

**PSC NO: 1 - WATER**  
**COMPANY: Spring Glen Lake Water Company LLC**  
**INITIAL EFFECTIVE DATE: APRIL 1, 2007**

**STATEMENT TYPE: Escrow**  
**STATEMENT No. 1**

**Maintenance and Capital Funding**  
**Surcharge and Escrow**  
**Statement No. 1**

The company will establish an escrow account with a maximum balance of \$15,000, not including account interest, for the purpose of making repairs in excess of the amount allowed in rate and/or plant replacements. The account will be subject to the following conditions:

1. The account will be funded commencing with the customer billing after April 1, 2007, by means of a customer surcharge of \$40.00 per quarter.
2. The account will be established in a bank, in a separate 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 taxes associated with the account.
4. Once the account has reached the maximum balance, the company will be permitted to resume the customer surcharge to bring the balance in the account back to the approved level when the balance is reduced below the maximum level by the removal of money from the account 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 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. The company may not charge a customer a surcharge of more than \$40 per quarter unless approved by the Commission.
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. The company will 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 Secretary of the Commission's Office.

Issued By: Barbara Penaluna, President, 1053 County Road 37, New Hampton, NY 10958  
(Name of Officer, Title, Address)