

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment
of Certificates Nos. 355-W and
311-S to include additional
territory in Marion County by
Rainbow Springs Utilities, L.C.

DOCKET NO. 971621-WS
ORDER NO. PSC-98-1083-AS-WS
ISSUED: August 10, 1998

The following Commissioners participated in the disposition of
this matter:

J. TERRY DEASON
JOE GARCIA
E. LEON JACOBS, JR.

ORDER APPROVING JOINT STIPULATION AND SETTLEMENT AGREEMENT,
GRANTING AMENDMENT OF CERTIFICATES AND CLOSING DOCKET

BY THE COMMISSION:

BACKGROUND

Rainbow Springs Utilities, L.C. (Rainbow Springs or utility) is a Class B utility which provides water and wastewater service in Marion County. According to the utility's 1997 annual report, it serves 1,313 water customers (includes 469 irrigation customers) and 815 wastewater customers. In 1997, the utility had annual operating revenues of \$577,220 and a net operating income of \$19,138 for water and wastewater. The utility's facilities consist of one water treatment system, one water transmission and distribution system, one wastewater treatment plant, and one wastewater collection system.

On December 16, 1997, Rainbow Springs filed for an amendment of Certificates Nos. 355-W and 311-S to add territory in Marion County. On December 26, 1997, we received the first of many objections to the application. All objectors seemed to come from the areas known as the "Woodlands" or "Forest." Letters were sent to all objectors (one letter was returned as undeliverable) to verify whether the objectors wanted a hearing or whether they wanted to be granted intervenor status. Instead, the Village of Rainbow Springs Homeowners Association (hereinafter Homeowners Association), representing the homeowners in the "Woodlands" and

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the "Forest," filed its petition for intervention on February 24, 1998. Intervention was granted by Order No. PSC-98-0357-PCO-WS, issued March 4, 1998.

In seeking to reach a settlement, the utility, on March 4, 1998, filed a restrictive amendment to its original application purporting to delete the areas known as the "Woodlands" and the "Forest." However, because these areas were not formally platted, the Homeowners Association could not verify that all homeowners in the "Woodlands" and the "Forest" were actually deleted.

To fully settle this dispute, the utility and the Homeowners Association entered into a Joint Stipulation and Settlement Agreement (Settlement Agreement) dated May 8, 1998. The parties request that we approve the Settlement Agreement and place certain language in the Settlement Agreement in the order itself.

Also, at the time of the amendment application, the utility was serving 579 customers outside of its certificated area. The utility first noticed this problem when it filed for a transfer of majority organizational control. This amendment case was filed, in part, to correct the problem.

APPROVAL OF JOINT STIPULATION AND SETTLEMENT AGREEMENT

As stated above, the utility and the Homeowners Association have reached a settlement in this case. By its restrictive amendment filed March 4, 1998, the utility sought to delete any territory which included homeowners from the "Woodlands" and the "Forest." However, because the Homeowners Association could not ascertain that all homeowners in the "Forest" and "Woodlands" were deleted, it sought additional assurances from the utility.

The utility agreed to give these additional assurances. Further, both parties agreed that certain language contained in the Settlement Agreement, and outlining the basis of their settlement, should be included in any Order approving the Settlement Agreement. We have reviewed the Settlement Agreement and approve it. Based on this approval, the language requested by the parties is set forth below:

The Village of Rainbow Springs Homeowners Association sought and was granted intervenor status in this proceeding based on its assertion that certain of its members reside

on residential lots of one acre or larger, which lots were already served by individual potable water wells and septic tank wastewater systems in subdivisions known as "The Forest" and "The Woodlands". The Village of Rainbow Springs Homeowners Association asserted that these members' substantial interests would be affected by the granting of the original amendment and the resulting potential that the Utility might force them to switch from the expensive individual systems to the Utility's centralized systems.

Seeking to eliminate the basis of the protests, the Utility filed a Restrictive Amendment to its original application by which it purported to remove completely the areas encompassing "The Forest" and "The Woodlands". The Village of Rainbow Springs Homeowners Association is agreeable to the Restrictive Amendment but has been unable to confirm to its satisfaction that all the one acre or larger residential lots in "The Forest" and "The Woodlands" are excluded by the revised maps and legal descriptions submitted by the Utility with its Restrictive Amendment. Because the names "The Forest" and "The Woodlands" are not defined terms in recorded plats or elsewhere, no such definitive assurances can be gained by reference to those names.

However, based on assurances by the Utility that all currently platted one acre and larger lots either currently utilizing individual potable wells and septic tanks and those currently entitled to use such systems within the areas commonly referred to as "The Forest" and "The Woodlands" have been removed by the Restrictive Amendment and, further, that the Utility has no intention of trying to force service on any of those lots as a result of territory awarded through this proceeding, the Village of Rainbow Springs Homeowners Association has agreed to withdraw from its

intervenor status in this proceeding and to withdraw its protest to the requested territorial expansion, as modified by the Restrictive Amendment. The Utility will not attempt, through the award of territory in this proceeding, to require service by any currently platted residential lot of one acre or larger that is currently utilizing individual potable wells and septic tanks, or which is currently entitled to use such systems and located within either "The Forest" or "The Woodlands", but whose legal description might have been inadvertently included in the service territory approved by the Commission in this docket.

Upon acceptance of this language and insertion into an Order, the parties all agreed that the Homeowners Association would withdraw from its intervenor status and withdraw their protest to the remaining territory. Having approved the settlement agreement, and inserted the requested language, we acknowledge the withdrawal of the objection.

SHOW CAUSE PROCEEDINGS

At the time of this application, the utility was serving 579 customers outside of its certificated territory. The utility states that it thought the territory encompassing these customers was already in its service territory, and that such territory was inadvertently omitted.

Pursuant to Section 367.045(2), Florida Statutes, a utility may not delete or extend its service area outside the area described in its certificate of authorization until it has obtained an amended certificate of authorization from this Commission. Section 367.161(1), Florida Statutes, authorizes us to assess a penalty of not more than \$5,000 for each offense, if a utility is found to have knowingly refused to comply with, or to have willfully violated, any provision of Chapter 367, Florida Statutes.

The utility first became aware that it was serving outside of its certificated area when it filed for a transfer of majority control (Docket No. 971195-WS opened on September 12, 1997). Utilities are charged with the knowledge of our rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds that

'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833). The utility's failure to obtain prior Commission approval to extend its service area outside the area described in its certificate of authorization appears to be willful in the sense intended by Section 367.161, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, entitled In Re: Investigation Into The Proper Application of Rule 25-14.003, F.A.C., Relating to Tax Savings Refund for 1988 and 1989 for GTE Florida, Inc., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that the "'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule."

However, in this case, at one point in time, the utility's tariff actually showed that the utility was authorized to provide service to a majority of this territory. With the processing of Docket No. 971195-WS, our staff discovered that this territory had never been granted to the utility. Upon being advised by staff that it had never been granted the territory in question, the utility promptly moved to correct the problem. In consideration of the foregoing, and based on the confusion caused by the incorrect territory description in the utility's tariff, we find that this utility's violation of Section 367.045(2), Florida Statutes, does not warrant that a show cause proceeding be initiated.

AMENDMENT OF CERTIFICATES

As stated earlier, on December 16, 1997, the utility filed an application for amendment of Certificates Nos. 355-W and 311-S to add territory in Marion County. The application contained a check in the amount of \$4,500, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The utility has provided a copy of a warranty deed which provides for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(3)(e), (f) and (i), Florida Administrative Code. A composite water and wastewater territory description is appended to this Order as Attachment A. This description includes the area originally granted to the utility by Order No. 10846 in Docket No. 810352-WS and the new area in this docket. The utility has submitted an

affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. The local planning agency was provided notice of the application and did not file a protest to the amendment. Although we initially received many objections, the restrictive amendment and Joint Stipulation and Settlement Agreement appear to have resolved all objections.

The utility has been in existence since 1965 and is operated and maintained by licensed operators. Consultation with the Department of Environmental Protection (DEP) shows that there are no outstanding notices of violation regarding this utility. The water treatment plant can produce 2,380,000 gallons per day (gpd). The current average flow is 496,000 gpd. The utility's wastewater treatment and disposal system is currently rated at 230,000 gpd and the average daily flow for the year is about 73,000 gpd. According to the application, the water and wastewater facilities are in place to serve the existing areas currently in need of service and those anticipated to be in need of service in the near future. To the extent additional capacity is needed, the utility will undertake those expansions when needed. Based on the above, the utility has the capacity and the technical expertise to serve these customers now and in the future.

In the last rate case of this utility, the Commission, by Order No. PSC-96-1229-FOF-WS, issued September 30, 1996, in Docket No. 950828-WS, approved final rates and charges. These rates were increased, effective May 19, 1998, as a result of a price index. Rainbow Springs shall charge the customers in the territory added herein the rates and charges contained in its tariff until we authorize a change in a subsequent proceeding.

Based on the above, we find that it is in the public interest to grant the application of Rainbow Springs for amendment of Water Certificate No. 355-W and Wastewater Certificate No. 311-S such that it may now be allowed to serve the territory described in Attachment A. The utility has returned the certificate for entry of the additional territory and filed revised tariff sheets which reflect the amended territory description.

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CLOSING OF DOCKET

No further action is required in this docket, and the docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Joint Stipulation and Settlement Agreement entered into between Rainbow Springs Utilities, L.C., and the Village of Rainbow Springs Homeowners Association, with the request for certain language to be placed in the Order, is approved. It is further

ORDERED that no show cause proceedings shall be initiated for the utility's apparent violation of Section 367.045(2), Florida Statutes. It is further

ORDERED that the application of Rainbow Springs Utilities, L.C., 19974 Southwest 102d Street Road, Dunnellon, Florida 34432, for amendment of Water Certificate No. 355-W and Wastewater Certificate No. 311-S, as modified by the restrictive amendment, is granted. It is further

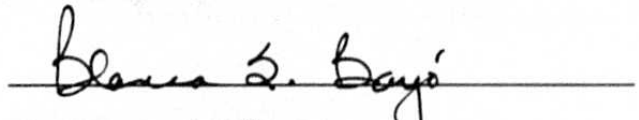
ORDERED that Rainbow Springs Utilities, L.C., shall be allowed to serve the territory described in Attachment A which by reference is incorporated herein. It is further

ORDERED that Rainbow Springs Utilities, L.C., shall charge the customers in the territory added herein the rates and charges approved in its tariff until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that this docket is closed.

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By ORDER of the Florida Public Service Commission this 10th
day of August, 1998.


BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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 the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 and/or wastewater 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 after the issuance 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.

ATTACHMENT A

RAINBOW SPRINGS UTILITIES, L.C.

MARION COUNTY

COMPOSITE WATER AND WASTEWATER SERVICE AREA

PARCELS OF LAND LYING IN SECTIONS 3, 10, 11, 12, 13, 14, 15, 22, 23 AND 24, TOWNSHIP 16 SOUTH, RANGE 18 EAST, AND ALSO LYING IN SECTIONS 5, 6, 7, 8, 18 AND 19, TOWNSHIP 16 SOUTH, RANGE 19 EAST, ALL IN MARION COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

IN SAID SECTION 3: THE SOUTH $\frac{1}{2}$, LESS AND EXCEPT THE SOUTHWEST $\frac{1}{4}$ OF THE SOUTHWEST $\frac{1}{4}$ THEREOF;

AND, IN SAID SECTION 10: THE EAST $\frac{1}{2}$; AND THE SOUTHEAST $\frac{1}{4}$ OF THE NORTHWEST $\frac{1}{4}$;

AND, IN SAID SECTION 11: THE NORTHWEST $\frac{1}{4}$; AND THE EAST $\frac{1}{2}$ OF THE SOUTHWEST $\frac{1}{4}$;

AND, IN SAID SECTION 12: THE SOUTH $\frac{1}{2}$; THE SOUTH $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$; THAT PORTION OF THE NORTH $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ LYING EAST OF U.S. HIGHWAY NO. 41; THE SOUTH $\frac{1}{4}$ OF THE NORTHEAST $\frac{1}{4}$; AND THAT PORTION OF THE NORTH $\frac{3}{4}$ OF THE NORTHEAST $\frac{1}{4}$ LYING WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD;

AND, IN SAID SECTION 13: THAT PORTION LYING SOUTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD AND LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41;

AND, IN SAID SECTION 14: THAT PORTION LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41;

AND, IN SAID SECTION 15: THAT PORTION LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD;

AND, IN SAID SECTION 22: THAT PORTION LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD;

AND, IN SAID SECTION 23: THE WEST $\frac{5}{8}$ OF THE SOUTHWEST $\frac{1}{4}$; THAT PORTION OF THE NORTHEAST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; THAT

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PORTION OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 AND THAT PORTION OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 23; THENCE S01°19'23"E, ALONG THE WEST LINE OF SAID NORTHEAST 1/4 OF THE SOUTHEAST 1/4, 644.07 FEET, TO THE POINT OF BEGINNING; THENCE N88°40'37"E, 320.04 FEET; THENCE N01°19'23"W, 642.55 FEET, TO A NON-TANGENT INTERSECTION WITH A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 1673.01 FEET; THENCE EASTERLY, ALONG SAID CURVE, 169.74 FEET, THROUGH A CENTRAL ANGLE OF 05°48'47" AND A CHORD BEARING AND DISTANCE OF S83°02'11"E, 169.66 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE S85°56'34"E, 480.52 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHEASTERLY, ALONG SAID CURVE, 47.12 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF S40°56'34"E, 42.43 FEET, TO THE POINT OF TANGENCY THEREOF AND THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; THENCE S04°03'26"W, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, 1249.34 FEET, TO THE SOUTH LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4; THENCE N89°55'37"W, ALONG SAID SOUTH LINE, 187.72 FEET, TO THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD; THENCE N60°00'08"W, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 806.05 FEET, TO THE AFOREMENTIONED WEST LINE OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4; THENCE N01°19'23"W, ALONG SAID WEST LINE, 279.89 FEET, TO THE POINT OF BEGINNING; AND

THAT PORTION OF THE NORTH 1/2 LYING SOUTH AND WEST OF THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD AND LYING SOUTH AND EAST OF THE WESTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY NO. 41; AND THAT PORTION OF THE NORTH 1/2 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 23; THENCE N89°53'44"W, ALONG THE SOUTH LINE OF SAID NORTH 1/2, 1584.03 FEET, TO THE NORTHERLY RIGHT-OF-WAY LINE OF SEABOARD SYSTEMS RAILROAD; THENCE N60°00'08"W, ALONG SAID NORTHERLY RIGHT-OF-WAY LINE, 780.99 FEET; THENCE N29°59'52"E, 48.53 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 857.77 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 320.26 FEET, THROUGH A CENTRAL ANGLE OF 21°23'31" AND A CHORD BEARING AND DISTANCE OF N19°18'07"E, 318.40 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE N08°36'21"E, 13.12 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE EASTERLY AND

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HAVING A RADIUS OF 757.77 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 282.92 FEET, THROUGH A CENTRAL ANGLE OF 21°23'31" AND A CHORD BEARING AND DISTANCE OF N19°18'07"E, 281.28 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE N29°59'52"E, 531.95 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE EASTERLY, ALONG SAID CURVE, 53.15 FEET, THROUGH A CENTRAL ANGLE OF 101°30'00" AND A CHORD BEARING AND DISTANCE OF S80°44'52"E, 46.46 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE S48°30'08"E, 1632.09 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 1673.01 FEET; THENCE SOUTHEASTERLY, ALONG SAID CURVE, 623.52 FEET, THROUGH A CENTRAL ANGLE OF 21°21'13" AND A CHORD BEARING AND DISTANCE OF S59°10'45"E, 619.92 FEET; THENCE S20°08'40"W, 88.89 FEET, TO THE POINT OF BEGINNING;

AND, IN SAID SECTION 24: THE NORTH 1/2; THE NORTH 1/2 OF THE SOUTHWEST 1/4; THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4; AND THAT PORTION OF THE NORTH 3/4 OF THE SOUTHEAST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD;

AND, IN SAID SECTION 5: THAT PORTION OF THE WEST 1/2 LYING SOUTH AND EAST OF THE RIGHT-OF-WAY FOR STATE ROAD 40;

AND, IN SAID SECTION 6: THAT PORTION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 LYING SOUTH AND EAST OF THE RIGHT-OF-WAY FOR STATE ROAD 40; AND THAT PORTION OF THE WEST 1/2 OF THE NORTHEAST 1/4 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 6; THENCE S59°30'43"W, 948.08 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE WESTERLY, ALONG SAID CURVE, 39.27 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF N75°29'17"W, 35.36 FEET, TO THE POINT OF TANGENCY THEREOF; THENCE N30°29'17"W, 677.96 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 50.00 FEET; THENCE NORTHERLY, ALONG SAID CURVE, 78.54 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF N14°30'43"E, 70.71 FEET, TO THE POINT OF TANGENCY THEREOF AND THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD NO. 40; THENCE N59°30'43"E, ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE, 1002.78 FEET, TO THE POINT OF CURVATURE OF A CIRCULAR CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 2824.79 FEET; THENCE CONTINUE ALONG SAID RIGHT-OF-WAY LINE AND CURVE, EASTERLY, 345.80 FEET, THROUGH A CENTRAL ANGLE OF 07°00'50" AND A CHORD BEARING AND

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DISTANCE OF N63°01'08"E, 345.58 FEET, TO THE EAST LINE OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 6; THENCE S00°21'50"E, ALONG SAID EAST LINE, 846.09 FEET, TO THE POINT OF BEGINNING.

AND, IN SAID SECTION 7: THAT PORTION OF THE NORTH 1/2 BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER OF SAID SECTION 7; THENCE N84°23'51"E, 557.94 FEET; THENCE S31°51'04"E, 61.65 FEET, TO THE SOUTH LINE OF THE NORTH 1/2 OF SAID SECTION 7; THENCE S89°47'41"W, ALONG SAID SOUTH LINE, 587.81 FEET, TO THE POINT OF BEGINNING; AND

THE SOUTH 1/2, LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

BEGINNING AT THE EAST 1/4 CORNER OF SAID SECTION 7; THENCE S00°21'42"E, ALONG THE EAST LINE OF THE SOUTHEAST 1/4 OF SAID SECTION, 26.67 FEET; THENCE WEST, 1244.42 FEET; THENCE S57°00'00"W, 486.38 FEET; THENCE N33°00'00"W, 220.08 FEET, TO A TANGENT INTERSECTION WITH A CIRCULAR CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHERLY, ALONG SAID CURVE, 39.27 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00" AND A CHORD BEARING AND DISTANCE OF S12°00'00"W, 35.36 FEET, TO THE POINT OF COMPOUND CURVATURE WITH A CIRCULAR CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 638.26 FEET; THENCE WESTERLY, ALONG SAID CURVE, 157.61 FEET, THROUGH A CENTRAL ANGLE OF 14°08'55" AND A CHORD BEARING AND DISTANCE OF S64°04'28"W, 157.21 FEET; THENCE N31°51'04"W, 238.97 FEET, TO THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION 7; THENCE N89°47'41"E, ALONG SAID NORTH LINE, 2046.91 FEET, TO THE POINT OF BEGINNING;

AND, IN SAID SECTION 8: THE WEST 1/2, LESS AND EXCEPT THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 THEREOF;

AND, IN SAID SECTION 18: THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4; THE NORTHWEST 1/4 OF THE NORTHEAST 1/4; THAT PORTION OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD; AND THAT PORTION OF THE NORTH 1/2 OF THE NORTHWEST 1/4 LYING EAST OF THE RAINBOW RIVER;

AND, IN SAID SECTION 19: THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4; AND THAT PORTION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 LYING NORTH AND WEST OF THE RIGHT-OF-WAY FOR SEABOARD SYSTEMS RAILROAD.