

PSC NO: 1 WATER

COMPANY: JAMES V. LETTIERE, JR. D/B/A LETTIERE WATER SYSTEM

INITIAL EFFECTIVE DATE: 02/01/04

STATEMENT TYPE: ESCW

STATEMENT NO. 1

## ESCROW ACCOUNT

## STATEMENT NO. 1

## Capital Improvements and Extraordinary Repairs

James V. Lettiere, Jr. d/b/a Lettiere Water System (the company) is authorized to establish an escrow account for the purpose of making extraordinary repairs and/or capital improvements, by initially surcharging each customer on or after August 1, 2004, \$15 per quarter for four quarters for a maximum balance of \$5,520, not including account interest. The account will be subject to the following conditions:

1. This account will be established 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. After expending monies from this account, the company will be permitted to bill all customers 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 level and the balance in the account by the number of customers at that time. Whenever the company replenishes the account, it will also collect associated revenue taxes.
4. The new account shall bear interest, which 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 number 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 to the Water Rates Section, within 30 days after the end of each calendar year, copies of all bank statements, bills and a complete accounting of the revenues and expenses for the account.

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