

PSC NO: 1 WATER
COMPANY: SOUTHSIDE WATER INC.
INITIAL EFFECTIVE DATE: February 1, 2020
(Issued in compliance with Commission Order issued January 17, 2020 in Case 19-W-0253)

STATEMENT TYPE: ESCW
STATEMENT NO.: 3

ESCROW ACCOUNT

Southside Water Inc. (the Company) is authorized to maintain a replenishable escrow account with a maximum balance of \$20,000, not including account interest, for the purpose of making any needed repairs or improvements to its water system infrastructure. The Company is also authorized to initially recover, over a 9-month period, the principal and interest on a \$21,000 line of credit taken out in November 2019 for the purpose of repairing a major water main break. The Company, after prior consultation with Department of Public Service Staff, is further authorized to use the escrow account to pay for the cost of purchased water that exceeds the annual forecast amount approved in base rates. The account will be subject to the following conditions:

1. The initial surcharge to recover the principal and interest on the \$21,000 line of credit over a 9-month period will be \$62.35. This \$62.35 surcharge will commence with the first quarterly billing period on or after the effective date of this statement and will be collected over a total of three (3) quarterly billing periods.
2. After the principal and interest on the line of credit have been paid in full, the quarterly surcharge amount will be reduced to \$50.00 or less per customer until the maximum balance in the account is reached.
3. The account will be maintained in a bank and kept in a separate account that will be under the control of the Company, and funds may be withdrawn from the account as needed for the purposes noted above.
4. The 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.
5. Any interest earned shall remain in the account to cover expenses or reduce payments by the customers needed to replenish the account to its approved maximum level.
6. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
7. 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 escrow account in the prior calendar year to the Office of Electric, Gas & Water, Department of Public Service. The Company shall also submit an annual end-of year reconciliation of withdrawals from its Materials and Supplies (M&S) account, so that any advances made from the escrow account to offset a shortage in the M&S account at the time an M&S or repair expense is incurred, are returned to the escrow account after applying the annual amount approved for M&S in base rates. The Company's submittal shall also include, if applicable, a breakdown of purchased water costs in the prior calendar year.

Issued by: James V. Lettiere Jr., 16115 Heaslip Lane, Clayton, NY 13624