

**PSC NO: 1 - WATER**  
**COMPANY: TERREL HILLS WATER COMPANY, INC.**  
**INITIAL EFFECTIVE DATE: March 1, 2019**

**STATEMENT TYPE: ESCROW**  
**STATEMENT NO: 1**

### ESCROW ACCOUNT STATEMENT

Terrel Hills Water Company, Inc. (the Company) is authorized to establish and maintain a replenishable, interest bearing escrow account with a maximum balance of \$45,400, not including account interest, for the purposes of making emergency and extraordinary repairs and/or plant improvements for which the costs would exceed the allowance for Repairs and Maintenance included in the most recent decision of the Public Service Commission granting rates to the Company. Such plant improvements include, but are not limited to: well pump replacements; replacement of the emergency generator; structural repairs to the pumphouse and clearwell; replacement of water meters and affiliated equipment & billing software; and replacement of piping within the pumphouse. The account will be subject to the following conditions:

1. The account will be funded by means of an initial quarterly customer surcharge of \$50.00 per customer commencing with the first billing period after the effective date of this statement.
2. The account will be established in a bank and be kept in a separate account that will be under the control of the Company, which will have access to the funds in this account solely for the purposes noted above.
3. Funds may be withdrawn from the account as needed for the purposes noted above. This account is replenishable, and whenever the balance in the account falls below the maximum approved level, the Company is permitted to surcharge customers a unit amount that will be determined by dividing the difference between the maximum approved level and the balance in the account at the end of the previous quarter by the number of customers at the time of billing for that quarter, but it shall not be greater than \$50.00 per customer unless approved by the Commission.
4. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
5. By January 30 of each year, the Company shall submit copies of all bank statements and a complete accounting of the revenues and expenses for the account in the prior calendar year. All information should be sent to the Chief of the Gas & Water Rates and Supply Section, Office of Electric Gas & Water, Department of Public Service.

Issued By: Mark McDonald, President, PO Box 476, Saratoga Springs, NY 12866  
(Name of Officer, Title, Address)