

STATE OF FLORIDA

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DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770 (CLERK)
(850) 413-6330 (ADMIN)

Public Service Commission

August 30, 2001

AmSouth Bank, Branch No. 322
Attention: Customer Service
2338 U.S. Highway 19 S
Holiday, Florida 34690

Re: Release of Escrowed Funds in Docket No. 991643-SU - Application for increase in wastewater rates in Seven Springs System in Pasco County by Aloha Utilities, Inc.

Dear Sir or Madam:

On or about December 6, 2000, AmSouth Bank, the Florida Public Service Commission, and Aloha Utilities, Inc. (Aloha) entered into an escrow agreement whereby increased rates subject to refund were deposited into an account pending the determination of appropriate final rates. I have attached a copy of the Escrow Agreement and an Account Package. However, there is no Account Number listed for this agreement.

Pursuant to this agreement, Aloha deposited approximately \$112,547.88 in this escrow account as of May 31, 2001. By Order No. PSC-01-0326-FOF-SU, issued February 6, 2001, the commission did set final rates and determine that refunds were required.

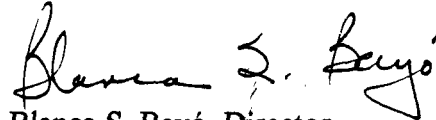
However, Aloha has now made all the refunds and any funds remaining in this escrow account may now be released to Aloha.

DOCUMENT NUMBER: 10827 AUG 30 2001
FPSC-COMMISSION CLERK

AmSouth Bank
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If you have any questions, or if I may be of any further assistance, please contact me at (850) 413-6770.

Sincerely,



Blanca S. Bayó, Director
Division of the Commission Clerk and
Administrative Services

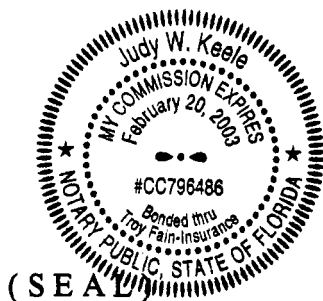
BSB/RRJ/lw
Enclosure

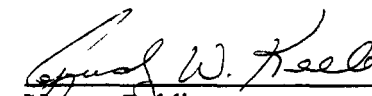
cc: F. Marshall Deterding, Esquire
Office of Public Counsel (Burgess)
Division of Legal Services (Jaeger)
Division of Economic Regulation (Fletcher)

STATE OF FLORIDA

COUNTY OF Leon

SWORN to and subscribed before me at Tallahassee, Fl., Leon County, Florida, this
30th day of August, 2001.





Notary Public
State of Florida
My Commission Expires: 02/20/2003

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between *AmSouth Bank* ~~Bank of America~~ (the "Bank"), the Florida Public Service Commission ("FPSC"), and Aloha Utilities, Inc. (the "Utility"), a Florida corporation, upon the following terms, conditions and considerations:

W I T N E S S E T H:

WHEREAS, Aloha Utilities, Inc. filed its application for increased wastewater rates for its Seven Springs system on April 4, 2000, and;

WHEREAS, pursuant to the provisions of Chapter 367.081(6), Florida Statutes, a utility is authorized to implement its requested rates if the Commission has not rendered final action in that case within eight months of the official date of filing.

WHEREAS, April 4, 2000 was established as the official date on which Aloha filed its application for increased wastewater rates in its Seven Springs system and;

WHEREAS, eight months has now passed since the official date of filing and Aloha wishes to implement the rates requested in its original application, effective on December 8, 2000 and;

WHEREAS, pursuant to the provisions of Section 367.081(6), Florida Statutes the Utility must implement those rates under appropriate security, including among other alternatives, escrow of all such increases and;

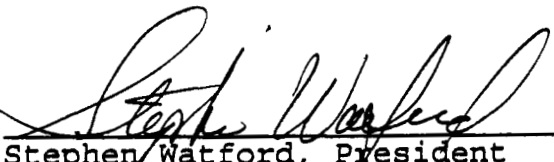
WHEREAS, the Bank has agreed to hold such funds in an interest bearing account, the parties agree as follows:

1. The foregoing representations are true and correct.
2. The difference between the prior approved rates for Aloha's Seven Springs wastewater system and the increased rates being implemented as of December 8, 2000 (those requested in Aloha's original application), shall be deposited by the Utility in an escrow account held by the Bank.
3. The escrow account shall bear interest at the prevailing rate.
4. No funds will be withdrawn from the escrow account without the signature of both the Director of the Division of Records and Reporting of the FPSC and the President of the Utility. Signature cards executed by the Director of the Division of Records and Reporting of the FPSC and the President of the Utility shall designate the appropriate authorized signature for each.
5. The Bank shall forward regular monthly statements (including canceled checks) to the Utility and shall mail a copy of the monthly account statement to the FPSC, Attn: Blanca S. Bayo, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard 32399-0850.

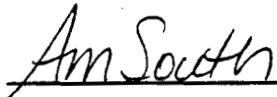
6. The Bank may, without reason, withdraw from this Agreement upon thirty (30) days written notice to the FPSC and to the Utility.
7. The Utility shall indemnify and hold the Bank harmless from any claim, demand or loss suffered by the Bank, and the cost thereof (including court costs and attorney fees for negotiation, trial and appeal).
8. This escrow account is established pursuant to the provisions of Section 367.081(6), Florida Statutes for the benefit of the Utility's customers, in the event that the final rates approved by the Commission are less than those implemented by Aloha on December 8, 2000.
9. Information concerning the escrow account shall be available from the Bank to the FPSC and its representatives at all times.
10. Pursuant to Cosentino v. Elson, 263 So.2d 253 (Fla. 3rd DCA 1972), escrow accounts are not subject to garnishment.

THIS AGREEMENT shall become effective and binding upon all parties upon the date that it becomes executed by all parties.

ALOHA UTILITIES, INC.

BY: 
Stephen Watford, President

(Corporate Seal)

 BANK

BY: 

(Corporate Seal)

FLORIDA PUBLIC SERVICE COMMISSION

BY: 
Director, Records & Reporting

(Seal)

AmSouth (Non-Personal Checking/Savings Services)

| | | | |
|---|-----------------|-----------|-----------------|
| Florida | | Holiday | 322 |
| BANK NAME | BRANCH NAME | | BRANCH NO |
| Aloha Utilities, Inc. | | | 59-1299038 |
| CUSTOMER NAME | | | FEDERAL TAX ID# |
| 2514 Aloha Place, Holiday, Florida 34691 | | | |
| CUSTOMER ADDRESS | | | |
| 727 937-4275 | | | |
| PRIMARY PHONE | SECONDARY PHONE | OPEN DATE | OPENED BY |
| OFFICER NUMBER | | | |
| Please check appropriate box: <input type="checkbox"/> Individual/Sole Proprietor <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other | | | |

If this account is a proprietorship or partnership account, the person(s) signing below: (a) authorize the bank named above (the "Bank") to open the acc noted below in the name of the proprietorship/partnership listed on this application for the account; (b) agrees to be bound by the terms of the Bank's custo agreement, rules and regulations, and schedule of charges, as now in force and as amended from time to time hereafter, related to the account noted below; and acknowledges receipt of a copy of the applicable customer agreement now in force.

If this is a partnership account, it is also agreed that: (a) each of the persons signing below is a general and not a limited partner, unless otherwise noted on form and other documents which may be required, and that there are no other partners; (b) each signator indicated below has full authority to represent, sign for, and b the partnership; and (c) the authority of each partner, unless otherwise indicated, shall be binding upon the partnership and every member thereof, notwithstanding death, dissolution, or other circumstances until written notice of revocation of such authority from one of them shall have been received by the Bank.

If this account is a corporation or organization account, it is agreed that the Certified copy of Resolution of the Board of Directors shall be a part of applicable customer agreement for the account noted below. By signing below, the authorized signators for such an account: (a) agrees that the corporation organization shall be bound by the terms of the Bank's customer agreement, rules and regulations, and schedule of charges, as now in force and as amended from time time hereafter, related to the account noted below; and (b) acknowledges receipt of a copy of the applicable customer agreement now in force.

If this account is established by a Limited Liability Company (LLC) it is agreed that: (a) the party or parties named below serve as a manager or member of LLC or have been expressly appointed in writing by a manager or member of the LLC to handle banking transactions for the LLC; (b) each party has full authority represent, sign for and bind the LLC; (c) the authority of each person so named shall continue until written notice of revocation of such authority in form and conte satisfactory to the Bank shall have been received by the Bank; and (d) the LLC acknowledges receipt of and agrees to be bound by the Bank's customer agreement, r rules and regulations and pricing schedules as are now in force and as may be amended from time to time in the future.

If this account is a Public Funds Account held by a public entry, it is also agreed that each of the persons signing below has been authorized by the pub entry to act for it in opening this account and in making the following representations: (a) the public entry agrees to be bound by the rules of the Bank in relation to AmSouth Public Funds Account as now in force and as they may be amended from time to time hereafter and hereby acknowledges receipt of a copy of the applicac rules as now in force; and (b) the public entry hereby certifies: (i) that its funds are derived solely from tax dollars and (ii) that it is a governmental entity or organization not operated for profit and operated primarily for educational or other similar purposes.

The Bank is authorized to pay checks, drafts, notes or other orders of withdrawal, or to receive the same for credit of, or in payment from the payee, or an other legal holder when so signed, without inquiry into the circumstances of issue or the disposition of their proceeds, whether drawn to the individual order or tendered payment of individual obligations of the person(s) signing below or otherwise. The Bank is authorized to supply any endorsement for the proprietorship/partnership/corporation/organization/public entry on any check or other instrument tendered for deposit to this account and it is hereby relieved of any liability in connection with collection of such items which are handled by it without negligence and it shall not be liable for the acts of its agents, sub-agents or others c for any casualty. Any amount not collected on items deposited to this account may be charged back to this account, including expenses incurred, and any other outside expenses incurred on account of this account, including reasonable attorneys' fees, may be charged to it. All operating fees not collected may also be charged back to this account or, if grouped, the account to charge.

Signature Card

| | |
|---|--|
| Account Title and Mailing Address | Account Number |
| Aloha Utilities, Inc. Escrow Account 2514 Aloha Place Holiday, Florida 34691 | |
| Account Type | |
| Signature | Type or Print Name & Title |
| | Stephen G. Watford Aloha Utilities, Inc. |
| | Blanca S. Bayo FL. Public Service Commission |
| The signature(s) appearing above is/are duly authorized signature(s) of this proprietorship/partnership/corporation/organization/public entry which the Bank will recognize in the payment of funds and the transaction of other business for this account. | |
| Checks, drafts, acceptance, notes and other transactions must bear <u>Two (2)</u> of the within mentioned signatures. | |

Thank you for banking with AmSouth!

Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Note - You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

Customer Signature Date 12/06/00



Other Entity to Utilize Deposit or Fee-Based Services

At a meeting of the X Board of Directors, _____ Board of Trustees, _____ partners, _____ other (please specify) _____

of Aloha Utilities, Inc.
 held on the 6th day of December, 2000, at which a quorum was present, the following resolutions were adopted:

RESOLVED, that Aloha Utilities, Inc. (the "Organization") hereby authorizes AmSouth Bank (the "Bank") to provide the following accounts, products or services as indicated below; and that the following resolutions shall remain in full force and effect until written notice of their amendment or rescission shall have been received by the Bank, and the receipt of said notice shall not affect any action taken by the Bank prior thereto:

RESOLVED, that the Bank be named as a depository of the Organization and, in the case of all depository accounts on which checks, drafts and/or notes may be written as provided in the Rules and Regulations of the Bank with respect to that type of account as now in force or as may be amended from time to time by the bank, the funds deposited with the bank may be withdrawn upon a written check, draft, note or order of the Organization signed by any _____ of the following:

| | | |
|--------------------------------------|--------------------------------------|---|
| <u>Stephen G. Watford, President</u> | <u>Aloha Utilities, Inc.</u> |  |
| NAME | TITLE | SPECIMEN SIGNATURE |
| <u>Blanca S. Bayo, Director</u> | <u>FL. Public Service Commission</u> |  |
| NAME | TITLE | SPECIMEN SIGNATURE |

and countersigned by any _____ of the following:

| | | |
|-------|-------|--------------------|
| NAME | TITLE | SPECIMEN SIGNATURE |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

In the case of depository accounts from which withdrawals may be made upon oral orders as provided in the Rules and Regulations of the Bank with respect to that type of account now in force or as they may be amended from time to time by the Bank, funds deposited with the bank in such accounts may be withdrawn by oral order of any one of the following:

| | |
|-------|-------|
| NAME | TITLE |
| _____ | _____ |

The Bank is authorized to pay checks, drafts, notes or other orders of withdrawal, or to receive the same for credit of, or in payment from the payee, or any other legal holder when so signed, without inquiry into the circumstances or the disposition of their proceeds, whether drawn to the individual order or tendered in payment of individual obligations of the officers above named, or other officers of the Organization, or otherwise. Bank is authorized to supply any endorsement for the organization on any check or other instrument tendered for deposit to this account and it is hereby relieved of any liability in connection with collection of such items which are handled by it without negligence and it shall not be liable for the acts of its agents, subagents or others or for any casualty. Any amount not collected on items deposited to this account may be charged back to this account, including expense incurred, and any other outside expense incurred on account of this account, including reasonable attorneys' fees, may be charged to it.

The Bank is further authorized in the case of depository accounts from which oral orders may be made (including oral orders made by telephone) to honor oral orders (including oral orders made by telephone) in accordance with the Rules and Regulations of the bank with respect to that type of account or telephone transfers as now in force and as they may be amended from time to time by the Bank.

RESOLVED, that since the bank has no way of determining the validity of checks or other written orders bearing facsimile signatures, the Organization hereby releases the Bank from any liability for unauthorized use of the Organization's facsimile signature device.

RESOLVED, that if this resolution pertains to an interest bearing checking account, then the Organization hereby certifies that all deposits in the account are held for the benefit of individuals or governmental entities or not-for-profit organizations operated primarily for religious, philanthropic, charitable, educational or other similar purposes.

RESOLVED, that unless specifically modified below, any one of the above signatories is authorized to enter agreements with the Bank and to do any and all other acts required for the Organization to obtain Treasury Management Services. These services include, but are not limited to, all services effected through Automated Clearing House (also known as ACH), Information Reporting services, Zero Balance Accounts (ZBAs), Control Disbursement Accounts, Investment Sweep Accounts, Credit Line Draw Accounts, Wholesale or Retail Lockbox accounts, Reconciliation services, Money Transfer, and Wire Transfer.

The following DDA signatories named above are specifically excluded from authority to enter into these agreements: _____

None

(if none are excluded, write "None")

Even though they are not DDA signatories, the following individuals are specifically authorized to enter into these agreements: _____

None

(if none are authorized, write "None")

Even though they may be a DDA signatory, any individual having the following title(s) shall be authorized to enter into those agreements: _____

None

(if none are authorized, write "None")

The bank may rely upon a person's representation that he/she holds the title indicated.

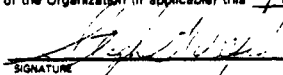
I hereby certify that I am the duly elected and authorized President of the Organization and that I have the authority to make the certifications contained herein.

I further certify that the foregoing is a complete and correct copy of the resolutions duly adopted and recorded as a part of the minutes of said meeting and that they affirmatively appear in and as a part of said minutes.

I further certify that there is no provision in the articles of incorporation, articles of association, charter, partnership agreement, bylaws or any other governing document of the Organization restricting the power of the group passing the foregoing resolutions from so passing said resolutions, and that the same are in conformity with the provisions of said governing documents.

I further certify that the specimen signatures appearing above are the true signatures of the persons named herein.

IN WITNESS WHEREOF, I have herunto set my hand and affixed the seal of the Organization (if applicable) this 6th day of December, 2000


 SIGNATURE

FOR BANK USE ONLY

| | |
|--------------|----------------|
| ACCOUNT NAME | ACCOUNT NUMBER |
| | |

Stephen G. Watford
 NAME (PLEASE PRINT)

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

RECEIVED - FPSC
AUG 24 AM 8:22
COMMISSIONER
CLERK

DATE: August 24, 2001
TO: Division of the Commission Clerk and Administrative Services
FROM: Bart Fletcher, Regulatory Analyst III, Division of Economic Regulation
Ralph Jaeger, Senior Attorney, Division of Legal Services
RE: Release of Escrow Account Funds for Docket No. 991643-SU

On August 17, 2001, Aloha Utilities, Inc. (Aloha or utility) submitted its preliminary refund report. Based on staff's review, Aloha has either credited accounts receivable or issued a check for the refunds required by Orders Nos. PSC-01-0326-FOF-SU and PSC-01-0961-FOF-SU. Therefore, the outstanding escrow account funds should be released to the utility.

Pursuant to Rule 25-30.360(7), Florida Administrative Code, Aloha shall submit its final refund report on November 14, 2001. Upon our review of that report, staff will prepare another memo regarding the closing of this docket.