

PSC NO: 1 WATER
COMPANY: GREAT EXPECTATIONS, LLC.
INITIAL EFFECTIVE DATE:

STATEMENT TYPE: ESCW
STATEMENT NO: 1

ESCROW ACCOUNT
STATEMENT NO. 1

Great Expectations, LLC (Company) will establish an escrow account with a maximum balance of \$50,000, not including account interest, for the purpose of making extraordinary repairs and/or plant replacements. The escrowed funds shall remain a liability of the Company until such times as, and only to the extent that, specific funds are used from the escrow account for extraordinary repairs and plant replacements. However, if it is necessary for Staff to reduce the company's rate of return, the maximum \$50,000 balance could be exceeded. The account will be subject to the following conditions:

1. To establish the account, the company will bill each customer a quarterly surcharge and deposit the money collected through this surcharge into the escrow account. The quarterly surcharges will be as follows:

Single-Family Homes, Villas, and the Homeowners= Association
Irrigation Connections and Pool - \$13.00 (for each connection)

The Mansion, if used as a residence - \$41.00

The Golf Course Clubhouse - \$288.00

The Halfway House - \$16.00

When the amount of money reaches \$50,000, the Company will stop billing each customer the quarterly surcharge. As money is used from the escrow account for extraordinary repairs and plant replacements, the Company will be permitted to replenish the escrow account to the \$50,000 level. This will be accomplished by billing each customer a proportional share, based on the quarterly charges, of the money required to replenish the escrow account to the \$50,000 level. However, the Company will not be allowed to surcharge each customer more than the quarterly customer surcharge to accomplish the replenishment (unless otherwise approved by the Commission).

2. These funds will be kept in a sperate bank account established in a local bank. The account will be under the control of the company. This account shall bear interest and such interest shall remain in the account and be used to cover expenses or reduce replenishment amounts. In addition, the company will have access to the funds in this account solely for the purposes noted above and any associated revenue taxes.
3. 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: Frank Giordano, Member, 633 Rt. 211E., Middletown, NY 10941
(Name of Officer, Title, Address)