

PSC NO: 2 WATER
COMPANY: FOREST PARK WATER COMPANY, INC.
INITIAL EFFECTIVE DATE: 11/01/03

STATEMENT TYPE: ESCW
STATEMENT NO: 1

ESCROW ACCOUNT
STATEMENT NO. 1

Forest Park Water Company, Inc. was authorized to establish an escrow account with a maximum balance of \$25,000, including accrued interest, to cover the cost of extraordinary repairs, emergency maintenance and major improvements. This account is subject to the following conditions:

1. The account was initially funded in 1988 and the company is allowed to bill each customer \$25.00 per quarter.
2. This account is in a bank, in a separate account, and is under the control of the company.
3. The water company has access to the funds in this account solely for the purposes noted above and any associated revenue taxes.
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. 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 the initial funding level stated above unless approved by the Commission. Whenever the company replenishes the account, it will also collect any associated revenue 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. Customers 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 will be sent to the Secretary of the Public Service Commission. 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.

Issued By: Hugh Knickerbocker, President, PO Box 599, Pleasant Valley, NY 12569