

..DID: 18171
..TXT: PSC NO: 3 WATER STATEMENT TYPE: ESCW
COMPANY: WESTBROOK WATER CORP. STATEMENT NO: 2
INITIAL EFFECTIVE DATE: 02/01/02
STAMPS: Issued in compliance with the Order dated January 25, 2002 in Case 01-
RECEIVED: 01/28/02 STATUS: Effective EFFECTIVE: 02/01/02

ESCROW ACCOUNT
STATEMENT NO. 2

The company be authorized to establish an escrow account to cover the cost of unexpected repairs or major improvements with a maximum balance, not including any accrued interest of \$10,000, commencing with a \$50 billing in February 2002 and a \$50 billing in April 2002 and thereafter each quarter to bill \$25.00 per quarter, per customer, which includes associated revenue taxes. This account will be subject to the following conditions:

1. This account will be established 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. Once the account has become fully funded at \$10,000 and money must be removed for repairs, the company will be permitted to bill all customers equally 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 at that time. Whenever the company replenishes the account, and the per customer amount is over \$25 the quarterly replenishment shall be no more than \$25 except where it receives written permission from the Department Staff that it may collect more per quarter.
4. Any interest earned by the account shall remain in the account and be used to cover expenses or reduce payments the customers will have to make to replenish the account to its approved level.
5. If a customer terminates water service, he or she will be entitled to a refund equal to the balance in the account divided by the numbers of customers as of the date of termination. A new customer would be required to pay an amount equal to the balance in the account divided by the number of customers as of the date of service.
6. The company must submit copies of all bank statements monthly, and a complete accounting of the revenues and expenses for the account by January 30th of each year. All information should be sent to the Water Rates Section. In addition the company may be required to submit, at Staff's request, prioritized plans for repairs and use of funds as well as additional account information.
7. The company is allowed to reimburse from escrow funds \$9,425 for the cost of repairs made and paid during 2001 by the company's owner.
8. For calendar years 2002 and 2003, if normal repair expenses paid are less than \$3,000 in either year the difference between the repair expenses paid and \$3,000 will be deposited in

the escrow account by the company.

Issued By: Margaret Martonick, President, 129 Sandyhook Rd., Berlin, MD. 21811
(Name of Officer, Title, Address)