

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Revocation by Florida) DOCKET NO. 920782-WU
Public Service Commission of) ORDER NO. PSC-93-0370-AS-WU
Certificate No. 302-W issued to) ISSUED: 03/09/93
St. George Island Utility)
Company, Ltd. in Franklin)
County.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER APPROVING STIPULATION

BY THE COMMISSION:

St. George Island Utility Company, Ltd., (St. George or the utility) is a Class B utility providing water service to 959 customers in Franklin County. Docket No. 871177-WU was opened when the utility filed an application for a rate increase on June 30, 1987. During the pendency of this rate proceeding, St. George also entered into a consent order to address DER compliance violations. DER required corrective actions were incorporated into the Order Establishing Final Rates in Docket No. 871177-WU by Order No. 21122, issued April 24, 1989. The rate case docket remains open awaiting the completion of required improvements by the utility.

On June 10, 1992, as a result of the utility's history of noncompliance with orders, rules, and statutory requirements, we issued notice of our intention to initiate the revocation of Certificate No. 302-W for water service in Franklin County issued to St. George. We also approved the filing of a petition for injunctive relief in Circuit Court to prevent the disposition of assets and to insure continuous service during the pendency of the revocation proceeding. The Circuit Court denied injunctive relief.

On July 9, 1992, St. George filed a formal written objection to the notice of intent to initiate revocation, and the case was set for hearing. On October 20, 1992, this Commission received a letter from St. George offering to discuss an interim settlement,

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and on January 20, 1993, an executed Proposed Stipulation was submitted by St. George.

Based upon our review of the Proposed Stipulation, which is appended to this Order as Attachment A, we find it appropriate to approve the Proposed Stipulation with the modified termination date of August 16, 1993, as agreed upon by the utility. The purpose of this agreement is to determine whether utility funds are being used appropriately for utility purposes and to protect the customers from any dissipation of utility assets.

It is, therefore,

ORDERED by the Florida Public Service Commission that St. George Island Utility Company, Ltd.'s proposed stipulation is hereby approved effective February 16, 1993, with a duration of six months. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission this 9th day of March, 1993.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

LK

by: Kay J. Lynn
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Revocation by Florida)	Docket No.: 920782-WW
Public Service Commission of)	Filed: January 20, 1993
Certificate No. 302-W issued to)	
St. George Island Utility)	
Company, Ltd. in Franklin County)	

PROPOSED STIPULATION

St. George Island Utility, Ltd., ("Utility") submits this Stipulation as settlement of the above-styled docket as follows:

1. Co-manager. The Utility shall retain at the rate of \$50.00 per hour Ms. Mary Labatt ("Co-manager"), an engineer selected by the Commission to serve as a Co-manager of the Utility with Mr. Gene Brown. The Co-manager shall devote such time and effort to the responsibilities of Co-manager as shall be necessary to carry out the purposes hereinafter set forth in this Stipulation. The co-manager shall be paid from the revenues of the Utility.

2. Collection of Funds. Any and all funds collected by the Utility shall be deposited into one (1) utility account, except for CIAC, which shall be placed into a separate escrow account for utility improvements. The escrow agreement governing the escrow account and all disbursements therefrom, shall be approved by the staff of the Commission and shall provide that any withdrawals from said escrow account shall require the signature of Steve Tribble.

3. Payment of Expenses and Debt Service. Approval by the Co-manager shall be required for any and all expenditures of Utility funds, and the Co-manager shall co-sign all Utility

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checks. No debt service or other payment shall be made from the funds of the Utility if the Co-manager or the Commission determines said payment or debt service payment to be non-utility related.

4. Resolution of Dispute Concerning Expenses. In the event that the Utility and the Co-manager shall not agree concerning the approval of a payment, the dispute shall be presented to the prehearing officer for final resolution. If the prehearing officer determines that the payment is related to Utility business, the payment shall be approved. In the event that the prehearing officer determines that the expense is non-utility related, the payment shall not be made from utility funds. The prehearing officer shall make such determinations within 30 days of the date that a written request to resolve a dispute is filed with the Division of Records and Reporting. If the prehearing officer determines that a debt service expense is non-utility related, and if the failure to pay such debt service expense would result in the immediate foreclosure or levy of the utility's operating assets by a non-affiliated creditor, the utility shall have the option to make the payment to avoid foreclosure or levy, thereby terminating this stipulation. In such event, the Commission may resume the hearing schedule in this docket.

5. Term. The Utility shall operate under the terms of this Stipulation for a period terminating on July 31, 1993, at which time said Stipulation may be extended upon approval of the

Commission. The failure to reach agreement concerning the extension of this Stipulation shall be grounds for the Commission to resume the hearing schedule in this docket. The docket shall remain open until final resolution of the issues are identified in this docket.

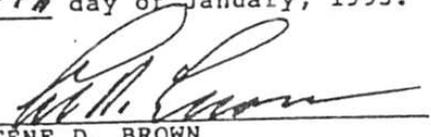
6. Suspension of Docket. The hearing schedule in this docket shall be suspended during the terms of this Stipulation or any extension hereof. No final hearing on revocation of the certificate of the Utility shall be held until at least ninety (90) days following the termination of this Stipulation.

7. Violation of the Stipulation. Any violation of this Stipulation by the Utility shall be grounds for the Commission to resume the hearing schedule in this docket. Any alleged violation of this Stipulation shall be addressed by the Commission. The Utility shall have an opportunity to present a response to any alleged violation prior to a determination by the Commission as to whether a violation of the Stipulation has occurred.

8. Approval by the Commission. This Stipulation shall be effective upon approval by the Commission. In the event the Commission rejects or modifies this Stipulation, in whole, the Utility may, at its option, consider the Stipulation void and shall not be otherwise bound to the terms of this Stipulation. The Utility agrees that if the Stipulation is rejected or modified by the Commission, in whole or in part, that it will

attempt to reach a stipulation that will be acceptable to the Commission.

RESPECTFULLY SUBMITTED this 20th day of January, 1993.



GENE D. BROWN
St. George Island Utility
Company, Ltd.
3848 Killearn Court
Tallahassee, FL 32308
(904)668-6103

CERTIFICATE OF SERVICE

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I HEREBY CERTIFY that a true and correct copy of the foregoing Proposed Stipulation has been furnished by Hand Delivery this 20th day of January, 1993, to the following parties of record:

Catherine Bedell, Senior Attorney
Public Service Commission
Division of Legal Services
Fletcher Building
101 East Gaines Street
Tallahassee, FL 32399-0862

Lee Ann Knowles, Esquire
Public Service Commission
Division of Legal Services
Fletcher Building
101 East Gaines Street
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GENE D. BROWN