

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
MATTHEW M. CARTER II
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
ANN COLE
COMMISSION CLERK
(850) 413-6770

Public Service Commission

September 27, 2007

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

Re: KW Resort Utilities Corp.; 2007 Rate Case Filing; PSC Docket 070293 Interim Recommendation. Your File No. 34000-05

Dear Mr. Deterding:

I am in receipt of your letter dated September 27, 2007, regarding the escrow agreement executed by KW Resort Utilites Corp. to secure the interim rate increase approved by the Commission at its September 25, 2007, agenda.

Enclosed please find the executed Escrow Agreement regarding the above-referenced matter.

If you have any questions, please feel free to contact me.

Sincerely,

Ann Cole
Clerk of the Commission

/ac

Enclosure

cc: Ralph Jaeger, Esquire
Lydia Roberts

DOCUMENT NUMBER - DATE
08892 SEP 27 06
FPSC-COMMISSION CLERK

LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

(850) 877-6555

Fax (850) 656-4029

www.rsbatorneys.com

FREDERICK L. ASCHAUER, JR.
CHRIS H. BENTLEY, P.A.
ROBERT C. BRANNAN
F. MARSHALL DETERDING
JOHN R. JENKINS, P.A.
KYLE L. KEMPER
STEVEN T. MINDLIN, P.A.
CHASITY H. O'STEEN
DAREN L. SHIPPY
WILLIAM E. SUNDSTROM, P.A.
DIANE D. TREMOR, P.A.
JOHN L. WHARTON

ROBERT M. C. ROSE, (1924-2006)

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 WEST STATE ROAD 434
SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
BRIAN J. STREET

CHRISTIAN W. MARCELLI, OF COUNSEL
(LICENSED IN NEW YORK ONLY)

September 27, 2007
VIA HAND DELIVERY

RECEIVED-FPSC
07 SEP 27 AM 10:39
COMMISSION
CLERK

Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: K.W. Resort Utilities Corp.; 2007 Rate Case Filing; PSC Docket 070293
Interim Recommendation
Our File No. 34000.05

Dear Ms. Cole:

In accordance with our discussions yesterday afternoon with regard to the Escrow Agreement executed by KW Resort Utilities Corp. to secure the interim rate increase approved by the Commission at its September 25, 2007 agenda, I am attaching hereto an Escrow Agreement drafted in accordance with standard Commission practice, which has been fully executed by KW Resort Utilities Corp. and by the Escrow Agent/Bank.

Please execute the Escrow Agreement at the place as noted, and return a fully executed copy and the signature card to us for filing with the bank, as soon as possible.

We are attempting to implement these rates effective October 1, 2007, and therefore would like to get this executed and finalized and returned today or tomorrow, if at all possible.

If you have any questions in this regard or need anything further from me, please let me know as soon as possible. Thank you for your quick attention to this matter.

Sincerely,
ROSE, SUNDSTROM & BENTLEY LLP



F. Marshall Deterding
For The Firm

FMD/tms

cc: Troy Rendell
Ralph Jaeger, Esquire
William Smith, Jr., Esquire
Lydia Roberts
Robert C. Nixon, CPA

DOCUMENT NUMBER - DATE
08892 SEP 27 07

FPSC-COMMISSION CLERK

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between BB&T Corporation (the "Bank"), the Florida Public Service Commission ("FPSC"), and KW Resort Utilities, Corp. (the "Utility"), a Florida corporation, upon the following terms, conditions and considerations:

W I T N E S S E T H:

WHEREAS, KW Resort Utilities, Corp. filed its application for increased wastewater rates in Monroe County, Florida on August 3, 2007 and;

WHEREAS, pursuant to the provisions of Chapter 367.082, Florida Statutes, the Commission authorized the Utility to implement interim rates during the pendency of its review of the Application and determination of the appropriate amount of the final rate increase and;

WHEREAS, pursuant to the provisions of Section 367.082, Florida Statutes and the Commission's decision of September 25, 2007, the Utility must implement those rates under appropriate security, including among other alternatives, escrow of all such increases and;

WHEREAS, on September 25, 2007, the FPSC voted to allow the Utility to implement increased interim rates subject to refunds during the pendency of this proceeding.

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 of KW Resort Utilities, Corp.'s wastewater system and the increased rates being implemented as authorized pursuant to the Commission's decision of September 25, 2007 on interim, 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~~ ^{Commission Clerk} of the FPSC and the President of the Utility. Signature cards executed by the ~~Director of the Division of the Commission Clerk and Administrative Services~~ 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: Ann Cole, ~~Director, Division of the Commission Clerk and Administrative Services~~, 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 367.082, 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 KW Resort on October 2, 2007.
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.

KW RESORT UTILITIES, CORP.

BY: 
 William Smith, Jr.

(Corporate Seal)

 BANK
 BB&T Corporation



(Corporate Seal)


BY: 
 DAVE BITTER, SVP
 BRANCH BANKING & TRUST CO
 1010 KENNEDY DRIVE
 KEY WEST, FL 33040

FLORIDA PUBLIC SERVICE COMMISSION

BY: 
 FPSC Director, Division of the Commission
 Clerk and Administrative

(Seal)

PAY-ON-DEATH ACCOUNT
Can be single-party or multiple-party account

It is understood that by establishing a pay-on-death account that: (i) any one party may withdraw or transfer any or all the funds in the account; (ii) any party may change or remove any beneficiary by written notice to the Bank; (iii) upon the death of any party, the funds shall belong to the remaining party(ies); and (iv) upon the death of the last party, the funds shall be payable to the beneficiaries then living and, if none, to the estate of the last surviving party.

SSN: _____ Date: _____
 Signature of Depositor _____
 SSN: _____ Date: _____
 Signature of Depositor _____

Name of Beneficiary: _____ Relationship: _____ SSN: _____
 Address of Beneficiary: _____
 Date of Birth of Beneficiary: _____ Phone Number of Beneficiary: _____

Name of Beneficiary: _____ Relationship: _____ SSN: _____
 Address of Beneficiary: _____
 Date of Birth of Beneficiary: _____ Phone Number of Beneficiary: _____

Name of Beneficiary: _____ Relationship: _____ SSN: _____
 Address of Beneficiary: _____
 Date of Birth of Beneficiary: _____ Phone Number of Beneficiary: _____

UNIFORM TRANSFERS TO MINORS ACT ACCOUNT
Only one custodian and one minor permitted

I understand that the funds transferred into this account are being credited to this account in my name as custodian for the minor named below under the Florida Uniform Transfers to Minors Act. The gift of money to the minor named below is irrevocable and is made in accordance with and to include all provisions of said Act.

SSN: _____ Name of Minor: _____ Relationship: _____
 Address of Minor: _____ DOB: _____
 SSN: _____ Date: _____
 Signature of Custodian _____

Business, Trust, Bankruptcy, Guardian, Custodian, Conservator, IOTA, Escrow and "Other" Accounts

The undersigned expressly authorizes BB&T to obtain any consumer report and/or any other Bureau or Business credit reports.

13-3260037	KW RESORT UTILITIES CORP	(Seal)	09/24/2007
EIN/Tax ID Number	Printed Name	Signature for Entry	Your Title
85-2012600	ANN COLE	<i>Ann Cole</i>	-Cashier Clerk
588003	Printed Name	Signature and Title	Date
			9-27-07
Tax ID Number	Printed Name	Signature and Title	Date
Tax ID Number	Printed Name	Signature and Title	Date

IDENTIFICATION (Primary Account Holder)

Type of ID SECY Issued By FL ID Number H34818 Expiration Date 12/31/2049
 Second Type of ID _____ Issued By _____ ID Number _____ Expiration Date _____
 Employer _____ Date of Birth _____ Home Phone Number (____) _____
 Address as listed on ID _____ Work Phone Number (____) 305 294-9578

IDENTIFICATION (Secondary Account Holder)

Type of ID Drivers License Issued By FL ID Number _____ Expiration Date 5-1-13
 Second Type of ID _____ Issued By _____ ID Number _____ Expiration Date _____
 Employer _____ Date of Birth _____ Home Phone Number (____) _____
 Address as listed on ID _____ Work Phone Number (____) _____

Opened By YENNY S MONTOYA 52980 Approved By _____ Branch Location 8520801

BB&T SIGNATURE CARD (FLORIDA)

NAME AND ADDRESS OF DEPOSITOR(S)
KW RESORT UTILITIES CORP
INTERIM RATE ESCROW ACCOUNT
6450 COLLEGE RD
KEY WEST FL 330404346
ACCOUNT NUMBER [REDACTED] ACCOUNT OPENING DATE 09/24/2007 REVISED CARD DATE 09/24/2007

OWNERSHIP DESIGNATION: CHECK ONLY ONE BLOCK

Personal Accounts: Single-Party, Multiple-Party With Right of Survivorship, Pay-On-Death, Uniform Transfers to Minors, Other.
Business Accounts: Sole Proprietorship/DBA, Partnership, Corporation, Non-Profit Corporation, Public Funds, LLC (including LLP).
Other Accounts: Estate, Trust, Bankruptcy, Court Appointed Fiduciary, Lawyer's Trust Account or IOTA, Escrow, Other.

TIN CERTIFICATION

Under penalties of perjury, I certify by my signature below that: (1) The number shown on this form is the correct Social Security or Tax Identification Number, or I am waiting for a number to be issued to me, and (2) I am NOT subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding. (Depositor must cross out (2) above if the IRS has notified the depositor that the depositor is currently subject to backup withholding because of underreporting of interest or dividends.), and (3) I am a U.S. person (including U.S. resident alien). The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

Check one only if applicable:

Depositor is an exempt recipient of interest under the Internal Revenue Code.
Depositor is exempt as a nonresident alien and has completed a Form W-8BEN. (All depositors must complete a separate W-8BEN form for this exemption.)

I understand that if a taxpayer identification number is not provided to the bank within 60 days, the account may be closed.

BY MY SIGNATURE, I HEREBY CERTIFY THAT: (1) the type of ownership designated is correct; (2)(a) if I have opened a personal account, I have received the "Bank Services Agreement", the "BB&T Interest Schedule", and the "BB&T Financial Services Pricing Guide" and agree to accept the terms of each document; or (2)(b) if I have opened a commercial account, I have received the "Commercial Bank Services Agreement" and the "BB&T Business Services Pricing Guide" and agree to accept the terms of each document; and (3), I grant permission to the Bank to verify any information about me including bank and credit references.

PERSONAL ACCOUNTS

SINGLE-PARTY ACCOUNT
Only one signer

SSN: _____ Date: _____

Signature of Depositor _____

MULTIPLE-PARTY ACCOUNT WITH RIGHT OF SURVIVORSHIP
All account owners must sign

We understand that BB&T may pay any or all of the funds in the account on the order of any one person named on the account. Upon the death of a party to the account, the deceased party's ownership in the account passes to the surviving party or parties to the account. BB&T may pay the entire account balance to a creditor or other legal claimant pursuant to legal process despite notice to BB&T by a depositor not to permit such payment.

SSN: _____ Date: _____

Signature of Depositor _____

SSN: _____ Date: _____

Signature of Depositor _____

Centralized Document Scanning Operations
100-99-15-11



DDASIGXXX5060000146546471