

STATE OF FLORIDA

COMMISSIONERS:  
LILA A. JABER, CHAIRMAN  
J. TERRY DEASON  
BRAULIO L. BAEZ  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON



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

Public Service Commission

February 17, 2003

Martin Friedman, Esq.  
Rose, Sundstrom & Bentley, LLP  
600 S. North Lake Blvd.  
Suite 160  
Altamonte Springs, FL 32701

**Re: Docket No. 020010-WS - Application for staff-assisted rate case in Highlands County by The Woodlands of Lake Placid, L.P.**

Dear Mr. Friedman:

Enclosed is the original Escrow Agreement made between WAUCHULA STATE BANK, the Florida Public Service Commission, and L.P. Utilities Corporation. The agreement has been signed by Blanca S. Bayó, the Commission's designated agent for such matters, and is being returned to you for submission to Wauchula Bank.

Please call if you require further assistance.

Sincerely,

Handwritten signature of Kay Flynn in cursive.

Kay Flynn, Chief  
Bureau of Records and Hearing Services

Enclosure

cc: Larry Harris, Office of the General Counsel

I:\RECORDS\020010\escrowletter.wpd

DOCUMENT NUMBER - DATE  
01557 FEB 17 03  
FPSC-COMMISSION CLERK

## Hong Wang

---

**From:** Hong Wang  
**Sent:** Friday, February 14, 2003 3:41 PM  
**To:** Larry Harris  
**Subject:** RE: Docket 020010 - Escrow Agreement

Thank you!

-----Original Message-----

**From:** Larry Harris  
**Sent:** Friday, February 14, 2003 1:48 PM  
**To:** Hong Wang  
**Cc:** Kay Flynn; Blanca Bayo  
**Subject:** RE: Docket 020010 - Escrow Agreement

Have reviewed the escrow agreement and it is acceptable. I would recommend signature by the agency.

-----Original Message-----

**From:** Hong Wang  
**Sent:** Friday, February 14, 2003 11:52 AM  
**To:** Larry Harris  
**Cc:** Kay Flynn; Blanca Bayo  
**Subject:** Docket 020010 - Escrow Agreement

Larry, per our telephone conversation, I just faxed the escrow agreement from Martin Friedman of Rose law firm. Please review and advise by responding to this e-mail if the agreement is ok and can be signed by Blanca.

Thanks!

LAW OFFICES

RECEIVED FPSC  
ROSE, SUNDSTROM & BENTLEY, LLP  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

ORIGINAL

03 FEB 14 AM 9:45

(850) 877-6555  
Fax (850) 656-4029  
www.rsbatorneys.com

COMMISSION  
CLERK

CHRIS H. BENTLEY, P.A.  
ROBERT C. BRANNAN  
DAVID F. CHESTER  
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

ROBERT M. C. ROSE, OF COUNSEL  
WAYNE L. SCHIEFELBEIN, OF COUNSEL  
VALERIE L. LORD, OF COUNSEL  
(LICENSED IN TEXAS ONLY)

CENTRAL FLORIDA OFFICE  
600 S. NORTH LAKE BLVD., SUITE 160  
ALTAMONTE SPRINGS, FLORIDA 32701  
(407) 830-6331  
FAX (407) 830-8522

REPLY TO ALTAMONTE SPRINGS

February 12, 2003

Ms. Blanca Bayo  
Commission Clerk and Administrative Services Director  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

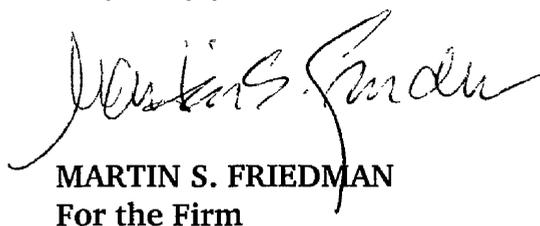
Re: Docket No. 020010-WS; Highvest Corporation's and L.P. Utilities Corporation's  
Protest of PAA SARC Order  
Our File No.: 37074.01

Dear Ms. Bayo:

Enclosed please find for filing in the above-referenced docket the original Escrow Agreement to secure the interim rate increase. Please return a copy to me after it has been signed on behalf of the Commission.

Should you have any questions concerning the enclosed, please do not hesitate to give me a call.

Very truly yours,

  
MARTIN S. FRIEDMAN  
For the Firm

MSF/dmp  
Enclosure

cc: Mr. John Lovelette (w/o enclosure)  
Mr. Troy Rendell (w/enclosure)

LP Utilities\01) Protest PAA SARC Order\PSC Clerk 05.ltr

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between WAUCHULA STATE BANK (the "Bank"), the Florida Public Service Commission ("FPSC"), and L. P. Utilities Corporation (the "Utility"), a Florida corporation, upon the following terms, conditions and considerations:

### W I T N E S S E T H:

WHEREAS, in Order No. PSC-02-1739-PAA-WS issued in Docket No. 020010-WS ("Order"), the FPSC ordered the Utility to refund water rates to its customers, and;

WHEREAS, the Utility has or will file a petition for a formal proceeding challenging the Order; and

WHEREAS, the Utility is or will be required to provide security for the excess of the rates currently being collected over the final authorized rates in the event that a refund should become necessary, 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 Utility shall open a joint interest bearing escrow account. Funds shall be deposited by the Utility in the amount equal to 33.77% of each payment received within seven (7) days of receipt.
3. The escrow account shall bear interest at the rate of 0%. If a refund is required, all interest earned on the escrow account shall be disclosed to the customers. If a refund to customers is not required, the interest earned on the escrow account shall revert to the Utility.
4. Bank shall disburse the funds only upon Order of the FPSC issued in Docket No. 020010-WS
5. The Bank shall forward regular monthly statements (including canceled checks or copies thereof) to the Utility and 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) arising from its proper performance of this Agreement.

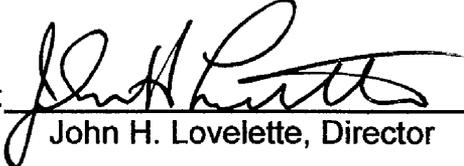
8. This escrow account is established for the benefit of the Utility's customers.

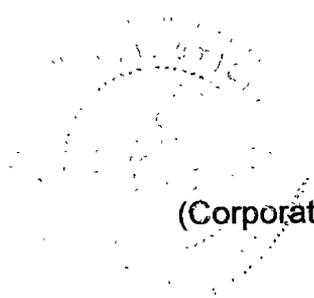
9. All information on the escrow account shall be available from the Bank to the FPSC and its representatives at all times.

10. This escrow account is established by direction of the FPSC for the purpose set forth in the Order requiring such account. Pursuant to Consentino 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.

L.P. UTILITIES CORPORATION

BY:   
John H. Lovelette, Director

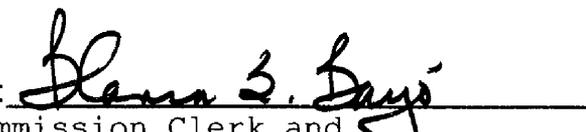
  
(Corporate Seal)

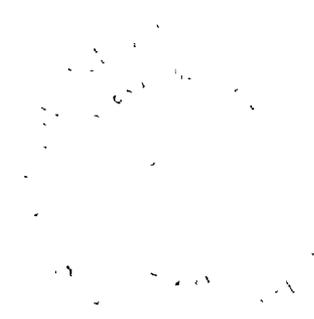
WAUCHULA STATE BANK

BY:   
Its:

  
(Corporate Seal)

FLORIDA PUBLIC SERVICE COMMISSION

BY:   
Commission Clerk and  
Administrative Services Director

  
(Seal)