

PSC NO: 1 WATER**COMPANY: CORBIN HILL WATER CORP.****INITIAL EFFECTIVE DATE: 11/30/05**

Issued in compliance with the Commission Order dated November 29, 2005 in C. 04-W-0115.

**ESCROW ACCOUNT
STATEMENT No. 1**

The company will establish an escrow account with a maximum balance of \$20,000, not including account interest, for the purpose of making extraordinary repairs and/or plant replacements. The account will be subject to the following conditions:

1. The company will deposit the initial \$10,000 in the account within 10 days of receipt of the Commission's Order in Case 04-W-0115. The company will submit proof to the Secretary of the Commission of the deposit within 10 days of making such deposit.
2. The balance of the account, \$10,000, will be funded commencing with the customer billing of November 30, 2005 by means of a customer surcharge of \$21.55 per quarter.
3. The account will be established in a bank, in a separate account, and will be under the control of the company.
4. Once the account has reached the maximum balance and money must be removed for appropriate purposes, the company will be permitted to bill all customers to bring the balance in the account to the approved level. However, if it is necessary for Staff to reduce the company's profit, the maximum \$20,000 balance could be exceeded. The unit customer charge will be determined dividing the difference between the maximum level and the balance in the account by the number of customers at that time. The company may not charge a unit customer charge greater than \$100 per quarter unless approved by the Commission. The water company will have access to the funds in this account solely for the purposes noted above and any associated taxes.
5. Any interest earned by the account shall remain in the account to cover expenses or reduce payments by customers needed to replenish the account to its approved level.
6. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
7. The company must submit copies of all bank statements and a complete accounting of the revenues and expenses for the account by January 30th of each year. All information should be sent to the Secretary of the Commission's Office.

Issued By: Melvin Fischman, President, 220 Clifton Blvd, Clifton, NJ 07011