

PSC NO: 1 - WATER  
COMPANY: NATIONAL AQUEOUS CORPORATION  
INITIAL EFFECTIVE DATE: 10/1/09

STATEMENT TYPE: ESC2  
STATEMENT NO: 1

### ESCROW ACCOUNT FOR CAPITAL IMPROVEMENTS

#### STATEMENT NO. 1

The company is being required by the Department of Health to install a permanent disinfection system at an estimated cost of \$37,095. To fund this project and to enable the company to complete the installation as soon as possible a one time surcharge will be imposed. This account will be subject to the following conditions:

1. Each customer will be billed a one time surcharge of \$588.81. The company can not charge its customers more unless it is authorized to do so by the Commission. Any funds remaining in the account when the project is completed will be refunded to the customers on a pro-rata basis.
2. This account will be established in a bank, in a separate interest bearing account, and will be under the control of the company.
3. The water company will have access to the funds in this account solely for the purpose noted above and any associated taxes.
4. Any interest earned by the account shall remain in the account to cover expenses or reduce payments by customers needed to fund the account to its approved level.
5. Customers 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 30<sup>th</sup> of each year. All information should be sent to the Water Rates Section. 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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(Name of Officer, Title, Address)