

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of St. George	)	DOCKET NO. 871177-WU
Island Utility Co., Ltd, for increased	)	
rates and service availability charges	)	ORDER NO. 21706
for water service in Franklin County	)	ISSUED: 8-9-89

The following Commissioners participated in the disposition of this matter:

BETTY EASLEY  
JOHN T. HERNDON

ORDER RELEASING FUNDS FROM ESCROW

BY THE COMMISSION:

By Order No. 21122, issued April 24, 1989, this Commission established increased rates for St. George Island Utility Co., Ltd. ("SGI" or "utility") and directed SGI to comply with a number of requirements listed therein. In addition, by Order No. 21122, we required SGI to escrow the increase over its original rates and stated that, upon SGI's compliance with the aforementioned requirements, we would reevaluate the escrow requirement. In addition, in Order No. 21122, we also stated that if the escrow requirement impeded SGI's ability to operate, we would consider releasing funds from escrow upon SGI's submittal and the Commission Staff's ("Staff's") verification of appropriate invoices; however, we also informed SGI that we established increased rates in order to allow it the opportunity to earn a return on its investment, not to finance new construction.

It appears that SGI has placed all revenues collected in excess of those that would have been generated by its original rates into an escrow account. We note, however, that an escrow agreement was not properly submitted to this Commission until July 12, 1989. The total amount in escrow as of August 1, 1989, is \$30,158.

By letter dated July 13, 1989, SGI stated that it has spent operating revenues to make some of the required improvements and that it is, as a result, facing a severe cash crisis. SGI, accordingly, requested that we approve the release of the total amount from its escrow account.

DOCUMENT NUMBER-DATE

08018 AUG -9 1989

FPSC-RECORDS/REPORTING

ORDER NO. 21706  
DOCKET NO. 871177-WU  
PAGE 2

We have audited SGI's operational expenses and find that, absent our release of some of the escrowed funds, SGI's operating revenues will not allow it to pay its operating expenses and have the opportunity to earn its authorized rate of return. However, by Order No. 21122, we also directed SGI to prepare an analysis of all customer deposits it has collected and to refund all customer deposits with interest pursuant to Rule 25-30.311(5), Florida Administrative Code. Although the required analysis is not complete, we believe that, upon release of \$17,700, the remaining balance in the escrow account should be sufficient to cover the cost of the refund of customer deposits plus interest. Accordingly, and without condoning in any way SGI's use of operating revenues to fund improvements to utility facilities, we find it appropriate to authorize the release of \$17,700 in escrowed funds.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that \$17,700 may be released from the escrow account established for the deposit of rates collected in excess of the utility's original rates. It is further

ORDERED that, notwithstanding the above, St. George Island Utility Company, Ltd. shall continue to place all rates collected in excess of its original rates into its escrow account, pursuant to the provisions of Order No. 21122.

By ORDER of the Florida Public Service Commission  
this 9th day of AUGUST, 1989.

  
\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records & Reporting

( S E A L )

DS

ORDER NO. 21706  
DOCKET NO. 871177-WU  
PAGE 3

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.