Rainbow Water Company, Inc
P.O. Box 585
Pleasant Valley, NY 12569

July 27, 2003

Jaclyn Brilling, Acting Secretary
State of New York Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Dear Acting Secretary Brilling:

On July 10, 2003 Rainbow Water Company, Inc's (Rainbow) pumping station and all of the equipment contained therein was destroyed when the company's pressure tank failed. Temporary repairs have been made and basic water service has been restored. In order to replace the pump station and pay for the temporary repairs the company is requesting approval of an emergency Environmental Facilities Corporation (EFC) loan in the amount of $300,000. I understand that this will be converted to a permanent financing. In order to obtain this loan the EFC requires that a surcharge designed to cover repayment of the loan be approved by the PSC. I am requesting that staff of the Water Rates Section electronically file a statement on the company's behalf (2003 DWSRF Emergency Capital Improvement Surcharge Statement No.1) to become effective on September 1, 2003 which contains a surcharge of $225 per customer per year for the 20 year life of the loan.   Due to the emergency nature of this matter there is no time to prepare a formal petition for approval of the financing. Please accept this letter as a request for approval of the financing. Rainbow will fully cooperate with the requests for information by any of the involved parties.

All of the parties (Rainbow, EFC, State and local Departments of Health as well as Staff of the PSC) involved in the granting of this loan and approval of the necessary surcharge are working feverishly to get everything in place so that we can get the funds by the end of August or the beginning of September. Accordingly, Rainbow requests that the Commission approve the financing and surcharge on an emergency basis at its August 20, 2003 session.

I have been advised that a case # has already been assigned (Case # 03-W-1026).

Yours truly,

Joseph Maggi, President