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May 17, 2005

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

RE: Four Corners Water Works Corporation, Initial Tariff and Rate Filing

Dear Secretary Brilling:

The enclosed Initial Tariff Schedule, PSC No. 1 -- Four Corners Water Works Corporation, is transmitted for filing in compliance with the requirements of the Public Service Commission of the State of New York and is to become effective on September 15, 2005. The filing is made by the incorporators on behalf of Four Corners Water Works Corporation ("Four Corners"). The corporation plans to begin to provide water service soon after September 15, 2005.

Since this is an initial filing and no customers are being served, publication of the proposed rates is not required.

Pursuant to Public Service Law, Section 89-e, the company is making this filing more than 120 days prior to serving its first customer. Four Corners will serve the Moore Property subdivision, a/k/a Four Corners Subdivision, in the Town of East Fishkill, Dutchess County.

The rates are designed to generate at full development approximately \$248,000 in total revenue and between a 10% and 11% pre-tax rate of return on \$1.2 million in rate base. The company will serve 265 customers. The quarterly service charge is set at \$100.00 and the usage rate at \$4.90 per thousand gallons.

The water system will consist of three wells that can produce 475 gallons per minute. The system will have a storage tank, control systems, and purification systems as required by the plans that have been submitted to the New York State Department of Health.

The company has not yet been incorporated because the Town has required certain pre-requisites before its approval will be issued. The pre-requisites are set forth in Appendix A. The corporation will be incorporated and completely operational before service is provided to any customers.

The initial rates were set to comply with the Commission's initial rate policy. They are set based upon a fully-developed system and are designed to generate enough revenues to cover the corporation's operation and maintenance expenses, taxes, depreciation, and a reasonable return on \$1.2 million of plant. The actual construction cost of the plant will be in excess of the amount in rate base. For example, the rate base does not include any allowance for mains. The rate is designed to provide for the company's long-term viability. The level of the rate base and the return on the rate base should be adequate to generate additional investment and/or debt financing for replacements and capitalized repairs.

Appendix B is a three-page schedule showing the company's revenue requirement. The detailed income statement, which is page 1 of Appendix B, shows the company's estimate of operating expenses. These operating expenses are the company's best estimate of the cost necessary to operate the system. However, the company's estimates have been reduced to make them more comparable with operating allowances that have been allowed by the Commission to similarly-sized systems. No allowance for State and Federal income taxes has been included since the Commission has been, for small water companies, setting the allowed return on a pre-tax basis. Page 2 of Appendix B is computed based upon an estimate of construction cost. Construction costs have been reduced to the amount that the Company has included in rate base. The computation on page 2 shows the calculation of depreciation and the other components of rate base. Appendix B, page 3, shows the computation of the rates. The service charge included in the proposed rates will be billed quarterly in advance.

Customers will be advised of the proposed rates prior to entering into any agreements to purchase property at the subdivision. After the rates have been approved, the customers will be advised of the actual rate.

Thank you for your consideration.

Very truly yours,

/S/

Albert A. Natoli
On Behalf of
Four Corners Water Works Corporation

CC: Mr. Bruce Alch, DPS
Mr. Andrew Stark, President