



National Aqueous Corporation

483 82nd Street - Brooklyn, NY 11209-4110

www.nationalaqueous.com



NYS DEPT OF PUBLIC SERVICE
RECEIVED

JUL 10 2009

Water Rates Section

June 27, 2009

New York State Department of Public Service, Office of Gas and Water
90 Church Street
4th Floor
New York, NY 10007
212-417-3139
Attn: Alia Jassim

RE: Melody Lake - Monticello, NY - PWS ID: NY5205653 - C-Community Water System
Rate Increase Request

Dear Alia,

Please accept this letter as a formal petition for rate increase for the above referenced utility. Melody Lake has Sixty Three (63) Customers each paying \$172.15 per quarter. This includes a \$50 escrow account fee. I have included documentation showing that the escrow account has been completely depleted due to increases in operating expenses as well as increased treatment and testing regulations by the NYSDOH. (Note: Our contact at the NYSDOH Monticello District Office is Glenn Illing, PE, 845-794-2045) This escrow account was established on September 22, 2004 Case 04-W-0641 with a Funding Level of \$20,000. Since this funding amount has not been reached we request to continue funding for the escrow account at its current rate. We have included the requested documentation requesting a base increase assuming that the escrow fund will remain unchanged.

Included in this packet please find the following support documentation:

- Copies of National Aqueous Corp. Federal and State Tax Returns for the years 2006, 2007, and 2008
- A copy of a typical bill
- Copies of Melody Lake Annual Water Quality Reports for the years 2006, 2007, and 2008
- A breakdown showing total annual revenue increase requested, comparing current billing structures to proposed.
- Comparative Income Statement
- Proposed Leaf 12 (and a copy of Revision 2)
- Copy of Canceled check Eight Thousand Dollar (\$8,000) loan check 711 to National Aqueous 6/10/09 from a personal account of James Barry.

As per our discussions we have been under tremendous financial strain at the utility and are hoping to expedite this approval as quickly as possible. This can be seen in our records and in the case of this year I have already made an \$8,000 personal loan to the company (see check referenced above.) I would also like to restate for the record that as owner and operator of this utility I have never withdrawn a salary.

Once approved we will make appropriate notifications to all customers via regular mail and will post to our website www.nationalaqueous.com. Should you have any further questions or if you require any additional information please do not hesitate to call 718-745-0207.

Thanks again for all of your help in this matter,

By James Barry
President
National Aqueous Corporation

MelodyLakeRateIncrease1
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National Aqueous Corp.
Melody Lake - PWS ID: NY5205653 - C-Community Water System
Comparative Income Statement

#	Accounts	Actual Figures			Forecast Changes	Projected Figures		Notes
		Year 1	Year 2	Year 3 (Base Year)		Rate	Year	
1	Operating Revenue:	\$ 25,437.33	\$ 36,466.96	\$ 26,266.58	\$ 36,676.24	\$ 62,942.82		
	O&M Expenses							
2	Officers Salary:	\$ -	\$ -	\$ -	\$ 1,800.00	\$ 1,800.00		Owner has never withdrawn salary in 10 years of ownership
3	Supervisors Salary:	n/a	n/a	n/a	n/a	n/a		
4	Operators Salary:	\$ 3,318.38	\$ 7,295.00	\$ 6,904.00	\$ 2,000.00	\$ 8,904.00		2009 NYSDOH additional testing requirements & Increased cost of chemicals
5	Purification Chemicals(Incl in 4):	\$ -	\$ -	\$ -	\$ -	\$ -		
6	Water Testing (incl in 4):	\$ -	\$ -	\$ -	\$ -	\$ -		
7	Rent:	\$ -	\$ -	\$ -	\$ 1,200.00	\$ 1,200.00		Owner has not been paid for rent for an office space in ten years of ownership
8	Power Purchases (NYSEG):	\$ 2,547.03	\$ 1,938.20	\$ 3,255.85	\$ 500.00	\$ 3,906.46		
9	Materials	\$ 145.05	\$ 1,671.56	\$ 1,349.39	\$ 650.61	\$ 2,000.00		
10	Accounting (Composto & Felicia and CHASE bank fees):	\$ 2,118.50	\$ 2,342.00	\$ 1,884.00	\$ 816.00	\$ 2,500.00		
11	Billing&Meter Reading(Incl in 10):	\$ -	\$ -	\$ -	\$ -	\$ -		
12	Insurance (Grundy Worldwide):	\$ 2,667.57	\$ 2,742.57	\$ 2,792.49	\$ 100.00	\$ 2,892.49		
13	Repairs, Maintenance, Snow Removal:	\$ 11,729.82	\$ 21,842.72	\$ 12,311.00	\$ 2,689.00	\$ 15,000.00		
14	Transportation:	\$ 3,003.75	\$ 1,472.10	\$ 1,353.32	\$ 146.68	\$ 1,500.00		
15	Professional Fees & Annual Fees:	\$ 4,472.84	\$ 8,456.00	\$ 7,033.59	\$ 966.41	\$ 8,000.00		
16	Office Expenses:	\$ 1,408.14	\$ 2,280.13	\$ 1,834.15	\$ 665.85	\$ 2,500.00		
17	Rate Case Expenses:							
18	Uncollected Water Fees:	\$ 17,939.43	\$ 6,909.80	\$ 17,110.18	\$ -	\$ 6,357.18		Includes one customer water credit in place until 2012 due to dispute
19	Total O&M Expenses: (Lines 2 through 18):	\$ 49,350.51	\$ 56,950.08	\$ 55,627.97		\$ 56,560.13		
20	Amorlizations:	\$ 622.65	\$ 32.89	\$ 1,653.96	\$ -	\$ 1,000.00		

NatAquComparativeIncomeStatementrev2.xls Prepared by National Aqueous Corp.

National Aqueous Corp.**Melody Lake - PWS ID: NY5205653 - C-Community Water System****Base Rate Proposed Increase Analysis***Last increase 2004*

# Customers	Quarterly Fee	Quarterly Escrow Surcharge	Annual Operating Revenue (incl. Escrow Account)
63	\$ 122.13	\$ 50.00	\$ 43,376.76

Proposed Increase 2009

63	\$ 275.00	\$ 50.00	\$ 81,900.00
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% Change from Last increase:

44%

53%

PSC NO: 1 – WATER
COMPANY: National Aqueous Corp.
INITIAL EFFECTIVE DATE:

PROPOSED
LEAF: 12
REVISION: 3
SUPERCEDING REVISION: 2

SERVICE CLASSIFICATION NO.1

Applicable to use of Service for:

Residential, small commercial and general use.

Character of Service

Continuous

Rate:

Effective on November 1, 2009

\$275 per quarter per dwelling

Minimum Charge:

Effective on November 1, 2009

\$275 per quarter per dwelling

Terms of Payment

Bills shall be rendered quarterly in advance January 1, April, July 1, October 1, and are due and payable upon receipt. Bills not paid within 23 days of mailing are delinquent and the late payment charge becomes applicable and service may be discontinued after proper notice as required by law.

A late payment charge to be computed at the rate of 1 ½ percent per month, compounded monthly, may be applied to all balances left unpaid 23 days following mailing of the bill.

Term

Terminable by the customer upon 10 days written notice to the company.