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MEMORANDUM

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November 23, 1998

RECORDS AND
REPORTING

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (FERGUSON, BRUBAKER) *GF* *WJS*
RE: DOCKET NO. 980307-WS - APPLICATION FOR CERTIFICATE TO
PROVIDE WATER AND WASTEWATER SERVICE IN ORANGE COUNTY BY
ZELLWOOD STATION CO-OP, INC.

1572-FOF-WS

Attached is an ORDER DECLINING TO INITIATE A SHOW CAUSE PROCEEDING, GRANTING CERTIFICATE NOS. 602-W AND 518-S, APPROVING STIPULATION, REQUIRING ANNUAL REPORT AND REGULATORY ASSESSMENT FEES FOR 1998, AND NOTICE OF PROPOSED AGENCY ACTION ORDER APPROVING INCREASE IN RATES AND CHARGES to be issued in the above-referenced docket.

(Number of pages in order - ~~16~~ 17)

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CF/JSB/dr

Attachment

cc: Division of Water and Wastewater (Walker, Redemann)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for
certificate to provide water and
wastewater service in Orange
County by Zellwood Station Co-
Op, Inc.

DOCKET NO. 980307-WS
ORDER NO. PSC-98-1572-FOF-WS
ISSUED: November 23, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER DECLINING TO INITIATE A SHOW CAUSE PROCEEDING,
GRANTING CERTIFICATE NOS. 602-W AND 518-S,
APPROVING STIPULATION, REQUIRING ANNUAL REPORT AND
REGULATORY ASSESSMENT FEES FOR 1998,
AND
NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING INCREASE IN RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service
Commission that the action establishing rates and charges discussed
herein is 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.

BACKGROUND

Zellwood Station Co-Op, Inc. (Zellwood or utility), is a Class
C utility that provides water and wastewater service in Orange
County for about 1,200 customers in an area known as Zellwood
Station. Residents of Zellwood Station, a 619-acre mobile home
park, include Zellwood's member tenant-shareholders, non-member
lessees, and non-member condominium owners. Zellwood members own
approximately 917 home sites, including 130 that are leased and
about 200 that are presently vacant. About 283 lots are owned by

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three condominium associations: Banbury Village Association, Oak Grove Association, and Citrus Ridge Association. The utility also serves a small number of commercial and urban landscape irrigation customers. In 1996, Zellwood recorded annual revenues of \$209,334 for its combined water and wastewater systems.

The utility was constructed as part of the development in 1975, and has been operating without a certificate since then. Zellwood acquired the utility facilities and assets in 1993 from the previous owner in a bankruptcy proceeding. On March 2, 1998, Zellwood filed an application for a certificate to provide water and wastewater service in Orange County in accordance with Section 367.045, Florida Statutes. The utility has a water distribution system, a water treatment plant, a wastewater collection system, and a wastewater treatment plant.

Twenty-two letters opposing Zellwood's application were filed by customers. Their principal comments were that smaller charges were fixed by developer agreements with the condominiums. Some customers also questioned whether Zellwood needed to be certified. Our staff answered various questions about the Commission's jurisdiction, the application process, and how developer agreements and other issues are examined. Our staff also asked the customers to indicate whether they were requesting a hearing. With one exception, Banbury Village Association (Banbury), all of the objecting customers wanted their letters placed in the correspondence portion of this docket. Pursuant to the protest by Banbury, dated March 31, 1998, this matter was set for an administrative hearing.

By Order No. PSC-98-0707-PCO-WS, issued May 21, 1998, the Pre-Hearing Officer issued an Order Establishing Procedure scheduling the prehearing conference for November 30, 1998, and the hearing for December 16-17, 1998. However, pursuant to No. PSC-98-1004-PCO-WS, issued July 24, 1998, these dates were rescheduled to February 3, 1999 and March 8-9, 1999, for the prehearing and hearing dates, respectively. On September 4, 1998, the parties filed a proposed joint stipulation with the Commission. Pursuant to the stipulation, Banbury withdrew its protest on September 17, 1998.

DECLINING TO INITIATE A SHOW CAUSE PROCEEDING

As stated earlier, Zellwood Station Co-Op, Inc. is in apparent violation of Section 367.031, Florida Statutes, which states, in part, "Each utility subject to the jurisdiction of the commission must obtain . . . a certificate of authorization to provide water or wastewater service." The system has existed since 1975, the cooperative since 1993. The utility has been providing water and wastewater service without a certificate since its inception. Such action is "willful" in the sense intended by Section 367.161, Florida Statutes. Section 367.161, Florida Statutes, authorizes the Commission 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. See Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL.

Zellwood purchased the utility's facilities in 1993 from the previous owner in a bankruptcy proceeding. Zellwood's failure to obtain a certificate prior to providing service appears to be due to lack of knowledge of the statutes and Commission rules. Zellwood became aware of this Commission's regulation and of the necessity to obtain a certificate in 1997 when it renewed its consumptive use permit. Upon learning that it was subject to Commission regulation, Zellwood contacted our staff to discuss the matter. Zellwood informed staff that it intended to file a certificate application concurrent with a request to establish initial rates and charges. Zellwood had some difficulty obtaining supporting documentation from the utility's former owner. Once all such information had been obtained, the instant application was prepared and filed with the Commission.

Although regulated utilities are charged with knowledge of Chapter 367, Florida Statutes, we do not believe that the apparent violation of Section 367.031, Florida Statutes, rises in these circumstances to the level which warrants the initiation of a show cause proceeding. Zellwood contacted us upon becoming aware of our jurisdiction over the utility. In addition, Zellwood has been very responsive to our staff's requests for information. Based upon the foregoing, we decline to initiate a show cause proceeding for Zellwood's apparent violation of Section 367.031, Florida Statutes.

GRANTING CERTIFICATE NOS. 602-W AND 518-S

On March 2, 1998, Zellwood filed an application to receive operating certificates for an existing utility in Orange County. Other than as discussed previously, the application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning original certificates. The application contains a check in the amount of \$3,000, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. Zellwood also provided evidence that the utility owns the land upon which its water and wastewater treatment facilities are located, as required by Rule 25-30.034(1)(e), Florida Administrative Code.

Adequate territorial descriptions and system maps for the proposed service areas have been filed as prescribed by Rule 25-30.034(1) parts (h), (i) and (j), Florida Administrative Code. A description of the territory requested by the applicant is appended to this Order as Attachment A.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, including notice to the customers in the proposed territory. A number of initial objections to the proposed application were received, but with one exception, the objecting customers elected not to protest the application at this time. One party, the Banbury Village Association, Inc., protested the application, but subsequently joined in a stipulation to grant the requested certificates.

Concerning its financial and technical abilities, Zellwood reported that this utility system has provided efficient and sufficient service to its service area for more than 20 years. Further, Zellwood also reported that it has adequate capacity to serve projected growth. We contacted the Florida Department of Environmental Protection and were informed that Zellwood's water and wastewater facilities are in satisfactory condition. Further, Zellwood is not subject to any outstanding violations.

Based on the above information, we believe it is in the public interest to grant Zellwood's application for original certificates. Accordingly, Zellwood Station Co-Op, Inc. is granted Water Certificate No. 602-W and Wastewater Certificate No. 518-S to serve the territory that is described in Attachment A.

APPROVING STIPULATION

As discussed, on March 31, 1998, Banbury protested Zellwood's application for certificates of authorization and its proposed initial rates and charges. Since May of 1998, Zellwood and Banbury have been engaged in settlement negotiations to resolve their respective differences. On September 4, 1998, Zellwood and Banbury filed a joint stipulation concerning Zellwood's application.

The parties agreed that Zellwood should be issued original certificates for its requested service territory. They also agreed that Zellwood should be granted the initial monthly service rates it proposed, or \$15.10 for water service and \$20.43 for wastewater service. Also, they agreed that Zellwood's proposed conservation rate of \$5.27 should apply for residential and general service water use in excess of 10,000 gallons per month and less than 20,000 gallons per month. However, Zellwood's proposed tariff does not address increasing the conservation rate when usage exceeds 20,000 gallons per month. Instead, the tariff provides a mechanism whereby the equivalent residential connection (ERC) factor may be enlarged if a customer's average usage is deemed excessive, but only after 24 months of recorded usage. Thus, the conservation rate element will not exceed \$5.27 per month, per ERC. The stipulation does not address all elements in Zellwood's proposed tariff, since miscellaneous service charges and service availability charges are also requested. These tariff issues are subsequently addressed in this order as proposed agency action.

In return for accepting its proposed rates, Zellwood agreed it would retain these rates for at least three years, or until September 2, 2001, except that the utility may file index applications. Zellwood further agreed not to impose the conservation rate until all occupied lots in Zellwood are metered. Also, Zellwood agreed that before September 2, 2001, it will file an application to establish new rates and charges, thereby providing an opportunity for all interested parties to participate in that subsequent proceeding. In return for Zellwood's promise, Banbury agreed to stipulate to the appropriateness of Zellwood's proposed initial conservation and service rates and to withdraw its protest.

The agreement to stipulate this case helps overcome some initial shortcomings in Zellwood's proposed rate design. An original cost study is needed to fully support Zellwood's claimed

investment in plant facilities. Also, Zellwood's projected expenses and its proposed billing structure must be further examined. However, we believe these problems can be addressed in a future rate proceeding when actual consumption data is known and more complete information is available.

Before this proceeding, Zellwood was charging its residential customers \$17.50 per month irrespective of actual usage. Zellwood is now installing meters to register actual consumption and has agreed to request usage-sensitive rates after a three-year trial period. Zellwood believes its customers need time to learn how to moderate their usage.

Zellwood is a cooperative housing corporation which provides service throughout the Zellwood Station community. While most of Zellwood's customers are its own member tenant-shareholders, condominium associations like Banbury are the second largest group. Zellwood believes that imposing metered rates at this time may create unnecessary conflicts with respect to existing agreements with the condominium owners.

We find that the agreement to retain these rates for three years will benefit Zellwood's customers. In addition, we find that settlement of this matter will result in savings of both time and money for Zellwood, Banbury, and other customers. After its proposed rates are implemented, Zellwood will stop billing the \$17.50 charge that it presently collects through its maintenance fee. Based upon these findings, we hereby approve the proposed stipulation.

RATES AND CHARGES

For this proceeding, Zellwood has requested charges that are basically fixed amounts. For a typical residential customer, a \$15.10 rate is proposed for water service, a \$5.27 surcharge is added if usage exceeds 10,000 gallons per month, and \$20.43 is proposed for wastewater service. Also, after meters are installed, and a customer's average usage for 24 months is known and shared with the customer, Zellwood may impose a penalty for excessive water consumption. For a typical residential customer, when excessive use is detected, the customer's ERC number will increase as follows: two ERCs for using 25,000 gallons, three ERCs for 36,000 gallons, four ERCs for 48,000 gallons, five ERCs for 60,000

gallons, and one added ERC for each successive 10,000 gallon increment.

Zellwood contends that collection of these rates is needed to permit recovery of its operating expenses and interest costs relative to its investment in plant facilities. Zellwood also asserts that the \$5.27 increment for usage beyond 10,000 gallons and the ERC multiplier effect are needed to comply with its water consumption permit, which is issued by the St. Johns River Water Management District (SJRWMD). That agency ordered Zellwood to institute certain measures designed to reduce its water usage, including the following: a) to individually meter all residential water connections by December 31, 1998; b) to conduct a detailed water audit by December 31, 2000; c) to initiate a leak detection and repair program for its water distribution and irrigation systems; and d) to submit a residential water rate structure with the Florida Public Service Commission.

Zellwood's water consumption permit was issued on or about August 13, 1997. SJRWMD found that Zellwood's customers may be using 308 gallons per day (gpd), whereas a 150 gpd standard can be attained. While 10 years is the usual duration for consumptive use permits, SJRWMD granted Zellwood a 5-year permit to hasten conservation measures. By letter dated August 27, 1998, Dwight T. Jenkins, as Director of Water Use Regulation for SJRWMD, stated that his staff does not object to Zellwood's proposed temporary rate structure in order to provide Zellwood sufficient time within which to install individual meters and to collect necessary water use data to support a permanent conservation rate structure.

An audit investigation was conducted in this case, and a prominent finding was that original cost records were not available for inspection. Consequently, submission of an original cost study is essential, which Zellwood acknowledged in response to interrogatories propounded by our staff.

As noted, the stipulation provides a three-year transition period to help acclimate customers to usage-based rates and to prepare a rate application. Since the stipulation did not address meter deposits, miscellaneous service fees, or service availability charges, Banbury may oppose their collection. We therefore approve the following base facility and gallonage charges, and the following meter deposits, miscellaneous charges, and service availability charges:

Water Tariff
Residential and General Service - Monthly Rates

<u>Meter Size</u>	<u>Flat Rate:</u>	<u>Surcharge:</u>	<u>Usage after:</u>
5/8 x 3/4"	\$15.10	\$5.27	10,000
Full 3/4"	\$22.65	\$7.90	15,000
1"	\$37.75	\$13.17	25,000
1 1/2"	\$75.50	\$26.35	50,000
2"	\$120.80	\$42.16	80,000
3"	\$241.60	\$84.32	160,000
4"	\$377.50	\$131.75	250,000
6"	\$755.00	\$263.50	500,000
8"	\$1,208.00	\$421.59	800,000
10"	\$1,736.50	\$606.04	1,150,000

Wastewater Tariff
Residential and General Service - Monthly Rates

<u>Meter Size</u>	<u>Flat Rate:</u>
5/8 x 3/4"	\$20.43
Full 3/4"	\$30.65
1"	\$51.08
1 1/2"	\$102.15
2"	\$163.44
3"	\$326.88
4"	\$510.75
6"	\$1,021.50
8"	\$1,634.40
10"	\$2,349.45

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Customer Deposits

Zellwood waives its right to collect deposits at this time.

Meter Test Deposits

<u>Meter Size:</u>	<u>Charge</u>
5/8 x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

Miscellaneous Service Charges

Initial Connection Fee:	\$ 15.00
Normal Reconnection Fee:	\$ 20.00
Violation Reconnection Fee:	\$ 20.00
Premises Visit Fee:	\$ 15.00

Service Availability Charges

<u>Water Tariff</u>	<u>Amount</u>
<u>Customer Connection (Tap-in) Charge</u>	
5/8" x 3/4"	\$195.00
Full 3/4"	\$195.00
1"	\$225.00
1 1/2"	\$365.00
2" and above	Actual Cost
<u>Meter Installation Fee</u>	
5/8" x 3/4"	\$193.00
Full 3/4"	\$193.00
1"	\$210.00
1 1/2"	\$285.00
2" and above	Actual Cost
Main Extension Charge - Residential per ERC	\$31.00

Plant Capacity Charge - Residential per ERC	\$141.00
Reserve Capacity Charge - Residential per ERC	\$61.00
<u>Wastewater Tariff</u>	<u>Amount</u>
Main Extension Charge - All Customers	\$145.00
Plant Capacity Charge - All Customers	\$125.00
Reserve Capacity Charge - All Customers	\$95.00

The utility has filed a tariff which reflects the above rates and charges. Zellwood is hereby required to continue to charge these rates and charges until authorized to change by the Commission. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

REGULATORY ASSESSMENT FEES

Pursuant to Rules 25-30.110(3) and 25-30.120(2), Florida Administrative Code, annual reports and regulatory assessment fees are due from regulated utilities whether or not a certificate has been granted. It appears that this utility system may have been subject to our jurisdiction since its formation in 1975. Zellwood, the present owner, acquired this system in 1993 after the former owner was declared bankrupt. On or about August 12, 1997, Zellwood was issued a water consumption permit for its service area by SJRWMD. As the regional water authority, SJRWMD ordered Zellwood to submit a rate application before this Commission to facilitate individual metering of customers and to promote conservation. Zellwood filed its application for certification on March 2, 1998.

On several occasions before March of 1998, the Commission's technical staff met with representatives for Zellwood to discuss the format for an application for an original certificate for an existing system that already charges for service. This coordination of effort continued while the application was being prepared. Thus, Zellwood was on notice about the Florida Statutes and Commission rules before its application was filed.

Pursuant to Sections 350.113, 367.021(12) and 367.145, Florida Statutes, as soon as Zellwood began charging for water and wastewater services for compensation, the utility was subject to Commission jurisdiction and therefore, regulatory assessment fees.

Rule 25-30.120(2), Florida Administrative Code states:

The obligation to remit the regulatory assessment fees for any year shall apply to any utility which is subject to this Commission's jurisdiction on or before December 31 of that year or for any part of that year, whether or not the utility has actually applied or been issued a certificate.

Further, pursuant to Rule 25-30.110(3)(a), Florida Administrative Code, we require annual reports to be filed to determine the earnings level of the utility; to determine whether a utility is in substantial compliance with the Uniform System of Accounts as well as applicable rules and orders of the Commission; to determine whether financial statements and related schedules fairly present the financial condition and results of operations for the period presented; and to determine whether other information presented as to the business affairs of the utility are correct for the period they represent.

The developer of the Zellwood community was declared bankrupt in 1993, when the present utility was formed. It further appears that Zellwood learned about this Commission's regulatory authority in 1997, when its water consumption permit was approved. Since Zellwood has filed for an original certificate, we do not believe that annual report information before 1998 is needed. In the past, we have required utilities to apply for original certificates and pay regulatory assessment fees from the time that we became aware of their existence. Although we became aware of Zellwood's existence at the end of 1997, we do not believe that Zellwood's application for a certificate was unreasonably tardy in this proceeding.

We note that this decision is based on unique facts involving this utility. Zellwood operates as a housing cooperative and its shareholder members are assessed dues to pay for any unrecovered costs. We note that, based on remarks made by Zellwood's counsel at the November 3, 1998 Agenda Conference, that until its proposed rates are implemented, Zellwood's shareholders will bear the full

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impact of any added costs. Members of the Cooperative would experience an immediate increase in their dues to pay regulatory assessment fees for 1998. Pursuant to Section 367.145, Florida Statutes, regulatory assessment fees are calculated based on gross operating revenues. Therefore, in this case, we find it appropriate to calculate regulatory assessment fees from the issuance date of this order.

Therefore, Zellwood is required to file an annual report for the calendar year 1998, and to remit regulatory assessment fees for 1998 calculated from the issuance date of this Order.

CLOSING THE DOCKET

Upon expiration of the protest period, if no timely protest is filed, this docket shall be closed administratively.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Zellwood Station Co-Op, Inc., 2126 Spillman Drive, Zellwood, Florida 32798-9797, is hereby granted Certificate Nos. 602-W and 518-S, to provide water and wastewater service, respectively, in the territory described in Attachment A of this Order. It is further

ORDERED that the proposed stipulation between Zellwood Station Co-Op, Inc., and Banbury Village Association is hereby approved. It is further

ORDERED that Zellwood Station Co-Op, Inc. shall charge the rates and charges set forth in the body of this Order. It is further

ORDERED that Zellwood Station Co-Op, Inc. shall continue to charge the approved rates and charges until authorized to change by the Commission. It is further

ORDERED that the tariff filed by Zellwood Station Co-Op, Inc. shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets. It is further

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ORDERED that Zellwood Station Co-Op, Inc. shall file an annual report for calendar year 1998, and pay regulatory assessment fees for the calendar year 1998, to be calculated from the date this Order issues. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 23rd day of November, 1998.



KAY FLINN, Chief
Bureau of Records

(S E A L)

CF/JSB

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.

As identified in the body of this order, our action approving rates and charges is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this

order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 14, 1998. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective on the date subsequent to the above date.

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 the relevant portion of 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 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 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.

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 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 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

ZELLWOOD STATION CO-OP, INC.

WATER AND WASTEWATER SERVICE AREA

ORANGE COUNTY

A portion of land in Sections 25, 26, and 35, Township 20 South, Range 27 East, Orange County described as follows:

PARCEL 1:

Begin at a point on the West line of Section 25, Township 20 South, Range 27 East, Orange County, Florida, said point being 30.00 feet South of the Northwest Corner of said Section 25; thence run North $85^{\circ}44'53''$ East, along the South line of the North 30.00 feet of the West half of said Section 25, 2645.959 feet to a point on the North-South quarter section line, said point being 30.00 feet South of the North quarter corner of said Section 25, thence run North $87^{\circ}35'27''$ East, along the South line of the North 30.00 feet of the East half of said Section 25, 1349.217 feet to a point on the East line of the West three quarters of said Section 25, thence run South $02^{\circ}46'51''$ East, along the East line of the West three-quarters of said Section 25, 5283.769 feet to a point 30.00 feet North of the South line of said Section 25; thence run South $86^{\circ}50'37''$ West, along the North line of the South 30.00 feet of said Section 25, 1322.303 feet to a point on the North-South Quarter section line of said Section 25, said point being 30.00 feet North of the South quarter corner of said Section 25; thence run South $86^{\circ}50'37''$ West along the north line of the South 30.00 feet of said Section 25, 2229.402 feet to a point 430.00 feet East of the West line of said Section 25, thence run North $02^{\circ}58'42''$ West, parallel to the West line of said Section 25, 95.00 feet, thence run South $86^{\circ}50'37''$ West, parallel to the South line of said Section 25, 430.00 feet to a point on the West line of said Section 25, thence run South $02^{\circ}58'42''$ East along the West line of said Section 25, 95.00 feet to a point 30.00 feet North of the Southwest corner of said Section 25, thence run South $87^{\circ}09'16''$ West, along the north line of the South 30.00 feet of Section 26, Township 20 South, Range 27 East, 2629.027 feet to a point on the North-South quarter Section line of said Section 26, said point being 30.00 feet north of the South Quarter corner of said Section 26, thence run South $86^{\circ}45'34''$ West, along the North line of the South 30.00

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feet of said Section 26, 16.523 feet to a point of intersection with the northerly right of way of State Road 441, said point being on a curve concave southwesterly and having a radius of 5859.65 feet and tangent bearing at said point of North 42°14'25" West; thence run northwesterly, along said curve and northerly right of way, 588.174 feet through a central angle of 05°45'04" to the point of tangency of said curve, thence run North 47°59'29" West, continuing along said northerly right of way, 850.808 feet to a point of intersection with the East line of the West 330.00 feet of the East half of the southwest quarter of said Section 26, thence run North 03°22'34" West along said East line of the West 330.00 feet 371.027 feet to a point 93.00 feet North of the North line of the southeast quarter of the southwest quarter of said Section 26, thence run North 87°07'09" East, parallel to the North line of said southeast quarter of the southwest quarter 1003.524 feet to a point of intersection with the North-South quarter section line of said Section 26, thence run North 03°27'28" West, along the North-South Quarter section line of said Section 26, 3300.103 feet to a point 699.00 feet South of the North quarter corner of said Section 26, thence run North 89°49'16" East, parallel to the North line of the East half of said Section 26, 788.00 feet; thence run North 03°27'28" West parallel to the North-South quarter section line of said Section 26, 669.00 feet to a point 30.00 feet South of the North line of the East half of said Section 26, thence run North 89°49'16" East, along the South line of the North 30.00 feet of the East half of said Section 26, 1894.646 feet to the Point of Beginning.

PARCEL 2:

A parcel of land lying in the northwest quarter of the northeast quarter of Section 35, Township 20 South, Range 27 East, Orange County, Florida, said parcel being more particularly described as follows: From the northwest corner of the northwest quarter of the northeast quarter of Section 35, Township 20 South, Range 27 East, thence run North 87°09'16" East, along the North line of the northeast quarter of said Section 35, 7.536 feet to a point on the northerly right of way line of State Road No. 441, said point being on a curve concave Southwesterly and having a radius of 5859.65 feet and a tangent bearing at said point of South 41°51'47" East, thence run Southeasterly, along said curve and Northerly right of way line, 38.510 feet through a central angle of 00°22'36" to a point, said point being on the Southerly right of way line of Yother Road and having a tangent bearing of South 41°29'12" East,

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said point also being the Point of Beginning; thence run North 87°09'16" East, along said southerly right of way line of Yother Road, 160.332 feet to an intersection with the Northerly right of way line of Merrimac Drive; thence run South 48°51'14" West, along said northerly right of way line of Merrimac Drive, 126.076 feet to a point, said point being on the northerly right of way line of said State Road No. 441 and on a curve with a tangent bearing at said point of North 40°30'54" West, thence run northwesterly, along said curve and northerly right of way line of said State Road No. 441, 99.373 feet through a central angle of 00°58'18" to the Point of Beginning

PARCEL 3:

From the Northwest Corner of the Northeast 1/4 of Section 35, Township 20 South, Range 27 East, Orange County, Florida, run North 87°09'16" East along the north line of said Northeast 1/4 of Section 35 a distance of 760.52 feet to the Point of Beginning, thence continue North 87°09'16" East along said North line 348.97 feet to a point on a curve concave Southeasterly and having a radius of 585.60 feet; said point also being on the Northwesterly right of way line of Yother Road, as recorded in O.R. Book 2658, Page 1318, of the Public Records of Orange County, Florida, thence from a tangent bearing Of South 55°53'46" West, run Southwesterly along the arc of said curve and said northwesterly right of way line 43.28 feet through a central angle of 04°14'05" to a point of compound curvature of a curve concave southeasterly and having a radius of 526.37 feet thence run Southerly along the arc of said curve 115.87 feet through a central angle of 12°36'45"; thence leaving said Northwesterly right of way line run North 50°57'04" West 37.04 feet to a point on a curve concave northerly and having a radius of 243.00 feet thence from a tangent bearing of South 82°04'38" West run Westerly along the arc of said curve 220.63 feet through a central angle of 52°01'15" to a Point of Beginning.