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Attorneys at Law
a partnership including a professional association

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ORIGINAL
SEE COPY

April 10, 1996

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-1850

RE: Docket No. 951056-WS
Application by PALM COAST UTILITY CORPORATION
for a rate increase in Flagler County, Florida

Dear Ms. Bayo:

Enclosed on behalf of Palm Coast Utility Corporation for filing in the above docket are the original and fifteen copies of Bond No. K04332106-00582, submitted as security for the potential refund of interim rates in this proceeding.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention. Thank you for your assistance.

Sincerely,



Wayne L. Schiefelbein

WLS/met

5 Enclosures

cc:w/encl.:

Ralph Jaeger (hand delivery)

Troy Rendell (hand delivery)

Stephen C. Reilly (hand delivery)

3
4
0TH Eric's copy

DOCUMENT NUMBER-DATE

04176 APR 10 8

FPSC-RECORDS/REPORTING

**INSURANCE COMPANY OF NORTH AMERICA
RATE REFUNDING BOND**

BOND NO. K04332106-00582

**STATE OF FLORIDA
PUBLIC SERVICE COMMISSION
DOCKET NO. 951056-WS**

KNOW ALL MEN BY THESE PRESENTS that Palm Coast Utility Corporation, a corporation duly organized under the State of Florida, as principal, and Insurance Company of North America, a corporation duly organized under the laws of the State of Pennsylvania, and authorized to conduct business in the State of Florida, as surety, are holden and stand firmly bound unto Florida Public Service Commission, and their successors in office in the following sum of **SEVEN HUNDRED NINETY-SIX THOUSAND TWO HUNDRED AND NO/100-----(\$796,200.00)**, to the payment of which sums to the said parties or their successors, said Palm Coast Utility Corporation and Insurance Company of North America jointly and severally bind themselves, their successors and assigns.

The condition of this obligation is such that;

WHEREAS, on March 19, 1996, the Florida Public Service Commission authorized Palm Coast Utility Corporation to collect certain interim water and wastewater rate increases, subject to refund, pending a final determination in the above referenced docket, provided that adequate security for such potential refund is furnished by Palm Coast Utility Corporation, and

WHEREAS, Palm Coast Utility Corporation has elected to provide a bond as security for the potential refund of the interim rate increases;

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DOCUMENT NUMBER-DATE

04176 APR 10 88

NOW THEREFORE, if Palm Coast Utility Corporation shall within the time prescribed by the Florida Public Service Commission, repay or credit to the customers from whom such interim rates shall have been collected all sums associated with said interim rate increases which exceed the final rates established in said docket, or if said interim rates are determined to be just and reasonable, with no refund required by the Florida Public Service Commission, then this obligation shall be void, otherwise it shall be and remain in full force and virtue.

IN WITNESS WHEREOF, said Palm Coast Utility Corporation and said Insurance Company of North America have caused their corporate seals to be hereto affixed and these presents to be signed by their respective officers thereunto duly authorized this 4th day of April, 1996.

PROVIDED, HOWEVER, that in no event shall the surety be liable for any sum in excess of the stated penalty of said bond.

Palm Coast Utility Corporation

BY: Thomas L. Trace
Thomas L. Trace, President

Insurance Company of North America

BY: Debra A. Deming
Debra A. Deming, Attorney-in-Fact

Countersigned By:
Robert J. Solas
Licensed Resident Agent

Power of Attorney

INSURANCE COMPANY OF NORTH AMERICA



CIGNA

635982

Know all men by these presents: That INSURANCE COMPANY OF NORTH AMERICA, a corporation of the Commonwealth of Pennsylvania, having its principal office in the City of Philadelphia, Pennsylvania, pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 5, 1983, to wit:

*RESOLVED. That pursuant to Articles 3.18 and 5.1 of the By-Laws, the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the President, any Senior Vice President, any Vice President, and Assistant Vice President, or any Attorney-in-Fact, may execute for and on behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Corporate Secretary, or any Assistant Corporate Secretary, and the seal of the Company affixed thereto; and that the President, any Senior Vice President, any Vice President or any Assistant Vice President may appoint and authorize any other Officer (elected or appointed) of the Company, and Attorneys-in-Fact to so execute or attest to the execution of all such writings on behalf of the Company and to affix the seal of the Company thereto.
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary.
- (3) The signature of the President, or a Senior Vice President, or a Vice President, or an Assistant Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of a certifying Officer and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company.
- (4) Such other Officers of the Company, and Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavit or record of the Company necessary to the discharge of their duties.
- (5) The passage of this Resolution does not revoke any earlier authority granted by Resolutions of the Board of Directors adopted on June 9, 1953, May 28, 1975 and March 23, 1977.*

does hereby nominate, constitute and appoint **GLENN J. PELLETIERE, JOE CEVA, VIVIAN CARTI, DEBRA A. DEMING, BETTY CALDERON**, all of the City of New York, State of NEW YORK-----

, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Ten Million DOLLARS (\$10,000,000) each, and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said **William Jungreis**, Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said **INSURANCE COMPANY OF NORTH AMERICA** this 1st day of June 1995



William Jungreis

William Jungreis

Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

ss.

On this 1st day of June, A.D. 1995, before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came **William Jungreis**, Vice-President of the **INSURANCE COMPANY OF NORTH AMERICA** to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written



NOTARIAL SEAL
CARRIE M. RAYSOR, Notary Public
Philadelphia, Philadelphia County, PA
My Commission Expires October 30, 1995

Carrie M. Raysor

Notary Public

I, the undersigned, Secretary of **INSURANCE COMPANY OF NORTH AMERICA**, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Secretary, and affixed the corporate seal of the Corporation, this 4TH day of APRIL 1996



Debra H. Pajora

Debra H. Pajora

Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER June 1, 1997

THIS DOCUMENT PRINTED ON RED BACKGROUND
Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

State of New York,

County of NEW YORK

} ss.:

On the 4TH day of APRIL, in the year 1996 before me personally came DEBRA A. DEMING to me known, who, being by me duly sworn, did depose and say, that he resides in STATEN ISLAND, NEW YORK; that he is the ATTORNEY-IN-FACT of the INSURANCE COMPANY OF NORTH AMERICA, the corporation described in, and which executed the within instrument; that he knew the seal of said corporation; that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Vivian Carti

 Notary Public

BS-1569 PRINTED IN U.S.A.

VIVIAN CARTI
 Notary Public, State of New York
 No. 43-4932514
 Qualified in Richmond County
 Certificate filed in New York County
 Commission Expires July 25, 1996

INSURANCE COMPANY OF NORTH AMERICA

FINANCIAL STATEMENT

DECEMBER 31, 1994

ADMITTED ASSETS

BONDS	\$2,163,460,920
SHORT-TERM INVESTMENTS	170,757,035
STOCKS	437,490,280
REAL ESTATE	39,695,308
CASH ON HAND AND IN BANK	21,558,221
PREMIUM IN COURSE OF COLLECTION*	67,335,666
INTEREST ACCRUED	42,570,849
OTHER ASSETS	<u>1,194,447,907</u>
TOTAL ASSETS	<u>\$4,137,316,186</u>

LIABILITIES

RESERVE FOR UNEARNED PREMIUMS	\$ 255,789,649
RESERVE FOR LOSSES	2,687,455,438
RESERVE FOR TAXES	3,256,262
FUNDS HELD UNDER REINSURANCE TREATIES	0
OTHER LIABILITIES	<u>592,812,698</u>
TOTAL LIABILITIES	3,539,314,047

SPECIAL SURPLUS FUND	36,007,318	
CAPITAL: 11,357,109	SHARES, \$5 PAR VALUE	56,785,545
CAPITAL: PAID IN	701,791,747	
SURPLUS (UNASSIGNED)	<u>(196,582,472)</u>	
SURPLUS TO POLICYHOLDERS	598,002,138	
TOTAL	<u>\$4,137,316,186</u>	

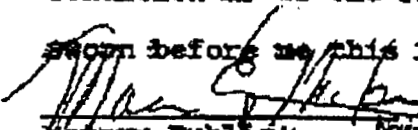
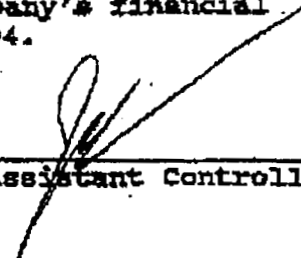
(*EXCLUDES PREMIUM MORE THAN 90 DAYS DUE.)

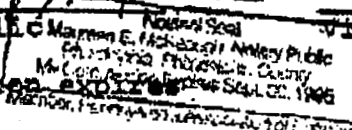
STATE OF PENNSYLVANIA

COUNTY OF PHILADELPHIA

Joseph Stagliano, being duly sworn, says that he is Vice President-Assistant Controller of Insurance Company of North America and that to the best of his knowledge and belief the foregoing is a true and correct statement of the said Company's financial condition as of the 31st day of December, 1994.

Sworn before me this 10th day of April 1995.

Notary Public  Vice President-Assistant Controller 

My commission expires  1996

/inafs/