

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of St. George)	DOCKET NO. 871177-WU
Island Utility Co., Ltd., for in-)	ORDER NO. 21917
creased rates and service availa-)	ISSUED: 9-19-89
bility charges for water service)	
in Franklin County)	
)	

The following Commissioners participated in the disposition of this matter:

BETTY EASLEY
JOHN T. HERNDON

ORDER REGARDING ESCROW AND
ADDITIONAL CONNECTION REQUIREMENTS

BY THE COMMISSION:

BACKGROUND

Order No. 21122, issued April 24, 1989 set rates and service availability charges for water service by St. George Island Utility Co., Ltd., ("SGI" or "utility"). That order also required SGI to establish commercial escrow accounts for the increased rates and charges, cease further connections to its water system, and comply with a series of requirements in the areas of quality of service, unaccounted for water, preservation and maintenance of records, customer deposits, and utility management. Order No. 21122 stated our intention to direct SGI to show cause why it should not be fined \$5,000 per day, for each day it fails to timely comply with the compliance requirements specified in that Order. We have determined not to issue a show cause order at this time. However, we have directed our staff to monitor SGI's progress in complying with these requirements, and intend to issue an appropriate show cause order absent acceptable progress in complying with these requirements.

ESCROW REQUIREMENTS

Rates

Order No. 21122 required SGI to place the increased revenues from the new rates into a commercial escrow account. The Order provided for release of these escrowed funds if the escrow requirement impeded SGI's ability to operate. By Order No. 21706, issued August 9, 1989, the Commission released \$17,700 from said escrow account. The balance was retained in the escrow account in order to secure the refunding of customer

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deposits plus interest. The requirement that SGI hold rates collected in excess of original rates in escrow was continued.

SGI is in the process of refunding interest on customer deposits as credits on customer bills. An audit by Commission staff indicates that SGI will have a difficult time meeting monthly expenses without benefit of the full rate increase authorized by Order No. 21122. Therefore, we find it appropriate to discontinue the requirement that rates collected in excess of original rates be held in escrow. However, because the refund of customer deposits is not yet complete, we find it appropriate to require retention of \$10,000 in the escrow account pending verification by Commission staff that the customer deposits have been completed. Upon such verification, the remaining funds may be administratively released by Commission staff and the account closed without further action by this Commission. Therefore, only the existing escrow account funds in excess of \$10,000 can be released at this time.

Service Availability Charges

Order No. 21122 requires SGI to "hold \$1,520 of the authorized service availability charges it collects in a separate commercial escrow account pending completion of necessary plant improvements and capacity increases to accommodate the proposed future customers."

Said improvements and capacity increases have not been completed and we find it appropriate continue the service availability charge escrow requirement established in Order 21122.

ADDITIONAL CONNECTIONS

Order No. 21122, issued April 24, 1989, directs SGI to "cease further connections to the water system pending completion of system improvements specified herein." The Order further provides that SGI "may connect new customers who have obtained building permits from Franklin County on or before the date of this Order." These requirements were imposed, as described in Order 21122, because additional connections to the system would be detrimental to the public health, safety, and welfare. The specified system improvements, while underway, are not complete. For these reasons we find it appropriate to continue the aforesaid requirements and to clarify that any new

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connections or tap-ins, including new service to existing homes presently served by private wells as well as newly constructed dwellings, are prohibited. We shall reconsider this requirement on or after December 20, 1989.

WHEREFORE, in consideration of the foregoing, and being otherwise fully informed in the premises, it is

ORDERED by the Florida Public Service Commission that the requirement that rates collected in excess of original rates be held in escrow is discontinued. It is further

ORDERED that \$10,000 shall be retained in the aforesaid escrow account pending verification by Commission staff that the customer deposits have been completed. It is further

ORDERED that upon the aforesaid verification by Commission staff, the remaining funds may be administratively released by Commission staff and the account closed without further action by this Commission. It is further

ORDERED that the existing escrow account funds in excess of \$10,000 can be released. It is further

ORDERED the service availability charge escrow requirement established in Order 21122 is hereby continued. It is further

ORDERED that the requirement set forth in Order No. 21122 that St. George Island Utility Co., Ltd. cease connections is hereby affirmed and clarified to prohibit any new connections or tap-ins, including new service to existing homes presently served by private wells as well as newly constructed dwellings.

By ORDER of the Florida Public Service Commission
this 19th day of SEPTEMBER, 1989.

STEVE TRIBBLE, Director
Division of Records & Reporting

(S E A L)

DAS

by: Kay Ferguson
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.