

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for authority to	)	DOCKET NO. 900743-SU
withdraw funds from escrow account	)	ORDER NO. 23840
established pursuant to Order No.	)	ISSUED: 12-7-90
13441, for construction of an	)	
effluent outfall line in Duval	)	
County, by Jacksonville Suburban	)	
Utilities Corporation.	)	
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The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER  
 FRANK S. MESSERSMITH

NOTICE OF PROPOSED AGENCY ACTION  
ORDER AUTHORIZING WITHDRAWAL OF FUNDS FROM  
ESCROW ACCOUNT, CONTINUING SERVICE AVAILABILITY CHARGES,  
AND PROVIDING FOR PROGRESS REPORTS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the actions discussed herein are preliminary in nature, and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

On September 5, 1990, Jacksonville Suburban Utilities Corporation (JSUC) petitioned for written consent to withdraw funds accumulated in an escrow account for construction of an effluent outfall line or other qualified expenditures for the Royal Lakes Wastewater Treatment Plant (RLWWTP).

DOCUMENT NUMBER-DATE

10886 DEC -7 1990

FPSC-RECORDS/REPORTING

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Pursuant to our previous orders<sup>1</sup>, JSUC has been accumulating service availability charges of \$213 per equivalent residential connection in an escrow account since 1976. These funds were accumulated for the proposed construction of an effluent outfall line or other qualified expenditures (as provided in Order No. 13441) for the RLWWTP. As of July 22, 1990, the funds accumulated in the escrow account since 1976 totalled \$2,799,464. This amount together with the \$377,862 JSUC is required to provide pursuant to Order No. 7463 totals \$3,177,326.

We find JSUC has made a sufficient showing that construction of the outfall line has been started and that expenses relative thereto have been incurred based on the following: the design of the outfall line is complete; most of the necessary easements have been obtained; construction contracts have been awarded; and materials have been ordered. Therefore, we find that it is appropriate to authorize release of the escrow funds, utilizing the Escrow Requisition Form, shown on Exhibit A to this Order, as obligations for payment are incurred. Further, based on projected construction costs of \$3,169,654 (See Exhibit B, attached to this order) the balance remaining in escrow will be approximately \$8,000. We find this sum inconsequential in relation to the total project costs. Therefore, we approve JSUC's requests to terminate the escrow agreement after funds for the outfall line have been withdrawn; all remaining escrow funds shall be credited to contributions-in-aid-of-construction.

JSUC has also asked the Commission to approve continuation of the \$213 service availability charge per equivalent residential connection in the RLWWTP service area to help defray current and future expansion costs of the RLWWTP. JSUC is in the process of expanding existing treatment capacity from 2.4 million gallons per day (mgd) to 3.0 mgd. According to JSUC, RLWWTP will need to increase the treatment capacity to 4.5 mgd, requiring additional wastewater treatment facilities. JSUC is also in the process of connecting a .6 mgd treatment plant to a sludge thickening plant. We approve JSUC's continuing collection of the \$213 per ERC service availability charge, finding that the collection of these charges will mitigate any increased construction costs and provide capital

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<sup>1</sup> Order No. 7262, issued on 6/7/76; Order No. 7463, issued on 10/7/76; Order No. 10314, issued on 9/30/81; Order No. 11139, issued on 9/2/82; Order No. 13441, issued on 6/21/84.

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for necessary expansion, while at the same time reducing the impact on rates by reducing the utility's investment.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the petition by Jacksonville Suburban Utilities Corporation for written consent to withdraw funds from escrow account is granted. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that all matters contained in the body of this Order and in attachments hereto are by reference incorporated herein. It is further

ORDERED that the provisions of this Order issued as proposed agency action shall become final, unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that Jacksonville Suburban Utilities Corporation may withdraw funds from the escrow account, utilizing the Escrow Account Requisition Form attached to this Order and by reference incorporated herein. It is further

ORDERED that after funds for the effluent outfall line are actually withdrawn, the escrow agreement be terminated and all remaining funds be transferred to Jacksonville Suburban Utility Corporation's account as contributions-in-aid-of-construction. It is further

ORDERED that Jacksonville Suburban Utilities Corporation shall furnish the Commission with a written report of the closing of the escrow account indicating principal, interest and total funds withdrawn and the date the account was closed. It is further

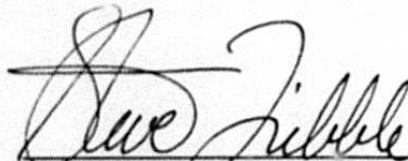
ORDERED that Jacksonville Suburban Utilities Corporation is authorized to continue to collect \$213 per equivalent residential connection for all future connections to the Royal Lakes Wastewater

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Treatment Plant as set forth in the body of this Order. It is further

ORDERED that this docket shall remain open pending receipt and acceptance of the following: a full accounting of the transfer of escrow funds; and a progress report on the expenditures of said funds. Unless a timely protest is filed, this docket shall be closed administratively after receipt and acceptance of the aforementioned reports.

By ORDER of the Florida Public Service Commission this 7th  
day of DECEMBER, 1990.



STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

CB

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.

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The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 31, 1990.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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EXHIBIT A

Escrow Account Requisition

To: Fidelity Bank  
 Philadelphia, Pennsylvania

Attention: Corporate Trust Department

Date: \_\_\_\_\_

Requisition Number: \_\_\_\_\_

In connection with the Escrow Agreement dated as of March 29, 1934 (the "Agreement"), between Jacksonville Suburban Utilities Corporation ("Jacksonville Suburban") and Fidelity Bank, as Trustee, Jacksonville Suburban hereby requests reimbursement of Funds from the Escrow Account and certifies that such reimbursement shall be used solely for qualified expenditures as described in the Agreement.

Payee: Jacksonville Suburban Utilities corporation

Address: c/o General Waterworks  
 Chase Manhattan Bank  
 Account #910-1-353309

Amount: \$ \_\_\_\_\_

Jacksonville Suburban Utilities Corporation

By: \_\_\_\_\_  
 Authorized Agent

Approved for disbursement as requested above by Jacksonville Suburban.

Florida Public Service Commission

By: \_\_\_\_\_

Its \_\_\_\_\_

EFFLUENT OUTFALL LINE AND RELATED EXPENDITURES  
ESTIMATED COSTS AND COSTS INCURRED TO DATE

<u>Description</u>	<u>Projected Cost</u>	<u>Projected Cost Tax Effected</u>	<u>Costs Incurred To Date</u>	<u>Costs Incurred To Date Tax Effected</u>
Actual installation cost of 700 feet of ductile iron pipe across creek on Freedom Crossing Trail	\$42,547.00	\$68,216.00	\$42,547.00	\$68,216.00
Actual installation cost of 3,570 feet of pipe from Waterfront Terrace into the St. Johns River	160,126.00	256,730.00	160,126.00	256,730.00
Actual acquisition cost of easement across Westbourne Square Subdivision.	112,786.00	180,830.00	112,786.00	180,830.00
Estimated installation cost of four additional segments of pipe	350,310.00	561,652.00	93,203.00*	149,432.00
Estimated installation cost of remainder of pipe	<u>1,453,371.00***</u>	<u>2,330,190.00</u>	<u>471,276.00**</u>	<u>755,597.00</u>
TOTAL	\$2,119,140.00	\$3,397,618.00	\$879,938.00	\$1,410,805.00
Less: Jacksonville Suburban Investment	<u>377,862.00</u>	<u>605,826.00</u>		
To Be Paid from Escrow Account	<u>\$1,741,278.00</u>	\$2,791,792.00	<u>\$879,938.00</u>	<u>\$1,410,805.00</u>
Add: Jacksonville Suburban Investment		<u>377,862.00</u>		
Total Cost of Project		<u>\$3,169,654.00</u>		

- \* Cost to date
- \*\* Pipe cost on order
- \*\*\* Based on Bid Prices and Cost of Pipe

EXHIBIT B

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