

..DID: 16555
..TXT: PSC NO: 1 WATER STATEMENT TYPE: ESCW
COMPANY: FAIRWAY WATER CORP. STATEMENT NO: 1
INITIAL EFFECTIVE DATE: 08/01/01
STAMPS: Issued in compliance with order dated July 27, 2001 in C. 00-W-1250.
RECEIVED: 07/31/01 STATUS: Effective EFFECTIVE: 08/01/01

Extraordinary Repairs and Plant Replacement
Escrow Account

Fairway Water Corp. will establish an escrow account for the purpose of making extraordinary repairs and/or plant replacement. The account will be subject to the following conditions:

1. The company=s owner will deposit \$10,000 in the account within 10 days of receipt of the Commission=s Order in Case 00-W-1250, and to further deposit \$5,000 no later than August 1, 2002. Fairway Water Corp. will submit proof of those deposits to the Chief, Water Rates Section within 10 days of making such deposit. Until the full \$15,000 is deposited, the company will submit to Staff, within 10 days of receipt of the Commission=s Order in the above noted case, a Letter of Credit@ to cover the undeposited portion. These funds will be kept in a separate account established in a local bank. The account will be under the company=s control. If the company does not make said deposit by the appropriate date, no additional customers, other than those that have signed purchase agreements by that date, will be permitted to be connected to the system.
 2. The company will deposit in the escrow account, from its base revenues, \$15 per quarter per connected customer, commencing with the first quarter=s billing. Each deposit will be made within 45 days of the end of the quarter.
- This account shall bear interest and such interest shall remain in the account. In addition, the company will have access to the funds in this account solely for the purposes noted above and any associated revenue taxes.
4. The company will submit to the Chief, Water Rates Section within 30 days after the end of each calendar year, copies of all escrow account bank statements with a complete accounting of all deposits and withdrawals. A complete explanation of what all withdrawals were used for including copies of bills will also be required with this submission.

Issued By: Steven Domber, President, P.O.Box 37, LaGrangeville, NY 12540
(Name of Officer, Title, and address)