

PSC NO: 1 WATER
COMPANY: SOUTHSIDE WATER INC.
INITIAL EFFECTIVE DATE: November 1, 2019

STATEMENT TYPE: ESCW
STATEMENT NO.: 2

ESCROW ACCOUNT

Capital Improvements and Extraordinary Repairs

Southside Water Inc. (the Company) is authorized to maintain a replenishable escrow account with a maximum balance of \$11,000 for the purposes of making emergency/extraordinary repairs and/or capital improvements/plant replacements that exceed, in any calendar year, the annual base rate allowance for Repairs and Maintenance included in the most recent decision of the Public Service Commission granting rates to the Company. The account will be subject to the following conditions:

1. The account will be funded by means of a quarterly customer surcharge of \$50.00 commencing with the first billing period after the effective date of this statement.
2. 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.
3. Funds may be withdrawn from the account as needed for the purposes noted above. This account is replenishable and the Company is permitted to surcharge customers in order to bring the balance in the account to the maximum approved level. The unit customer surcharge in this case will be determined by dividing the difference between the maximum level and the balance in the account at the end of the previous quarter by the number of customers at that time of billing for that quarter, but it shall not be greater than \$50.00 unless approved by the Commission.
4. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
5. 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. All information should be sent to the Chief of the Gas & Water Rates and Supply Section, Office of Electric Gas & Water, Department of Public Service.

Issued By: James V. Lettiere Jr., 16115 Heaslip Lane, Clayton, NY 13624
(Name of Officer, Owner, Address)