

P.S.C. NO. 2 - WATER
COMPANY: SUNRISE RIDGE WATER COMPANY
INITIAL EFFECTIVE DATE: 05/1/2006

STATEMENT TYPE: WSUR
STATEMENT NO: 1

CAPITAL IMPROVEMENTS SURCHARGE
STATEMENT NO. 1

A surcharge account is established to cover the cost of financing up to a \$150,000 loan for capital improvements. This account will be subject to the following conditions:

1. The surcharge account will be funded commencing with the customer billing of May 1, 2006 by means of a quarterly customer surcharge of \$75.00 per customer and will end when the amount of the loan is paid in full.
2. The surcharge account will be established as a separate interest bearing account in an insured banking institution and be under the control of the company. The company will have access to the funds in this account solely for the purposes described above. Any interest earned by the account shall remain in the account.
3. The company will maintain records of the terms and amount of the loan and amounts collected through the surcharge, and deposits, withdrawals, and any other transactions related to the capital improvements. A report detailing such records for each calendar year should be submitted to the Secretary of the Commission by January 30 of each succeeding year. Included in the report will be a description of any projects funded by the surcharge.
4. Customers terminating service will not be entitled to a refund of payments made to the surcharge account.

Issued By: Joseph Maggi, President, 21 Troon Drive, Hilton Head, SC 29926
(Name of Officer, Title, Address)