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DIVISION OF RECORDS & REPORTING
BLANCA S. BAYO
DIRECTOR
(850) 413-6770

Public Service Commission

March 10, 1999

Dixie Groves Estates, Inc.
C/o Mr. Matthew A. Potter, C.P.A.
5940 Main Street
New Port Richey, Florida 34652

Re: Protest of Commission Order No. PSC-99-0243-FOF-WU, Staff-Assisted Rate Case for Dixie Groves Estates, Inc. in Pasco County, in Docket No. 980726-WU

Dear Mr. Potter:

The escrow agreement submitted for security has been approved. The enclosed signature card and escrow agreement signed by me as the Commission's authorized agent should be returned to the Huntington National Bank.

Please do not hesitate to call if you have any questions regarding this matter.

Sincerely,

Blanca S. Bayo
Blanca S. Bayo

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1 _____
- WAS _____
- QJH _____

BB:rc
 Enclosures (2)
 cc: Division of Water and Wastewater (Hill, Rendell, Casey)
 Division of Legal Services (Ferguson)

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Public Service Commission

RECEIVED-FPSC

99 MAR 9 PM 2:34

-M-E-M-O-R-A-N-D-U-M- RECORDS AND REPORTING

DATE: March 8, 1999

TO: Bianca Bayo, Director of Records and Reporting

FROM: Bob Casey, Professional Accountant Specialist, Water and Wastewater Division *PK*

RE: Docket No. 980726-WU, Application for a Staff Assisted Rate Case for Dixie Groves Estates, Inc. In Pasco County

Attached are a signature card and a escrow agreement submitted by Dixie Groves Estates, Inc. for security due to a protest of PAA order No. PSC-99-0243-FOF-WU, issued February 9, 1999. The escrow agreement is satisfactory. Please review and sign the attached signature card and escrow agreement and return them to the utility. A letter for your signature is also attached. Thank You.

cc: Division of Water and Wastewater (Hill, Willis, Rendell)
Division of Legal Services (Ferguson)

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between The Huntington National Bank, Pasco County (the Bank), the Florida Public Service Commission (FLORIDA PUBLIC SERVICE COMMISSION), and Dixie Groves, (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. PSC-99-0243-FOF-W4 issued 2-9-99, the FLORIDA PUBLIC SERVICE COMMISSION authorized the Utility to continue to collect increased rates as temporary rates and WHEREAS, by Order No. PSC-99-0243-FOF-W4, 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 March 3, 1999, and WHEREAS the Bank has agreed to hold such funds in an interest bearing escrow account at an interest rate of 4.33 %, 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 4.33 %.
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. PSC-99-0243-FOF-W4 issued 2-9-99. 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) Matthew R. Patten - Treas (727) 841-6500
Dixie Groves Estates, Inc
Name of Utility

By: Matthew A. Patten - Treas
Person's Name and Title

3-4-99
Date

2) Huntington Bank (727) 842-2660
Name of Bank

By: Kiki Kreatsoulas Personal Banker Kiki Kreatsoulas
Person's Name and Title

3/4/99
Date

3) Florida Public Service Commission

By: Thomas S. Bayne
Director, Division of Records and Reporting

Dorothy James
Date

Notary Public: Dorothy James Place Seal Here:

Commission #: _____



727-842-2660
Huntington National Bank
4128 US Hwy 19
New Port Richey, FL 34652

the undersigned
Signer for the Corporation.

Kiki Kreatoulas

Corporate Facsimile Signature Resolution

— For Bank Account —

I, the undersigned, hereby certify to THE HUNTINGTON NATIONAL BANK, that I am the duly elected, qualified and acting Treasurer of Dixie Groves Estates, Inc. a corporation duly organized and existing under the laws of the State of Florida; that the following is a true copy of resolutions duly adopted by the Board of Directors of said Corporation at a meeting held on the 3rd day of March, 1999, at which a quorum was present, and that such resolutions have not been rescinded or modified.