Received: 05/25/2006

Status: CANCELLED
Effective Date: 06/01/2006

PSC NO: 5 WATER
COMPANY: THE CALLICOON WATER COMPANY STAT: ESCW
INITIAL EFFECTIVE DATE: 06/01/06

Issued in compliance with the Commission Order dated May 25, 2006 in C. 05-W-1097.

ESCROW ACCOUNT FOR EXTRAORDINARY EXPENDITURES

STATEMENT No. 1

The company is authorized to establish an escrow account with a maximum balance of $10,000 excluding accrued interest to cover the cost of extraordinary expenditures, emergency maintenance and major improvements, which are not covered through base rates. This account will also be used to reimburse the company for the cost of main repairs incurred in 2005. This account will be subject to the following conditions:

Each customer will be billed $15 per quarter.

1. For the first three years the Company will be allowed to withdraw $5,000 per year to be used for reimbursement of the cost of main repairs incurred in 2005.

2. This account will be established in a bank, in a separate interest bearing account, and will be under the control of the company.

3. The water company will have access to the funds in this account solely for the purposes noted above and any associated revenue taxes.

4. Once the account has reached the maximum balance and money must be removed for appropriate purposes, the company will be permitted to bill all customers to bring the balance in the account to the approved level. The unit customer charge will be determined by dividing the difference between the maximum level and the balance in the account by the number of customers at that time. The company may not charge a unit customer charge greater than $100.00 unless approved by the Commission. Whenever the company replenishes the account, it will also collect any associated revenue taxes.

5. Any interest earned by the account shall remain in the account to cover expenses or reduce payments by customers 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 30th of each year. All information should be sent to the Secretary's Office. In addition, the company may be required to submit, at Staff's request, prioritized plans for repairs and use of funds as well as additional account information.

Issued By: Richard Baum, President, PO Box 277, Callicoon, NY 12723
(Name of Officer, Title, Address)

Cancelled by supplement No. 8 effective 07/30/2019