

PSC NO: 1 - WATER
COMPANY: WINDHAM RIDGE WATER CORP.
INITIAL EFFECTIVE DATE: October 1, 2012

STATEMENT TYPE: ESCROW
STATEMENT NO: 2

ESCROW ACCOUNT

STATEMENT NO. 2

The Company will maintain an interest-bearing escrow account with a maximum balance of \$10,000, not including account interest, for the purpose of making extraordinary repairs and/or plant improvements. The account will be subject to the following conditions:

1. The account will be funded by means of a quarterly customer surcharge of \$21.37.
2. The account will be maintained in a separate bank account and will be under the control of the Company.
3. The Company will have access to the funds in this account solely for the purposes noted above and any taxes associated with the account.
4. Once the account has reached the maximum balance of \$10,000, not including account interest, the Company should stop collecting the quarterly customer surcharge. However, if the Company withdraws funds for the purposes noted above and the balance in the account falls below the \$10,000 approved level, the Company will be permitted to surcharge the customers a pro-rata amount not to exceed \$21.37 per quarter in order to restore the account to the \$10,000 maximum approved level.
5. This account shall bear interest and such interest shall remain in the account and be used to cover expenses or reduce payments by customers when needed to replenish the account to its approved level.
6. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
7. 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. All information should be sent to the Chief of Tariffs, Electric Supply & Small Utility Rates, Office of Electric, Gas & Water, Department of Public Service, Three Empire State Plaza, Albany, NY 12223-1350.

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