

Crystal Water Corp.

P.O. Box 228 ▪ Hensonville, NY 12439 ▪ (518) 755-4529

September 2, 2022

Hon. Michelle L. Phillips
Secretary to the Commission
New York State Department of Public Service
Empire State Plaza
Agency Building 3
Albany, NY 12223-1350

Re: Crystal Water Corp. – Minor Rate Filing

Dear Secretary Phillips:

On behalf of Crystal Water Corp., we enclose, herewith, a proposed tariff revision to the Company's schedule P.S.C. No. 1 – Water. The proposed revision is intended to produce an annual increase of \$37,000 or 76.15% in base rates. This is our first application for a rate increase since acquiring the Company in 2016. The original owner began the company in 1986 and submitted an application for a rate increase in 2014. The current customer rate has remained unchanged since 2014.

Support for our rate increase application is demonstrated in the enclosed Comparative Income Statement package (including Tabs 1 and 2). It shows the past 3 years of actual data, with 2021 being our Base year.

Salaries: We have one employee whose salary we propose to increase to \$12,000, which represents a 110.45% increase in salary expense, however, the increased salary amount still falls below the federal poverty level for a single individual.

Transportation: The projected increase in the cost of transportation from \$2,216 to \$7,084 represents an increase of 219.67% due to the skyrocketing increase in fuel costs.

Repairs and Maintenance and Capital Improvements: Our system and infrastructure is very old. The panel on the control board which runs the well pumps, controls the storage tanks and ultimately delivers the water to the units is the original panel that was installed in 1986. It is no longer manufactured. In 2018, pressure tanks and valve replacements were purchased and installed at a cost of \$35,000, utilizing a combination of borrowed funds and residual funds in the operating account following the acquisition of the Company.

As a result of this analysis, we have determined that the Company needs an increase in annual revenues of \$37,000 or 76.15%, over that collected in 2021 (Base Year) to generate a profit that falls under the 10% permitted by law. To generate the needed revenue of \$85,585 per year, we estimate that we will need an increase in the quarterly flat rate to \$205.73 for our 104 units.

Escrow Account Surcharge

Finally, we are requesting authorization to establish an escrow account with an initial balance of \$39,000. This initial amount would be used to fund crucial and immediate capital improvements, over one year, such as replacement of the 36 year-old control board panel. Following the one-year period, the account will continue, with a replenishable, residual maximum balance of \$20,000.00 for the sole purpose of funding future repairs, maintenance, and improvements to the Company's infrastructure that exceed the Repair and Maintenance amount included in rates.

Crystal Water Corp. respectfully requests a waiver of the requirements for newspaper publication of the proposed minor rate filing, as we will individually notify our customers of the proposed rate change.

Thank you for your consideration. Please let us know if you need any other documents or information.

In addition to myself, please send all communications regarding this matter to Kathy Murray, and E. Hyde Clarke, emails below.

Sincerely,

/s/ Bruce McNab

Bruce McNab
President
brucewmv@gmail.com

Kathy Murray, CPA (kathy@kmurraycpa.com)

E. Hyde Clarke, Esq. (hclarke@youngsommer.com)

Attached Documents:

- Statement of Comparative Income with supporting schedules
- Revised Leaf 12
- Proposed Escrow Account Statement (ESCW)