

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of GULF UTILITY)
COMPANY for an increase in)
Wastewater Rates, approval of a)
decrease in Water Rates and)
approval of service availability)
charges in Lee County, Florida)

Docket No. 960329-WS

In Re: Application for increase in)
rates and service availability)
charges in Lee County by Gulf)
Utility Company)

Docket No. 960234-WS

Filed: July 30, 1997

MOTION TO RELEASE ESCROW FUNDS

Gulf Utility Company (Gulf) files this its motion to release escrow funds in this proceeding, and states:

1. The Commission issued its Order No. PSC-96-0501-FOF-WS on April 11, 1996 in Docket No. 960234-WS, commencing an overearnings investigation of Gulf. The Order required Gulf to hold \$353,492 subject to refund.

2. On June 27, 1996, Gulf filed an application for increase in its wastewater rates, approval of a decrease in water rates and approval of service availability charges.

3. By Order No. PSC-96-1310-FOF-WS, issued on October 28, 1996, the Commission suspended Gulf's proposed rates, approved interim wastewater rates, subject to refund, and granted Gulf's rates to reduce its water rates and hold additional water revenues subject to refund.

4. In accordance with the overearning and interim rate orders referenced above, monies have been deposited into the escrow account to meet the \$439,653 security requirement. The account

ACK _____
APR 1
APR _____
CAP _____
CMT _____
CPL _____
EAT _____
LIT 1
2
S _____
V. _____
OTH _____

DOCUMENT NUMBER-DATE

07692 JUL 30 97

FPSC-RECORDS/REPORTING

balance as of June 30, 1997 was \$555,332 which includes interest earned in the amount of \$12,213. Attached as Appendix A is a copy of the escrow account statement from the SunTrust Bank for the month of June, 1997. There is an excess of the required deposits plus interest in the amount of \$103,466.

5. In accordance with and on page 90, paragraph 3 of the Final Order, the percentages to be refunded for water customers are established; 12.30% prior to the interim decrease and 4.70% for the period subsequent to the interim decrease. Using these percentages Gulf will be required to refund \$215,956 plus interest if the rate order becomes final August 31, 1997. See Appendix B attached hereto. Based on these calculations, at least \$250,000 is being held in excess of the amount required to satisfy the required refunds including interest.

6. As has been demonstrated in the Motion for Reconsideration filed in these dockets on this same date, Gulf is in need of funds to finance its on-going construction projects and to maintain adequate cash flow to conduct its business in its usual manner. The \$103,466 is not in controversy and should be released to Gulf.

WHEREFORE, Gulf Utility Company requests that the Commission enter an order releasing from the escrow account \$250,000 but in any event not less than \$103,466.

DATED this 30th day of July, 1997.

Respectfully submitted,



B. Kenneth Gatlin
Fla. Bar #0027966
Gatlin, Schiefelbein & Cowdery, P.A.
1709-D Mahan Drive
Tallahassee, Florida 32308
(904) 877-5609

Attorneys for
GULF UTILITY COMPANY

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to Ms. Maggie O'Sullivan, Esquire, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and to Mr. Stephen C. Reilly, Esquire, Office of Public Counsel, 111 W. Madison Street, Tallahassee, Florida 32399-1400, on this 30th day of July, 1997.



B. Kenneth Gatlin

SUNTRUST BANK, SOUTHWEST FLORIDA
 ISLAND PARK OFFICE
 P O BOX 3454
 FORT MYERS FL 33918-3454

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Account Statement

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 GULF UTILITY COMPANY AND FPSC
 ESCROW ACCOUNT
 19910 S TAHIANI TRL
 ESTERO FL 33928-2114

Questions? Please call
 LOCALLY(941)489-2424
 or OUTSIDE(800)895-8824

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Statement Summary	Account Type	Account Number	Statement Period	Taxpayer ID
	BUSINESS JUNDO MONEY MARKET		06/01/87 - 06/30/87	

Description	Amount	Description	Amount
Beginning Balance	\$553,655.54	Average Balance	\$553,711.44
Deposits/Credits	\$1,577.07	Average Collected Balance	\$553,711.44
Checks	\$0.00	Number of Days in Statement Period	30
Withdrawals/Debits	\$0.00	Annual Percentage Yield Earned	3.75%
Ending Balance	\$555,332.61	Interest Paid Year to Date	\$8,047.38

Deposits/Credits	Date	Amount	Serial #	Description
	06/30	1,577.07		INTEREST PAID THIS STATEMENT THRU 06/30
Deposits/Credits:		1	Total Items Deposited: 0	

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	06/01	553,655.54	553,655.54	06/30	555,332.61	555,332.61

APPENDIX B

GULF UTILITY COMPANY
RATE CASE REFUND CALCULATION

Overearnings Period:	<u>Gross Revenues</u>	<u>Refund Rate</u>	<u>Refund</u>
April 11 - Oct. 31, 1996	\$1,044,596	12.3%	\$128,485
Interim Estimated:			
Nov. 1, 1996 - Aug. 31, 1997	<u>\$1,861,073</u>	4.7%	<u>\$ 87,470</u>
	\$2,905,669		\$215,956