

P.S.C. No. 3 - Water
COMPANY: PABST WATER COMPANY, INC.
INITIAL EFFECTIVE DATE: July 1, 2012

STATEMENT TYPE: ESCROW
STATEMENT NO. 3

(Issued in compliance with Commission Order issued and effective June 14, 2012 in Case 11-W-0604)

ESCROW ACCOUNT

STATEMENT NO. 3

Pabst Water Company, Inc. (Pabst or the Company) is authorized to establish an interest-bearing escrow account with a maximum balance of \$24,000, while it may replenish, to cover the cost of extraordinary repairs and/or, plant replacements. The account is subject to the following conditions:

1. The account will be established in a New York State bank, be kept in a separate account, and under the control of the Company.
2. The account will be initially funded beginning with the customer billing on July 1, 2012, with receipts from the \$20 surcharge recovered from customers.
3. A twenty dollar (\$20.00) surcharge per customer will continue to be charged with each bi-monthly invoice until the maximum amount of twenty-four thousand dollars (\$24,000) is reached, after which time the customer surcharge will cease.
4. The company is permitted to resume the customer surcharge to bring the balance in the account back to the approved level, only when the balance is reduced below the approved level by withdrawing money from the account solely for the purposes noted above and any taxes associated with the account. 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 billing cycle by the number of customers at that time of billing for that cycle. The company may not charge a unit customer charge greater than \$20.00 per bi-monthly unless approved by the Commission.
5. The water company will have access to the funds in this account solely for the purposes noted above and any taxes associated with the account.

6. This account shall bear interest and such interest shall remain in the account and used to cover expenses or reduce payments by customers needed to replenish the account to its approved level.
7. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
8. The Company must submit copies of all bank statements and a complete accounting of the revenues and expenses for the account by January 30 of each year to the Chief of the Tariffs, Electric Supply and Small Utility Rates Section, Office of Electric, Gas and Water, Department of Public Service.

Issued by: Raymond J. Janus, Jr., Vice President, 31 Sunset Place, No. Salem, NY 10560

(Name of Officer, Title, Address)