

STATEMENT TYPE: ESCW

STATEMENT No. 1

The company is authorized to establish an escrow account with a maximum balance of \$10,000 excluding accrued interest to cover the cost of extraordinary repairs, emergency maintenance and major improvements. This account will be subject to the following conditions:

1. This account will be established in a bank, in a separate account, and will be under the control of the company.
2. The water company will have access to the funds in this account solely for the purposes noted above and any associated revenue taxes.
3. 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. The unit customer charge will be determined by 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 \$50 unless approved by the Commission.
4. 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.
5. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
6. 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's Office. In addition, the company may be required to submit, at Staff's request, prioritized plans for repairs and use of funds as well as additional account information.

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