

..DID: 21778  
 ..TXT: PSC NO: 1 WATER STATEMENT TYPE: ESCW  
 COMPANY: JD WATER COMPANY, INC. STATEMENT NO: 1  
 INITIAL EFFECTIVE DATE: 02/01/03  
 STAMPS: Issued in compliance with Order dated January 31, 2003 in C. 02-W-0337  
 RECEIVED: 03/05/03 STATUS: Effective EFFECTIVE: 02/01/03

**ESCROW ACCOUNT**  
STATEMENT NO. 1

The company is authorized to establish an escrow account to cover the cost of unexpected repairs and major improvements with a maximum balance of \$30,000, commencing with billing in January 2004 and thereafter on January 1 and May 1 as needed. The account will be subject to the following conditions:

1. This account will be establish in a bank, in a separate account, and will be under the control of the company.
2. The water company will have access to the funds in this account solely for the purposes noted above and any associated revenue taxes.
3. Customers shall be billed on January 1<sup>st</sup> and May 1<sup>st</sup> in the following manner:

|                   | <u>Rate</u> | <u>Ratio</u> |
|-------------------|-------------|--------------|
| Dwelling & Hose   | \$52.00     | 4            |
| Dwelling Only     | \$39.00     | 3            |
| Large Pool & Hose | \$39.00     | 3            |
| Hose Only         | \$13.00     | 1            |

4. Once the account has become fully funded at \$30,000 and money must be removed for unexpected repairs and major improvements, the company will be permitted to bill all customers according to the above ratios to bring the balance in the account to the approved level. The amount each customer is billed is determined by dividing the difference between the approved maximum level and the balance in the account by the number of customers times their appropriate ratio. The Resultant Factor will equal the charge for a "Hose Only" customer and the rest of the customers' charges will be determined by multiplying the appropriate "Ratio to the Resultant Factor." If the calculation would produce a per customer amount that is over the current semi-annual charge the company shall charge no more than the rates stated above except where the company receives written permission from the Department Staff that it may collect more per semi-annual billing period.
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. The company must submit copies of all bank statement 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 Staffs request, prioritized plans for repairs and use of funds as well as

additional account information.

Issued By: Jo Ann Shaw, President, Box 566, Smallwood, NY 12778  
(Name of Officer, Title, Address)