

..DID: 12255
..TXT: PSC NO: 4 WATER STATEMENT TYPE: ESCW
COMPANY: HOEY-DEGRAW WATER WORKS, INC. STATEMENT NO: 1
INITIAL EFFECTIVE DATE: 07/01/00
STAMPS: Issued in compliance with Order dated June 29, 2000 in Case 00-W-0613.
RECEIVED: 06/30/00 STATUS: Effective EFFECTIVE: 07/01/00

ESCROW ACCOUNT
STATEMENT NO. 1

The company be authorized to establish an escrow account to cover the cost of unexpected repairs with a maximum balance, not including any accrued interest of \$5,000, commencing with the July 2000 billing period, to initially bill \$125 for that quarter and thereafter each quarter to bill \$25.00 per quarter, per customer, which includes associated revenue taxes. This account will be subject to the following conditions:

1. This account will be established in a local bank, in a separate account, and will be under the control of the company.
2. The water company will have access to the funds in this account solely for the purposes noted above and any associated revenue taxes.
3. Once the account has become fully funded at \$5,000 and money must be removed for repairs, the company will be permitted to bill all customers equally to bring the balance in the account to the approved level. The amount each customer is billed is determined by dividing the difference between the approved maximum level and the balance in the account by the number of customers at that time. Whenever the company replenishes the account, and the per customer amount is over \$25 the quarterly replenishment shall be no more than \$25 except where it receives written permission from the Department Staff that it may collect more per quarter.
4. Any interest earned by the account shall remain in the account and be used to cover expenses or reduce payments the customers will have to make to replenish the account to its approved level.
5. If a customer terminates water service, he or she will be entitled to a refund equal to the balance in the account divided by the numbers of customers as of the date of termination. A new customer would be required to pay an amount equal to the balance in the account divided by the number of customers as of the date of service.
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. All information should be sent to the Water Rates Section. 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 in compliance with the Order dated June 29, 2000 in Case 00-W-0613.

Issued By: Margaret DeGraw, Vice President, 2733 Rt. 42, Forestburgh, NY 12777

(Name of Officer, Title, Address)