

..DID: 12425
..TXT: PSC NO: 3 WATER STATEMENT TYPE: ESC2
COMPANY: OCEAN BAY PARK WATER CORPORATION STATEMENT NO: 2
INITIAL EFFECTIVE DATE: 07/31/00
STAMPS: Issued in compliance with Order in C. 99-W-1114 dated 07/24/00/
RECEIVED: 07/31/00 STATUS: Effective EFFECTIVE: 07/31/00

ESCROW ACCOUNT FOR CAPITAL IMPROVEMENTS
STATEMENT NO. 2

This account will be funded by means of \$1.00 per thousand gallons of any emergency sales to the Seaview Association of Fire Island, N.Y., Inc. Funds in the account can be used to fund Ocean Bay's capital improvement proram. The escrow account will be subject to the following conditions:

1. These funds, including any income earned by their investment, shall be maintained in an account separate from the company's other accounts, and shall be deposited in a highly liquid financial instrument(s) offered by the United States Government, or a responsible banking institution(s), where both the return of principal and any accrued interest is guaranteed.
2. The water company will have access to the funds in this account solely for the purposes noted above.
3. The account shall bear interest which shall remain in the account and be used to cover capital improvements.
4. The company must submit to the Chief of the Water Rates, Office of Gas and Water, within (30) days after the end of each calendar year, copies of all bank statements and a complete accounting of the revenues and expenses for the account. Staff may require, and the company will be required to submit, more detailed information for its review of the account.

Issued in compliance with the Order dated July 24, 2000 in Case 99-w-1114.

Issued By: David Ash, Secretary, 42 Memorial Plaza, Pleasantville, NY 10570-2913
(Name of Officer, Title, Address)