

January 8, 2007

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

RE: Pabst Water Company, Inc.

Dear Secretary Brillling,

Attached please find First Revised Leaf No. 12 of PSC No. 3 – Water for Pabst Water Company, Inc. (the “Company”) to be effective April 1, 2007. Also attached are work papers that constitute the primary basis of this rate filing.

The proposed tariff leaf will increase the typical residential customer’s annual charge from \$373.98 to \$480.56 per year or 28.5%. This proposed change will increase the Company’s annual revenues by \$6,828 from \$23,993 to \$30,821. The filing is a “mini-filing” under the Commission’s Rules of Procedures and a hearing is not required.

#### The Company

Pabst Water Company, Inc. provides flat rate water service to 65 year-round and two seasonal residential customers in an area known as Peach Lake in the Town of North Salem, Westchester County. Fire protection service is not provided. The average number of customers has remained consistent over the last several years and there are no indications that this will change in the near term. The quality of service is excellent with no complaints.

#### The Rate Filing

The Company is a family owned and operated business. For many years, reliability of service has taken precedence over personal financial gain. Since his father’s death in 2000, Raymond Janus, Jr. has taken over the operations of the water company. He handles all maintenance and facilities work and bills the Company on an hourly basis for actual hours worked. Due to a lack of cash flow, Mr. Janus has not been paid in full for his services. The current amount due to him is \$13,073.

No Director’s Fees have been paid to the Company’s owner. All monies paid have been for the bookkeeping work she has done.

During late 2004, the Company was forced to take out a line of credit in order to cover their operating expenses and to cover the cost of a new well pump that was installed in 2005 and two booster pumps that had to be replaced during 2006. The current outstanding balance on this loan is \$9,893.73 with a credit limit of \$25,000.

The filing contains three years of balance sheets, income statements, and projections of revenues, expenses and rate base. The pro-forma rate year was developed by using a normalized test year which was developed by averaging the expenses for the last three fiscal years. Some adjustments were made and are detailed on the spreadsheet. The Company will also provide these work papers in electronic format.

Public Notice


The Company will include a notice to each customer in the next bill notifying them of the pending rate case.

Further Information

The Company asks that questions regarding this filing be directed to:

Frank W. Radigan  
Hudson River Energy Group  
120 Washington St., 2<sup>nd</sup> Floor  
Albany, NY 12210  
(518) 436-1628

Respectfully submitted,

A handwritten signature in black ink that reads "Frank W. Radigan". The signature is written in a cursive, flowing style.

Pabst Water Company, Inc.  
By: Frank W. Radigan

**Pabst Water Company**

Exhibit 1 – Historic Balance Sheets

Exhibit 2 – Historic Income Statements

Exhibit 3 – Rate Base

Exhibit 4 – ProForma Income Statement

Exhibit 5 – Rate Design