

**PSC NO: 1 - WATER**  
**COMPANY: GREAT EXPECTATIONS, LLC**  
**INITIAL EFFECTIVE DATE: June 1, 2017**

**STATEMENT NO: 3**  
**STATEMENT TYPE: ESCW**

(Issued in compliance with Commission Order issued and effective May 24, 2017 in Case 17-W-0015)

### **ESCROW ACCOUNT FOR MAJOR RENOVATIONS**

Great Expectations, LLC (the Company) is authorized to maintain a replenishable escrow account with a maximum balance of \$50,000, not including any accrued interest, for the purpose of making extraordinary repairs and/or plant replacements. The Company is further authorized to extend the term of an 11-year loan that was approved in Case 09-W-0409 by three years, or until 2022, in order to recover the remaining balance due on the original loan plus an additional \$9,704.14 in extraordinary repair expenses the Company incurred in 2016. The total amount to be recovered as of December 31, 2016, including 3.0% interest on the loan amounts, and the additional \$9,704.14, is \$41,619.91, and the Company is authorized to withdraw \$7,300 annually from the escrow account until 2021, and to withdraw \$9,776.96 in 2022, at which time the loan will be satisfied. Upon satisfaction of the loan, the escrow account will remain in effect for the purposes noted above.

This account is subject to the following conditions:

1. The Company will bill each customer a quarterly surcharge and deposit the money collected through this surcharge into the escrow account. The quarterly surcharges will be as follows:
  - Single-Family Homes, Villas, and the Homeowners Association Irrigation Connections and Pool - \$19.50 (for each connection).
  - The Golf Course Clubhouse - \$432.00
  - The Halfway House - \$24.00
2. This account shall be kept in a bank 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 and any associated taxes.
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 Funds may be withdrawn from the account as needed for the purposes noted above.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, at which time the Company will stop collecting the surcharge. However, if the balance in the account falls below the maximum approved level due to withdrawals for the purposes noted above, the Company will be permitted to reinstitute the surcharge in order to replenish the account to the maximum approved level. The unit customer surcharge in this case will be determined by dividing the difference between the maximum approved 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 the Company will not be allowed to surcharge each customer more than the above amounts unless approved by the Commission.
4. Any interest earned by the account shall remain in the account to cover the cost of the improvements described above.
5. Customers terminating service will not be entitled to a refund of payments made to this account.
6. By January 30 of each year, the Company shall submit copies of all bank statements and a complete accounting of deposits to and withdrawals from the account in the prior calendar year to the Chief of the Gas & Water Rates Section, Office of Electric Gas & Water, Department of Public Service. In addition, the Company may be required to submit, at Staff's request, prioritized plans for the improvements and use of funds as well as additional account information.

Issued By: Fred Dana Jr, Member, PO Box 4687 Middletown, NY 10941