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February 4, 1997

VIA HAND DELIVERY

Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida

Re: Forest Hills Utilities, Inc.; Docket No. 961475-SU  
Application for Limited Proceeding  
Our File No. 29062.02

Dear Ms. Bayo:

In accordance with the Commission's action taken at its February 4, 1997 Agenda Conference, I am hereby submitting on behalf of Forest Hills Utilities, Inc., a proposed Escrow Agreement, customer notice, and tariffs to implement on an emergency basis, the rates approved by the Commission in the above referenced matter. Since the Utility needs to implement these at the end of February, I request that the Staff review all of these documents and approve them within the next week to ten days to allow ample time to coordinate with the bank and finalize all documents well before the end of the month. It is our intention to implement this increase with the Utility's next meter reading and to interconnect to Pasco County's wastewater treatment facilities on the exact same day.

ACK \_\_\_\_\_ Should you have any questions in this regard, please let me  
AFA \_\_\_\_\_ know. Otherwise, I look forward to hearing from the Staff members  
APP \_\_\_\_\_ assigned concerning the approval of all three documents.

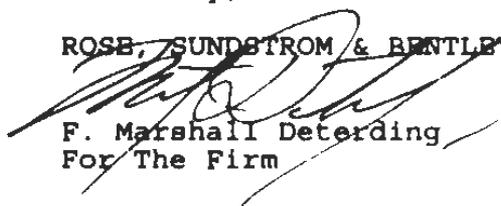
CAF \_\_\_\_\_

Sincerely,

CMU \_\_\_\_\_

ROSE, SUNDSTROM & BENTLEY

CTR \_\_\_\_\_



F. Marshall Deterding  
For The Firm

EAG \_\_\_\_\_

LEG \_\_\_\_\_

LIN \_\_\_\_\_

5 FMD/lts  
Enclosures

OPC \_\_\_\_\_

cc: Tim Vaccaro, Esquire  
Kathy Johnson, Esquire

RCR \_\_\_\_\_

Mr. Eric Groom

SEC \_\_\_\_\_

Ms. Shannon Austin

WAS \_\_\_\_\_

Mr. Robert L. Dreher

OTH \_\_\_\_\_

Robert C. Nixon, CPA

Mr. Gary Deremer

DOCUMENT NUMBER-DATE

01279 FEB-45

FPSC-RECORDS/REPORTING

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between \_\_\_\_\_ Bank (the "Bank"), the Florida Public Service Commission ("FPSC"), and Forest Hills Utilities, Inc. (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-97-\_\_\_\_\_-FOF-SU, issued on February \_\_\_\_\_, 1997, the FPSC authorized the Utility to collect increased rates on an emergency basis from its customers, and;

WHEREAS, by Order No. PSC-97-\_\_\_\_\_-FOF-SU, the Utility is required to provide security for the excess of the emergency rates over the final authorized rates in the event that a refund should become necessary, and;

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 Utility shall open a joint interest bearing escrow account. The total excess of the revenues generated by the emergency rates over those previously in existence for the Utility shall be deposited by the Utility in accordance with the requirements of FPSC Order No. PSC-97-\_\_\_\_\_-FOF-SU.
3. The escrow account shall bear interest at the prevailing \_\_\_\_\_ rate which currently is at \_\_\_\_\_<sup>1</sup>/<sub>4</sub> Annual Percentage Yield, which is a variable rate.
4. The Utility is authorized to withdraw funds from this account for the purpose of paying bulk service wastewater charges to Pasco County. The Utility will provide the Bank with a bill for such services a condition of each such withdrawal. The Bank will then release those funds in an amount equal to the amount of the bill from Pasco County for such services.
5. No funds will be withdrawn from the escrow account, other than those authorized under Paragraph 4 above, without the signature of both the Director of the Division of Records and Reporting of the FPSC and the Receiver of the Utility. Signature cards executed by the Director of the Division of Records and Reporting of the FPSC and the Receiver of the Utility shall designate the appropriate authorized signature for each.
6. The Bank shall forward regular monthly statements (including canceled checks) to the Receiver and shall mail a copy of the monthly account statement to the FPSC.

7. The Bank may, without reason, withdraw from this Agreement upon thirty (30) days written notice to the FPSC and to the Utility.
8. 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).
9. This escrow account is established pursuant to FPSC Order No. PSC-97-\_\_\_\_-FOF-SU, issued February \_\_\_\_, 1997, for the benefit of the Utility's customers.
10. The balance of funds remaining in the Escrow Account shall be disposed of in accordance with the Commission's final order in Docket No. 961475-SU immediately after issuance.
11. Information concerning the escrow account shall be available from the Bank to the FPSC and its representatives at all times.
12. 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.

FOREST HILLS UTILITIES, INC.

BY: \_\_\_\_\_  
Robert Dreher, President

(Corporate Seal)

\_\_\_\_\_ BANK

BY: \_\_\_\_\_

(Corporate Seal)

FLORIDA PUBLIC SERVICE COMMISSION

BY: \_\_\_\_\_  
Director, Records & Reporting

(Seal)

foresthi\escrow.agr

**FOREST HILLS UTILITIES, INC.**

**CUSTOMER NOTICE**

On December 12, 1996, Forest Hills Utilities, Inc., applied to the Florida Public Service Commission (PSC) for an increase in wastewater service rates resulting from the required interconnection of Forest Hills' sewage treatment system to that operated by Pasco County. This interconnection was required as a result of settlement of litigation with the Florida Department of Environmental Protection (DEP) under threat of fine by DEP.

In order to comply with the DEP requirements for immediate interconnection with Pasco County's system for all future treatment of sewage, Forest Hills requested that the PSC authorize the requested rates necessary to pay the bulk charges to Pasco County on an emergency basis during the pendency of the Commission's review and analysis of the detailed information submitted to justify the required increase.

At its regularly scheduled Agenda Conference held on February 4, 1997, the Public Service Commission authorized the Utility to charge the requested rates and to place all increased revenues into an escrow account with withdrawals only allowed to pay Pasco County for the cost of purchased sewage treatment. All of the monies collected pursuant to this emergency relief are subject to refund with interest should the Commission ultimately determine that any refund to customers is required.

The Commission issued Order No. \_\_\_\_\_ on February \_\_\_\_\_, 1997 reflecting this decision.

The increased rates approved by the Commission are effective for meters read on or after thirty (30) days from February \_\_\_\_\_, 1997.

The new rates for wastewater service are listed on the back of this customer notice.

Sincerely,

Forest Hills Utilities, Inc.

FOREST HILLS UTILITIES, INC.  
Schedule of Approved Rates

WASTEWATER

Residential Service

<u>Meter Size</u>	<u>Base Facility Charge</u>
All meter sizes	\$ 18.80
Gallage Charge per 1,000 gallons (Wastewater Cap-10,000 gallons)	\$ 2.62

General Service

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 18.80
1"	46.98
1 1/2"	93.25
2"	150.38
3"	300.75
4"	469.87
6"	939.87
Gallage Charge per 1,000 gallons	2.62

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the company.

APPLICABILITY - For sewer service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the rules and regulations of this tariff and general rules and regulations of the Commission.

RATE - \$ 18.80 per month

GALLONAGE CHARGE - \$ 2.62 per 1,000 Gallons applied to a maximum of 10,000 gallons per month water usage.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, separate and apart from any bill, service may then be discontinued.

EFFECTIVE DATE -

Robert L. Dreher  
ISSUING OFFICER

TYPE OF FILING - Limited Proceeding  
"Emergency Rates"

President  
TITLE

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For wastewater service to all customers for which no other schedule applies.

LIMITATIONS - Subject to all Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

<u>Meter Size</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 18.80
1"	46.98
1-1/2"	93.25
2"	150.38
3"	300.75
4"	469.87
6"	939.87

Charge per 1,000 gallons \$ 2.62

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within (20) days. After five (5) working days written notice, service may then be discontinued. (Written notice is to be mailed to the customer separate and apart from any other bill.)

EFFECTIVE DATE -

Robert L. Dreher  
ISSUING OFFICER

TYPE OF FILING - Limited Proceeding  
"Emergency Rates"

President  
TITLE