

PSC NO: 1 – WATER
COMPANY: CRYSTAL WATER SUPPLY COMPANY, INC
INITIAL EFFECTIVE DATE: JULY 1, 2020

STATEMENT TYPE: ESCW
STATEMENT NO: 1

(Issued in Compliance with Commission Order in Case 20-W-0066 issued June 17, 2020)

ESCROW ACCOUNT STATEMENT

Crystal Water Supply Company, Inc. (the Company) is authorized to establish and maintain a replenishable, interest-bearing escrow account with a maximum balance of \$10,000.00, not including account interest, to recover, over two years, extraordinary repair expenses of \$27,105.66 related to repairing a large water main break which occurred in 2019 (2019 repair expenses). Following recovery of the 2019 repair expenses, the account will continue for the sole purpose of funding future repairs, maintenance, and improvements to the Company's infrastructure that exceed the Repair and Maintenance amount included in rates. The account will be subject to the following conditions:

1. The account will be funded by means of an initial quarterly customer surcharge of \$22.59 per customer. The surcharge will commence with the first quarterly billing period on or after the effective date of this statement and up to \$22.59 will be collected over a total of eight quarterly billing periods.
2. After the 2019 repair expenses have been recovered in full, the quarterly surcharge shall not exceed \$17.00 per customer. No additional surcharge will be collected once the maximum balance in the escrow account is reached.
3. The account will be established in a bank and be kept in a separate account that will be under the control of the Company, which will have access to the funds in this account solely for the purposes noted above.
4. This account is replenishable and following recovery of the 2019 repair expenses, whenever the balance in the account falls below the maximum approved level, the Company is permitted to surcharge customers a unit amount that will be determined by dividing the difference between the maximum approved level and the balance in the account at the end of the previous billing period by the number of customers at the time of billing for that period, but it shall not be greater than \$17.00 per customer unless approved by the Commission.
5. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
6. By January 30 of each year, the Company shall submit copies of all bank statements and a complete accounting of the revenues and expenses for the account in the prior calendar year. The Company shall also submit an annual end of year reconciliation of withdrawals from its Repairs and Maintenance (R&M) account, so that any advances made from the escrow account to offset a shortage in the R&M account at the time an R&M expense is incurred are returned to the escrow account after applying the annual amount approved for R&M in rates. All information should be sent to the Office of Electric Gas & Water, Department of Public Service. In addition, the Company may be required to submit additional account information at Staff's request.

Issued By: Mark Kutsher, President, Crystal Water Supply Company Inc., Monticello, NY 12701

(Name of Officer, Title, Address)