

PSC NO: 5 WATER
COMPANY: THE CALLICOON WATER COMPANY
INITIAL EFFECTIVE DATE: 1/1/10

STAT: ESC2
STATEMENT NO. 4

**ESCROW ACCOUNT FOR CAPITAL IMPROVEMENTS
STATEMENT NO. 4**

In Case 05-W-1097 the company was authorized to establish an escrow account to fund a capital improvement program originally estimated to cost \$72,000. The funds were to be used for a reservoir repair and the replacement of the Del Vue Storage Tank. The work is being done in stages as funds become available in the escrow account. The reservoir has been repaired at a somewhat higher cost than originally estimated and the company recently received a new estimate to replace the tank of \$60,070. The company is also proposing to purchase a computer system estimated to cost \$3,000. Based on the new estimates the company needs an additional \$28,627 to complete the projects. The original quarterly surcharge of \$36.15 would have ended with the April 2009 billing. The company is authorized to impose a new quarterly surcharge of \$29 for six quarters to collect the additional funds needed to replace the Del Vue Storage Tank and purchase a computer system. This account will be subject to the following conditions:

1. Each customer will be billed \$29 per quarter until the additional \$28,627 is collected. The company can not charge its customers more unless it is authorized to do so by the Commission.
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 taxes.
4. Any interest earned by the account shall remain in the account to cover expenses or reduce payments by customers needed to fund the account to its approved level.
5. Customers terminating service will not be entitled to a refund of payments made to the escrow account.
6. 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)