



# Public Service Commission

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

**DATE:** February 10, 1999

**TO:** Division of Records and Reporting

**FROM:** Johnny Butts, Division of Water and Wastewater

**RE:** Docket No. 981825-SU- Proposed tariff filing requesting approval for a new class of service for Wastewater-only customers by Tradewinds Utilities, Inc.

The attached correspondences should be included in the official docket file.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC   1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

01752 FEB 10 88

FPSC-RECORDS/REPORTING

STATE OF FLORIDA

Commissioners:  
JOE GARCIA, CHAIRMAN  
J. TERRY DEASON  
SUSAN F. CLARK  
JULIA L. JOHNSON  
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER  
CHARLES H. HILL  
DIRECTOR  
(850) 413-6900

## Public Service Commission

Mr. Charles DeMenzes  
Tradewinds Utilities, Inc.  
P.O. Box 5220  
Ocala, FL 34478-5220

**RECEIVED**  
FEB 09 1999  
Florida Public Service Commission  
Division of Water and Wastewater

**RECEIVED**  
FEB 04 1999  
Florida Public Service Commission  
Division of Water and Wastewater

Re: Docket No. 981825-SU, application for a New Class of Service in Marion County by Tradewinds Utilities, Inc.

Dear Mr. DeMenzes :

On February 2, 1999, the Commission voted on staff's recommendation dated January 21, 1999. A Proposed Agency Action (PAA) order is scheduled to be issued twenty days from the date of the Commission's vote. The Commission approved flat rates for the new additional territory on a temporary basis. The Commission required Tradewinds to provide security for a potential refund. You have the option of providing a letter of credit or a Bond, in the amount of \$57,232. However, you may open an escrow account and deposit all revenues collected from the additional customers into the account; until the Commission has made its final decision.

If you decide to open the escrow account, the agreement must be submitted to the Commission's Division of Legal Services for approval. Enclosed is an example of an escrow agreement that has been previously approved by Commission's staff. After the agreement has been approved, you will be notified.

The signature card associated with the escrow agreement should be submitted to the Commission, so it can be signed by the Director of the Division of Records and Reporting. In addition, staff will need to approve the customer's notice addressing the Commission's decision. After all requirements have been satisfied, then the temporary rates will become effective.

Please mail the documents requested and a copy of the proposed customer notice to:

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PSC Website: [www.scri.net/psc](http://www.scri.net/psc)

Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

Letter to Mr. DeMenzes  
February 10, 1999  
Page Two

Johnny Butts  
Division of Water and Wastewater  
Florida Public Service Commission  
Capital Circle Office Center, Gunter Bldg.  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

If you have additional questions, please call me at (850) 413-6920.

Sincerely,

A handwritten signature in black ink, appearing to read "Johnny Butts", with a long horizontal flourish extending to the right.

Johnny Butts  
Professional Accountant

JB

cc: Division of Records and Reporting (Docket No. 981825-SU)  
Division of Water and Wastewater (Hill, Willis, Rendell, Dewberry)  
Division of Legal (Ferguson)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between \_\_\_\_\_  
\_\_\_\_\_, in  
\_\_\_\_\_ County (the Bank), the Florida Public Service Commission  
(FLORIDA PUBLIC SERVICE COMMISSION), and \_\_\_\_\_, (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. \_\_\_\_\_, issued \_\_\_\_\_, the  
FLORIDA PUBLIC SERVICE COMMISSION authorized the Utility to continue  
to collect increased rates as temporary rates and WHEREAS, by Order  
No. \_\_\_\_\_, the Utility is required to provide security for  
those temporary rates that generate per customer collections in excess  
of those collections resulting from the application of the rates  
approved effective \_\_\_\_\_, and WHEREAS the Bank has  
agreed to hold such funds in an interest bearing escrow account at an  
interest rate of \_\_\_\_\_%, the parties hereto agree as follows:

1. The foregoing representations are true and correct.
2. The Utility shall open a joint interest bearing escrow account.  
The amount of revenue subject to refund shall be deposited by the  
Utility in the escrow account within seven days of receipt.
3. The escrow account shall bear interest at the rate of \_\_\_\_\_%.
4. The FLORIDA PUBLIC SERVICE COMMISSION's Director of the Division  
of Records and Reporting shall be a signatory to the escrow  
account.
5. No funds shall be withdrawn from the escrow account without the  
signature of both the Director of the Division of Records and  
Reporting of the FLORIDA PUBLIC SERVICE COMMISSION and the  
Utility. Signature cards executed by the Director of the  
Division of Records and Reporting of the FLORIDA PUBLIC SERVICE  
COMMISSION and the Utility shall designate the appropriate  
authorized signature for each.
6. 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 FLORIDA PUBLIC SERVICE  
COMMISSION.
7. If a refund to the customers is required, all interest earned by  
the escrow account shall be distributed to those customers who  
paid such monies that generated the deposits into the escrow  
account.
8. If a refund to the customers is not required, the interest earned  
by the escrow account shall revert to the utility.
9. The Bank may, without reason, withdraw from this Agreement upon

thirty (30) days written notice to the FLORIDA PUBLIC SERVICE COMMISSION and to the Utility.

10. 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).
11. This escrow account is established pursuant to FLORIDA PUBLIC SERVICE COMMISSION Order No. \_\_\_\_\_, issued \_\_\_\_\_. This escrow account is for the benefit of the Utility's customers.
12. Information concerning the escrow account shall be available from the Bank to the FLORIDA PUBLIC SERVICE COMMISSION and its representatives at all times.
13. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its Order requiring such account. 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 on all parties upon the date that it becomes executed by all parties.

1) \_\_\_\_\_  
Name of Utility  
By: \_\_\_\_\_  
Person's Name and Title  
\_\_\_\_\_  
Date

2) \_\_\_\_\_  
Name of Bank  
By: \_\_\_\_\_  
Person's Name and Title  
\_\_\_\_\_  
Date

3) Florida Public Service Commission  
By: \_\_\_\_\_  
Director, Division of Records and Reporting  
\_\_\_\_\_  
Date

Notary Public: \_\_\_\_\_ Place Seal Here:  
Name

Commission #: \_\_\_\_\_

STATE OF FLORIDA

Commissioners:  
JOE GARCIA, CHAIRMAN  
J. TERRY DEASON  
SUSAN F. CLARK  
JULIA L. JOHNSON  
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER  
CHARLES H. HILL  
DIRECTOR  
(850) 413-6900

## Public Service Commission

February 8, 1999

**RECEIVED**

FEB 08 1999

Florida Public Service Commission  
Division of Water and Wastewater

Mr. Charles DeMenzes  
Tradewinds Utilities, Inc.  
P.O. Box 5220  
Ocala, FL 34478-5220

**Re: Docket No. 981825-SU requesting approval for a new class of service for Wastewater-only customers by Tradewinds Utilities, Inc. in Marion County.**

Dear Mr. DeMenzes:

We have received the above referenced new class of service filing. However, in order to complete the process for your filing, you need to provide the following information:

1. Provide a list of the cost of plant improvements to serve the additional customers or if plant improvements have not been made, provide the projected plant additions to serve these additional customers. Include the cost of labor for the improvements. Submit this breakdown of the plant, by account number, pursuant to Uniform System of Accounts.
2. Submit information on the utility's methodology in selecting the contractor to make these plant improvements.  
For example: a bid process, indicate whether the contractor is a related party.
3. Submit copies of the loan agreement supporting the \$280,000 received from the financial institution, and any other funding for the plant improvements.
4. Did the utility's operation and maintenance expense increase due to providing service to these additional customers? If so, how much?  
For example: sludge analysis, DEP required testing, chemicals, etc.
5. Can the utility provide the exact number of customers that will be connected within eight months to one year from the date of this request? This information will give staff accurate revenues, opposed to the estimated revenues stated in the application.

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Internet E-mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

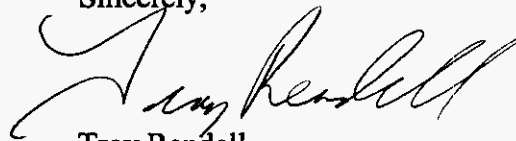
Mr. Charles DeMenzes  
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6. Provide a breakdown of the Operational Expense in the amount of \$25,754 that was submitted to the Commission as part of the additional information package on December 8, 1998.
7. Define the quotation in the utility's package "these expenses do not include salaries or management fees." Will there be additional salaries and management fees due to providing service to these additional customers. If so, how much? Provide an analysis of these expenses, this should include appropriate justification.
8. In reference to water, the utility stated in its customer notification letter dated October 7, 1998, that "all hookups prior to January 1, 1999 will not be charged a meter installation charge of \$500.00." Staff needs clarification on the \$500.00, since the utility's existing tariff states that meter installation fees are as follows: 5/8 inch \$100.00, 1 inch \$130.00, 1 1/2 inch \$180.00, 2 inch actual cost.

In order to process your filing in the most expedient manner, please provide the above information by March 8, 1999. If you have any questions, please call Johnny Butts at (850) 413-6920.

Thank you for your assistance in this matter.

Sincerely,



Troy Rendell  
Public Utilities Supervisor

TR:jb

cc: Division of Legal Services (Ferguson)  
Division of Water and Wastewater (Butts, Dewberry)  
Division of Records and Reporting (981825-SU)