

PSC NO: 3 WATER
COMPANY: RAINBOW WATER COMPANY, INC.
INITIAL EFFECTIVE DATE: 9/01/2003

STATEMENT TYPE: SURC
STATEMENT NO: 1

2003 DWSRF EMERGENCY CAPITAL IMPORVEMENT SURCHARGE

STATEMENT NO. 1

Rainbow Water Company, Inc. is authorized to surcharge the bills of all of its customers to repay an Emergency Environmental Facilities Corporation loan used to cover the costs of the temporary pumping facilities and the replacement of its pumping station, pumping equipment and hydropneumatic tank estimated to cost about \$300,000. The initial surcharge will be \$56.25 per quarter for a 20-year period. The surcharge will start with the October 1, 2003 billing. If necessary, the surcharge will be adjusted to reflect the actual costs of the work or any insurance reimbursements. The surcharge may fluctuate each year (due to over or undecollections or changes in the annual loan payments and associated charges required) and will be changed January 1 of each year. The calculation of the surcharge for all succeeding periods is shown below:

Funding needed in next year for the surcharge account \$

Prior periods under (over) recovery \$

Total estimated surcharge to be billed during the
next period divided by the number of customers \$

Quarterly surcharge \$

Note: This statement will be updated by the company, filed with the Commission and audited by Staff of the Department of Public Service annually for the life of the loan.

Issued By: Joseph Maggi, President, 3-E Cardinal Ct., Hilton Head, SC 29926
(Name of Officer, Title, Address)