

STATE OF FLORIDA

Commissioners:
J. TERRY DEASON, CHAIRMAN
E. LEON JACOBS, JR.
LILA A. JABER
BRAULIO L. BAEZ



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

October 6, 2000

F. Marshall Deterding, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Re: Docket No. 960545-WS - Aloha Utilities' escrow agreement

Dear Mr. Deterding:

Enclosed are two originals of an escrow agreement between Aloha Utilities and the Commission. Both have been signed by Blanca S. Bayó, the Commission's designated agent in such matters. I am returning these to you with the understanding you will have them signed and executed and will then return one of the originals to us for the docket file.

Please call me if you have any questions concerning this matter.

Sincerely,

Kay Flynn, Chief
Bureau of Records

Enclosure

cc: Ralph Jaeger, Esquire

- APP _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- LEG _____
- OPC _____
- PAI _____
- RGO _____
- SEC _____
- SER _____
- OTH _____

DOCUMENT NUMBER - DATE
12744 OCT-68
FPSC-RECORDS/REPORTING

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850

An Affirmative Action/Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

CHRIS H. BENTLEY, P.A.
F. MARSHALL DETERDING
MARTIN S. FRIEDMAN, P.A.
JOHN R. JENKINS, P.A.
STEVEN T. MINDLIN, P.A.
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

TELECOPIER (850) 656-4029

October 5, 2000
VIA HAND DELIVERY

RECEIVED-FPSC
OCT-5 PM 4:37
RECORDS AND REPORTING
ROBERT L. C. ROSE
OF COUNSEL

Ralph Jaeger, Esquire
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0833

Re: Aloha Utilities, Inc.; Docket No. 960545-WS
Water Quality Investigation
Our File No. 26038.17

Dear Ralph:

As a result of our discussions today, I am attaching two originals of the Escrow Agreement that you have approved for use in this case. As soon as I receive this back from you, I will forward it onto the client who will then take it to the bank for final execution and we will return one of the originals to you. Please have Ms. Bayo, or someone of authority in the clerk's office, sign the Escrow Agreement and return both originals to me for execution by the Utility and its banker at your earliest convenience.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tmg
cc: Blanca S. Bayo, Director
Mr. Stephen Watford
aloha\17\8jaeger.ltr

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between 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, by Order No. PSC-00-1285-FOF-WS, issued July 14, 2000, the FPSC authorized the Utility to collect increased service availability charges on a temporary basis from its customers, and;

WHEREAS, by Order No. PSC-00-1285-FOF-WS, the Utility is required to file a Service Availability Application in accordance with Commission Rules for February 1, 2001 for the purpose of setting permanent service availability charges.

WHEREAS, by Order No. PSC-00-1285-FOF-WS the Utility is required to provide security for the excess of the temporary service availability charges over the existing service availability charges, in the event a refund should become necessary as a result of the Commission's final decision on the appropriate level of service availability charges to be determined in the case required to be filed by February 1, 2001, 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 temporary \$500 per ERC service availability charge and the existing approved \$163.80 per ERC service availability charge collected shall be deposited monthly by the Utility in accordance with Order No. PSC-00-1285-FOF-WS.
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 Receiver of the Utility. Signature cards executed by the Director of the Division of Records and Reporting of the FPSC and the Receiver of the Utility shall designate the appropriate authorized signature for each.
5. The Bank shall forward regular monthly statements (including canceled checks) to the Receiver and shall mail a copy of the monthly account statement to the FPSC.

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 FPSC Order No. PSC-00-1285-FOF-WS, issued July 14, 2000, for the benefit of the Utility's customers.
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: Blanca S. Bayo
Director, Records & Reporting

(Seal)