mr. Albert A. Natoli, Esq.
Mr. Steven Kramer, Esq.

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Water Rates Section