

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for
certificates to operate a water
and wastewater utility in
Charlotte and DeSoto Counties by
Lake Suzy Utilities, Inc.

DOCKET NO. 970657-WS

In re: Application for
amendment of Certificates Nos.
570-W and 496-S to add territory
in Charlotte County by Florida
Water Services Corporation.

DOCKET NO. 980261-WS
ORDER NO. PSC-00-0575-PAA-WS
ISSUED: March 22, 2000

The following Commissioners participated in the disposition of
this matter:

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

ORDER APPROVING SETTLEMENT AGREEMENT AND STIPULATION,
AMENDING WATER AND WASTEWATER CERTIFICATES,
APPROVING STIPULATION REGARDING REFUNDS AND REGULATORY
ASSESSMENT FEES, AND GRANTING WATER AND WASTEWATER CERTIFICATES
AND
NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service
Commission that the action discussed herein regarding approval of
rates and charges 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

Lake Suzy Utilities, Inc. (Lake Suzy, LSUI or utility)
provides water and wastewater service to approximately 142 water

DOCUMENT NUMBER-DATE

03640 MAR 22 8

FPSC-RECORDS/REPORTING

customers and 141 wastewater customers in DeSoto and Charlotte Counties, Florida. The utility's 1996 annual report shows an annual operating revenue of \$182,904 and a net operating income of \$2,546. The utility is a Class C utility company.

On June 3, 1997, Lake Suzy filed an application for amendment to include additional territory in DeSoto and Charlotte Counties. On August 8, 1997, the utility was advised that it needed to file an application for original in existence certificates instead of an application for amendment of certificates. On September 11, 1997, Lake Suzy filed an original certificate application to provide water and wastewater service in DeSoto and Charlotte Counties. On October 22, 1997, DeSoto County timely filed an objection to the application for original certificate. On October 24, 1997, Charlotte County timely filed an objection to Lake Suzy's application. On January 13, 1998, DeSoto County filed a withdrawal of the objection to Lake Suzy's application and a notice of voluntary dismissal. On January 14, 1998, Charlotte County also withdrew its objection and included a copy of the settlement agreement reached between Charlotte County and Lake Suzy. The official filing date for this application was March 17, 1998, when all the deficiencies were complete.

On February 19, 1998, Florida Water Services Corporation (FWSC or Florida Water) filed an application for amendment to add territory in Charlotte County. Subsequently, on March 4, 1998, FWSC filed an Objection to Application(s) for Territory Amendment & Original Certificates by Lake Suzy Utilities, Inc. and Petition for Leave to Intervene. On March 18 and 19, 1998, Charlotte County and Haus Development, Inc. (Haus), respectively, timely filed objections to FWSC's application. On March 20, 1998, Lake Suzy filed a Response to Objection of Florida Water Services Corporation and Florida Water Services Corporation's Petition to Intervene, as well as a timely objection to FWSC's application. On April 13, 1998, FWSC filed a Motion to Consolidate Dockets Nos. 970657-WS and 980261-WS. On April 20 and 28, 1998, Lake Suzy and Haus, respectively, filed responses to FWSC's Motion to Consolidate.

By Order No. PSC-98-1089-PCO-WS, issued August 11, 1998, we consolidated Dockets Nos. 970657-WS and 980261-WS and set the matter for hearing. In light of this decision, we also granted intervention to both Charlotte and DeSoto Counties upon oral motion at the July 21, 1998 Agenda Conference. Subsequently, on August 17, 1998, DeSoto County filed notice of its withdrawal of its

objection to the application of Lake Suzy and notice of voluntary dismissal of its petition.

On August 13, 1998, Lake Suzy filed a Motion for Partial Summary Disposition, and on August 25, 1998, FWSC filed its Response in Opposition to Lake Suzy Utilities, Inc.'s Motion for Partial Summary Disposition. On August 21, 1998, the Division of Legal Services received a copy of a Memorandum and Response to Lake Suzy Utilities, Inc.'s Motion for Partial Summary Disposition by Charlotte County. Charlotte County's response was subsequently filed with the Division of Records and Reporting on August 31, 1998. At the October 6, 1998 Agenda Conference, we acknowledged DeSoto County's withdrawal and voluntary dismissal of its petition and denied Lake Suzy's motion. By Order No. PSC-98-1538-PCO-WS, issued November 20, 1998, we reconsidered our October 6, 1998 decision and again denied Lake Suzy's motion.

A Prehearing Conference was held in this matter on December 14, 1998, and Order No. PSC-98-1756-PHO-WS (Prehearing Order) was issued on December 23, 1998, setting forth the procedures to be followed at hearing. On January 11, 1999, FWSC, in conjunction with Lake Suzy, filed a Joint Motion for Continuance, stating that the movants were engaged in good faith settlement discussions and had appeared to reach a settlement in principle on major points.

By Order No. PSC-99-0078-PCO-WS, issued January 11, 1999, the parties' motion was granted. Pursuant to that Order, the parties were to report on the status of settlement negotiations within 90 days from the date of filing the motion. In the event the parties had not reached a settlement, the Order provided that hearing and procedural dates would be reestablished. Based on the Order, the hearing dates were canceled.

On April 9, 1999, FWSC and Lake Suzy filed a Settlement Progress Report and Motion for More Time. The parties indicated that they were making progress toward a settlement but required additional time. Therefore, the parties requested an additional 45 days from the date of the progress report to again report to us on their settlement progress. By Order No. PSC-99-0973-PCO-WS, the parties' motion was granted.

On May 14, 1999, Lake Suzy filed a Progress Report and Request to Reschedule Hearing. Lake Suzy stated that FWSC and Lake Suzy could not finalize a settlement. Lake Suzy requested that the matter be rescheduled for hearing as soon as possible. On June 7,

1999, FWSC Filed a Supplement to Settlement Progress Report. FWSC indicated that Lake Suzy had been purchased by AquaSource Utility, Inc. (AquaSource), and suggested that more discovery would be needed, and that the issues and positions in the Prehearing Order would need to be revisited in light of this purchase. On June 7, 1999, Lake Suzy responded to FWSC's supplement to settlement progress report, indicating that there was no need to revisit the issues and positions in the Prehearing Order.

On June 18, 1999, FWSC filed a Motion for Commission to Take Official Notice that DeSoto County had enacted Ordinance Number 1999-10, which granted FWSC territory in DeSoto County, which Lake Suzy has requested in this proceeding before us. On June 23, 1999, Lake Suzy timely responded to FWSC's motion, requesting that we deny FWSC's motion and reaffirm that DeSoto County's action did not divest this Commission of its jurisdiction over Lake Suzy's application.

In July, 1999, the parties met informally with our staff to discuss the subsequent developments in the case and to attempt to reschedule hearing dates and any necessary preliminary dates. The parties proposed that the hearing be rescheduled sometime in October of 1999, pending settlement of hearings in other FWSC proceedings scheduled during that time. The October dates did not become available, and the hearing was rescheduled for February 3 and 4, 2000, the next earliest dates available.

On August 30, 1999, DeSoto County filed a Petition for Leave to Intervene in this proceeding. On September 7, 1999, Lake Suzy timely filed an objection to the County's motion. The County filed a reply to Lake Suzy's objection on September 20, 1999. On September 8, 1999, Lake Suzy filed a Motion to Expedite Hearing. On September 17, 1999, Haus Development, Inc. filed a letter indicating that it concurred with Lake Suzy's motion to expedite. By Order No. PSC-99-2121-PCO-WS, issued October 25, 1999, we granted DeSoto County's petition to intervene and denied Lake Suzy's motion to expedite hearing. By Order No. PSC-99-2047-PCO-WS, issued October 20, 1999, revised dates were scheduled for filing prehearing statements and briefs. The Order also provided dates for filing additional testimony regarding any new issues which had arisen subsequent to cancellation of the January 13-14, 1999, hearing.

On December 13, 1999, Lake Suzy filed a timely Objection to Florida Water's First Request for Production of Documents served on

December 1, 1999. In response to Lake Suzy's Objection, Florida Water filed a Reply on December 29, 1999, requesting that an Order be issued overruling Lake Suzy's Objections and requiring Lake Suzy to produce the propounded discovery immediately.

On January 11, 2000, Florida Water filed a Notice of Taking Deposition of Lake Suzy. On January 14, 2000, Lake Suzy filed a Motion for Protective Order.

A Prehearing Conference was held on January 24, 2000. During the Prehearing Conference, Lake Suzy and FWSC presented a Settlement Agreement and Stipulation which would alleviate the time and expense of a formal hearing in this matter. The proposed settlement provides, in part, that FWSC will agree to withdraw its application for amendment in Docket No. 980261-WS, and Lake Suzy will amend its certificate application in Docket No. 970657-WS to remove certain territory granted to FWSC by DeSoto County. Based on the proposed settlement agreement, the Prehearing Conference was canceled, and the Chairman canceled the hearing dates. Thereafter, FWSC and Lake Suzy withdrew all pending motions and discovery requests.

This Order addresses FWSC's and Lake Suzy's proposed settlement, and all matters relating to the parties' pending applications.

SETTLEMENT AGREEMENT AND STIPULATION

As discussed above, Lake Suzy and FWSC indicated at the Prehearing Conference that they had reached a settlement which eliminated the need for a hearing in these dockets. Because Lake Suzy and FWSC desired to resolve this matter as quickly as possible, the parties presented a facsimile copy of the proposed settlement for discussion during the Prehearing Conference. The parties explained that, because the necessary signatories were in different parts of the country, an original signature page could not be filed at that time. A hard copy and separate signature pages bearing each party's signatures were subsequently provided to our staff counsel and filed with the Division of Records and Reporting on February 10, 2000. These documents constitute Attachment A, which, by reference, is incorporated herein.

The Settlement Agreement and Stipulation (Agreement), provides, in pertinent part, the following:

1) FWSC shall withdraw with prejudice and without leave to refile its objection to Lake Suzy's application (Docket No. 970657-WS) pertaining to the territory Lake Suzy has requested in Charlotte County i.e., the Links subdivision;

2) FWSC shall withdraw with prejudice and without leave to refile the amendment application it filed in Docket No. 980261-WS. FWSC agrees not to file any future applications to provide service in the territory described in Docket No. 980261-WS in Charlotte County;

3) FWSC agrees that it will not dispute Lake Suzy's or AquaSource's right to serve either the Links subdivision in Charlotte County or the territory in DeSoto County which was previously granted by this Commission to Lake Suzy pursuant to Certificates Nos. 416-S and 480-W prior to DeSoto County's March, 1997 resolution to resume jurisdiction over water and wastewater utilities within the County. FWSC further agrees that it will not provide service in the territory described in those certificates;

4) Lake Suzy will dismiss with prejudice and without leave to refile all appeals and court actions pending against FWSC and DeSoto County in the Twelfth Judicial Circuit in and for DeSoto County, in particular Case Nos. 99-0380-CA, 99-0379CA and 99-381CA;

5) Lake Suzy acknowledges DeSoto County's authority to grant FWSC a franchise in DeSoto County and Lake Suzy agrees that it will not dispute FWSC's right to serve the franchised territory granted FWSC by DeSoto County Ordinance No. 99-10. Lake Suzy will withdraw without leave to refile that portion of its certificate application in Docket No. 970657-WS which overlaps the aforesaid franchise area;

6) Lake Suzy and AquaSource agree not to sue or take any action against FWSC or DeSoto County to dispute the Water Supply Agreement between FWSC and DeSoto County dated December 14, 1999 or FWSC's right to the water allocation described therein; and

7) The Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. The parties intend that the Agreement shall survive any and all mergers, acquisitions, or reorganizations of any of the parties and will be binding on all affiliates, subsidiaries and related entities.

During the Prehearing Conference, some discussion arose regarding certain language contained in the Agreement. Counsel for Charlotte County expressed concern regarding the following provision found at page five of the Agreement:

12. Any waiver of any term or condition of this Agreement or of any subsequent amendment or modification of this Agreement, shall be effective only if set forth in a written document executed by a duly authorized officer or partner of the waiving party, in the case of waiver, and by each of the parties in the case of a modification or amendment. A waiver of any breach or failure to enforce any of the terms of the Agreement by a party shall not in any way effect, limit or waive the party's other rights hereunder at any time to enforce strict compliance thereafter with each and every term of the Agreement.

Charlotte County's counsel stated that based on Paragraph 12, the parties could conceivably get together and amend the settlement. In particular the parties could amend paragraph 2, which is the most important paragraph to Charlotte County. Paragraph 2, as discussed above, provides, in part, that FWSC agrees not to file any future applications to provide service in the territory described in Docket No. 980261-WS in Charlotte County.

Charlotte County's comments were duly noted and made part of the record of the Prehearing Conference. Further, it was made clear on the record that FWSC would have no future right to serve the territory described in Docket No. 980261-WS without a prior determination by this Commission. We note that such determination would require notice and an opportunity for Charlotte County's participation.

Counsel for DeSoto County also made comment on the record regarding two scrivener's errors. In particular, the background language on page two of the Agreement states that AquaSource had purchased lake Suzy in May of 1999. The actual date was June 3, 1999. Further, Paragraph 5 states that "Lake Suzy will withdraw without leave to refile" the portion of its certificate which overlaps the franchise granted FWSC by DeSoto County. The preceding paragraphs of the Agreement used the wording "will withdraw with prejudice and without leave to refile." Counsel for FWSC drafted the Agreement and stated on the record that the wording of Paragraph 5 was intended to have the same meaning as the

wording contained in the previous paragraphs. The corrections to the scrivener's errors were duly noted and made a part of the record of the Prehearing Conference.

We find that the parties' Agreement is a reasonable resolution of these dockets which benefits all of the participants in this proceeding by alleviating the time and expense of a hearing in this matter. Further, the settlement provisions, as clarified at the Prehearing Conference, address the concerns of all of the parties.

Based on the foregoing, the February 9, 2000 Settlement Agreement and Stipulation filed by FWSC and Lake Suzy, is hereby approved subject to the clarifications and corrections discussed at the January 24, 2000 Prehearing Conference.

AMENDMENT OF FWSC CERTIFICATES

The approved settlement agreement states on Page 3, Paragraph 3 that Florida Water agrees that it will not dispute Lake Suzy or AquaSource's right to serve either the Links subdivision in Charlotte County or the territory which this Commission had authorized Lake Suzy to serve pursuant to Certificate Nos. 416-S and 480-W, prior to DeSoto County's March 1997 resolution to reassume jurisdiction over water and wastewater utilities within the County. Florida Water further agrees that it will not provide utility service in the territory described in those certificates.

When Florida Water (then Southern States Utilities, Inc.) received its grandfather certificate for its water and wastewater service in Charlotte County (by Order No. PSC-95-1164-FOF-WS, issued on September 20, 1995, in Docket No. 941301-WS), the certificate included one partial lot and some vacant area in the Links territory. Based on the agreement, the Links territory shall be removed from Florida Water's water and wastewater territory for inclusion in Lake Suzy's territory. Charlotte County intends to provide wastewater service to this area.

Therefore, Florida Water Services Corporation's Water Certificate No. 570-W and Wastewater Certificate No. 496-S are hereby amended to delete one partial lot and some vacant area in the Links territory described in Attachment B which, by reference, is incorporated herein.

CERTIFICATE APPLICATION

As discussed earlier, on September 11, 1997, Lake Suzy filed an original certificate application to provide water and wastewater service in DeSoto and Charlotte Counties, and subsequent objections were filed by DeSoto County, Charlotte County and Florida Water Services. On January 14, 1998, Charlotte County withdrew its objection and submitted a copy of the settlement agreement reached between the County and Lake Suzy. The agreement provides that Lake Suzy will provide water service to the Links in Charlotte County, and Charlotte County will provide wastewater service to this property and provide water and wastewater service to the Byrd Property, which is located in DeSoto County - a 2.4 acre parcel. On February 9, 2000, Lake Suzy and FWSC filed the settlement agreement reached between Lake Suzy and Florida Water discussed earlier.

Except as noted below, the application is in compliance with the governing statutes, Sections 367.031 and 367.171, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for an existing utility that transverses county boundaries. The present application of Lake Suzy indicates that water service will be provided in DeSoto and Charlotte Counties and wastewater service will be provided in DeSoto County only. Therefore, only Lake Suzy's water lines will physically transverse county boundaries.

Pursuant to Section 367.171(7), Florida Statutes, this Commission has exclusive jurisdiction over "all utility systems whose service transverses county boundaries," whether or not the counties are jurisdictional. The term "system" is defined in Section 367.021(11), Florida Statutes, as "facilities and land used or useful in providing service, and upon a finding by the [C]ommission, may include a combination of functionally related facilities and land."

Lake Suzy is comprised of only one water and wastewater facility which will be extended across the boundary between DeSoto and Charlotte Counties to provide water service. No separate facility exists or will exist in Charlotte County. Therefore, Lake Suzy's water and wastewater facility constitutes a system for purposes of Section 367.171(7), Florida Statutes. Furthermore, Lake Suzy's provision of water service across county boundaries invokes this Commission's jurisdiction over the entire water and wastewater system even though Lake Suzy's wastewater service will

not transverse county boundaries. If the provision of wastewater service across county boundaries were required in this case before our jurisdiction was invoked over that portion of Lake Suzy's facility providing wastewater service, dual regulation by this Commission and DeSoto County would occur.

In addressing a similar situation in Order No. 22459, issued January 24, 1990, in Docket No. 891190-WS, In re: Petition of General Development Utilities, Inc. for Declaratory Statement Concerning Regulatory Jurisdiction over its Water and Wastewater System in DeSoto, Charlotte, and Sarasota Counties, we stated,

We do not believe that the legislature intended . . . to perpetuate a situation where a utility would be subject to several regulators. On the contrary, we believe that the Legislature intended to eliminate the regulatory problems that exist when utility systems provide service across political boundaries and are subject to regulation by two or more regulatory agencies. . . . This duplicative economic regulation is inefficient and results in potential inconsistency in the treatment of similarly situated customers. Inefficiency stems from the need for multiple rate filings and multiple rate hearings. It also stems from the need to perform jurisdictional cost studies to attempt to allocate the costs of a single system across multiple jurisdictions. These inefficiencies could result in unnecessary and wasteful effort which would translate into higher rate case expense and higher rates to customers. Inconsistency can occur when regulators apply different ratemaking principles to the same system or make inconsistent determinations on the same issue.

The Legislature chose to promote efficient, economic regulation of multi-county systems by giving the Commission exclusive jurisdiction over all utilities whose service crosses county boundaries. . . . By concentrating exclusive jurisdiction over these systems in the Commission, the Legislature has corrected the problem of redundant, wasteful, and potentially inconsistent regulation.

Therefore, even though Lake Suzy's wastewater lines will not transverse county boundaries, we find that we have jurisdiction pursuant to Section 367.171(7), Florida Statutes, to process the

utility's application both for water and wastewater certificates, by virtue of Lake Suzy's delivery of water across county boundaries via its single facility in DeSoto County. Any other interpretation in this case would create dual regulation. We believe that such a result would be inconsistent with both the spirit and legislative intent of Section 367.171(7), Florida Statutes.

The application contains a check in the amount of \$1,500, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, and the applicant has provided evidence that the utility owns the land upon which its facilities are located as required by Rule 25-30.034(1), (e), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.034(1), (h), (i) and (j), Florida Administrative Code. A description of the territory requested by the applicant is attached to this Order as Attachment C.

According to the application, Lake Suzy has been in existence since November of 1981. As to the technical ability to provide service, Lake Suzy has retained a licensed operator to take monthly water bacteriological samples and retains a professional engineer from A&M Engineering for engineering purposes and other technical advice. We have contacted the Department of Environmental Protection (DEP) and learned that there are no outstanding notices of violation with respect to either Lake Suzy's Water or Wastewater system.

With respect to financial ability, Lake Suzy's 1996 Annual Report indicates a net operating income for water of \$11,851. The utility completed a staff assisted rate case with us on July 30, 1997, and the rates have been adjusted to ensure financial stability to render service to its existing and future customers. The wastewater plant is in compliance with DEP, and the utility has recently submitted plans to expand the wastewater treatment plant.

Lake Suzy has indicated in its application that it has entered into a Water and Wastewater territory expansion agreement with Haus Development to provide water and wastewater service in Charlotte County. The stipulation between Lake Suzy and Charlotte County provides that Charlotte County will provide wastewater service to the area and that Lake Suzy will provide water service.

Lake Suzy has met all the criteria established in the rules for the granting of the requested territory. The utility has a current service agreement.

Based on the foregoing, we find that it is in the public interest to grant Lake Suzy's application for certificates. Accordingly, Lake Suzy is hereby granted Water Certificate No. 599-W and Wastewater Certificate No. 514-S to serve the territory described in Attachment C which, by reference, is incorporated herein.

REFUND STIPULATION

As noted in the Case Background, on June 3, 1997, Lake Suzy filed an application for amendment to include additional territory in DeSoto and Charlotte Counties. After being advised by our staff that an application for amendment was an inappropriate filing, Lake Suzy subsequently filed an application for an original in existence certificate on September 11, 1997. On August 26, 1998, without prior Commission approval, Lake Suzy began providing service to Lot 18 of the Links Subdivision which is located in Charlotte County and is part of the territory requested in Lake Suzy's application.

Section 367.031, Florida Statutes, provides that each utility subject to the jurisdiction of the Commission must obtain from the Commission a certificate of authorization to provide water or wastewater service. Section 367.161(1), Florida Statutes, authorizes this 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.

Utilities are charged with the knowledge of the Commission's 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). Thus, any intentional act, such as the utility's failure to obtain a certificate of authorization prior to providing water or wastewater service, would meet the standard for a "willful violation." In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL titled 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., having found that the company had not intended to violate the rule, we

nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "'willful' implies intent to do an act, and this is distinct from intent to violate a statute or rule." Id. at 6.

Failure to obtain a certificate of authorization prior to providing water or wastewater service is an apparent violation of Section 367.031, Florida Statutes. However, Lake Suzy has stated in its application that it began providing service to Lot 18 out of public necessity and convenience as requested by the owners of the property. The owners were experiencing taste and odor problems, as well as low water pressure, with their well system. In addition, Lot 18 was in close proximity to the Lake Suzy system. On May 5, 1998, our staff received a letter from the lot owner confirming these assertions, as well as further explaining the problems the owner had experienced in trying to treat sulfur well water and the destruction of the household appliances caused by the corrosive nature of the water. Lake Suzy further states that it believed it was in the public's best interest to serve this single house and was able to do so without any adverse affects to the existing ratepayers. Finally, Lake Suzy asserts that it was under the jurisdiction of DeSoto County at the time of the connection and states that it was not aware of any rule or regulation that prohibited such connection.

Pursuant to Section 367.171(7), Florida Statutes, we are vested with exclusive jurisdiction over all utility systems whose service transverses county boundaries whether the counties involved are jurisdictional or nonjurisdictional. Therefore, we find that this Commission, and not DeSoto County, was vested with jurisdiction at the time of the connection since Lot 18 is located in Charlotte County which resulted in Lake Suzy's water facilities transversing counties boundaries from DeSoto County into Charlotte County. Accordingly, Lake Suzy was legally required to obtain prior Commission approval before serving Lot 18.

However, we do not find that this utility's apparent violation of Section 367.031, Florida Statutes, rises to the level of warranting that a show cause order be issued given the problems the owner was experiencing with his well. Therefore, we are declining to initiate show cause proceedings.

In the proposed prehearing order, however, a proposed stipulation number 3 was identified on page 22. This stipulation stated:

If the Commission approves Lake Suzy's application, regulatory assessment fees would be due from the effective date of the Commission's order approving Lake Suzy's application provided that Lake Suzy refunds all revenues collected from Lot 18 of the Links subdivision within 30 days of the effective date of the Commission's order. The utility shall provide proof of the refund within 30 days after the refund is completed. In the event Lake Suzy does not refund all revenues collected from Lot 18, pursuant to Rule 25-30.120, Florida Administrative Code, regulatory assessment fees would be due from Lake Suzy from the date the utility began providing service in Charlotte County.

This proposed stipulation is hereby approved. The utility shall provide proof of the refund within 30 days after the refund is completed. Pursuant to the proposed stipulation, in the event Lake Suzy does not refund all revenues collected from Lot 18, pursuant to Rule 25-30.120, Florida Administrative Code, regulatory assessment fees shall be due from Lake Suzy from the date the utility began service in Charlotte County. Lake Suzy shall provide us proof of the refund within 30 days of the issuance of this Order.

RATES AND CHARGES

We established rates and service availability charges for Lake Suzy by Order No. PSC-97-0540-FOF-WS, a staff-assisted rate case order, and Order No. PSC-97-0808-FOF-WS, an order recalculating and correcting AFPI charges, issued in Docket No. 960799-WS on May 12, 1997 and July 3, 1997, respectively. By Resolution No. 97-22, adopted in 1997, DeSoto County reasserted jurisdiction over investor-owned water and wastewater utilities in DeSoto County and excluded the County from the provisions of Chapter 367, Florida Statutes. We acknowledged the effect of this resolution by Order No. PSC-97-0603-FOF-WS, issued May 27, 1997, in Docket No. 970411.

Although Lake Suzy has been operating under DeSoto County's jurisdiction, it has been collecting the same rates and charges as originally established by the Commission. We find it appropriate to reestablish those rates and charges which follow:

Monthly Service Rates

Water Service

Residential, Multi-residential and General Service

Base Facility Charge

Meter Size:

5/8" x 3/4"	\$ 9.76
3/4"	14.65
1"	24.41
1 1/2"	48.82
2"	78.11
3"	156.22
4"	244.10
6"	488.19

Gallonage Charge per 1,000
gallons: \$ 4.88

Wastewater Service

Monthly Service

Residential

Base Facility Charge

Meter Size:

All sizes \$ 28.98

Gallonage Charge

per 1,000 gallons \$ 8.58
maximum gallons 6,000

Wastewater Service

Monthly Service

Multi-residential and General Service

Base Facility Charge

Meter Size:

5/8" x 3/4"	\$ 28.98
3/4"	43.46
1"	72.44
1 1/2"	144.88
2"	231.80
3"	463.60
4"	724.38
6"	1,488.76

Gallorage Charge per 1,000
gallons: \$ 10.33

MISCELLANEOUS CHARGES

Miscellaneous Service Charges

	<u>Water</u>	<u>Wastewater</u>
Initial Connection	\$15.00	\$15.00
Normal Reconnection	\$15.00	\$15.00
Violation Reconnection	\$15.00	Actual Cost
Premises Visit (in lieu of disconnection)	\$10.00	\$10.00

When both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the utility require multiple actions.

SERVICE AVAILABILITY CHARGES

The system capacity charge for water has been discontinued. The utility's existing meter installation charges are as follow:

Meter Installation Fees

5/8" x 3/4"	\$ 150.00
1"	200.00
1 1/2"	295.00
2"	355.00
Over 2"	Actual Cost

Service Availability Charges
Wastewater

	<u>Approved Charges</u>
Plant Capacity residential per ERC (209gpd)	\$1,950.00
All others - per gallon	\$ 9.33
Main extension charge residential per ERC (209gpd)	\$ 185.00
All others - per gallon	\$.86

ALLOWANCE FOR FUNDS PRUDENTLY INVESTED (AFPI)

As discussed above, we approved AFPI charges for Lake Suzy's wastewater treatment plant. Lake Suzy collected AFPI in the same amount while operating under DeSoto County's jurisdiction. Rule 25-30.434, Florida Administrative Code, allows a utility the opportunity to earn a fair return on prudently constructed plant held for future use from future customers to be served by the plant. This charge allows the recovery of carrying costs on the non-used and useful plant. This one-time charge is based on the number of equivalent residential connections (ERCs) and is generally applicable to all future customers who have not already prepaid connection fees, contributions-in-aid-of-construction or customer advances.

At the time of the staff assisted rate case application in Docket No. 960799-WS, the utility's existing wastewater facility could accommodate 199 future ERCs. We calculated AFPI charges allowing carrying costs relative to the non-used and useful plant for the 199 ERCs. The amount of the AFPI charges was based on the date future customers connect. We hereby reestablish those charges in this proceeding. The utility shall be allowed to collect AFPI charges as shown on Schedule 5, for the five year period ended June 2001. Carrying costs incurred beyond five years shall be considered excessive, unless the utility demonstrates extraordinary or unusual circumstances. The charges shall become effective on or after July 1996, the month following the end of the test period in accordance with Rule 25-30.434(4), Florida Administrative Code.

The utility has filed a tariff which reflects the above rates and charges. The rates and charges are approved as submitted in the tariff. Lake Suzy shall continue to charge these rates and charges until authorized to change by this Commission. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

CLOSING OF DOCKETS

These dockets shall remain open for an additional 60 days following the issuance date of this Order to allow our staff to verify that Lake Suzy has submitted proof of the refunds or payment of regulatory assessment fees pertaining to Lot 18 of the Links subdivision. If no timely protest is received regarding that portion of this Order issued as proposed agency action, upon expiration of the protest period, the Order shall become final and effective upon the issuance of a consummating order. Once proof of the refunds or regulatory assessment fees has been submitted, the dockets shall be closed administratively.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the February 9, 2000 Settlement Agreement and Stipulation filed by Florida Water Services Corporation and Lake Suzy Utilities, Inc. which, by reference, is incorporated herein as Attachment A of this Order, is hereby approved subject to the clarifications and corrections discussed herein. It is further

ORDERED that Florida Water Services Corporation's Water Certificate No. 570-W and Wastewater Certificate No. 496-S are

ORDER NO. PSC-00-0575-PAA-WS
DOCKETS NOS. 970657-WS, 980261-WS
PAGE 19

hereby amended to delete one partial lot and some vacant area in the Links territory described in Attachment B of this Order which, by reference, is incorporated herein. It is further

ORDERED that Lake Suzy Utilities, Inc. is hereby granted Water Certificate No. 599-W and Wastewater Certificate No. 514-S to serve the territory described in Attachment C of this Order which, by reference, is incorporated herein. 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 Lake Suzy Utilities, Inc.'s proposed stipulation regarding Lot 18 of the Links subdivision is hereby approved. Lake Suzy Utilities, Inc. shall provide proof of the refund proposed in the stipulation within 30 days after the refund is completed. Lake Suzy Utilities, Inc. shall provide this Commission proof of the refund within 30 days of the issuance of this Order. It is further

ORDERED that pursuant to the proposed stipulation discussed above, in the event Lake Suzy Utilities, Inc. does not refund all revenues collected from Lot 18, pursuant to Rule 25-30.120, Florida Administrative Code, regulatory assessment fees shall be due from the utility from the date the utility began service in Charlotte County. It is further

ORDERED that Lake Suzy Utilities, Inc. is authorized to charge the rates and charges submitted in the utility's tariff as set forth in the body of this Order, including the AFPI charges contained in Schedule No. 5 of this Order which, by reference is incorporated herein, until authorized to change by this Commission. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order 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" attached hereto. It is further

ORDERED that these dockets shall remain open for an additional 60 days following the issuance date of this Order to allow our staff to verify that Lake Suzy has submitted proof of the refunds

ORDER NO. PSC-00-0575-PAA-WS
DOCKETS NOS. 970657-WS, 980261-WS
PAGE 20

or payment of regulatory assessment fees pertaining to Lot 18 of the Links subdivision. It is further

ORDERED that in the event this Order becomes final, these dockets shall be closed administratively upon proof of the refunds or payment of regulatory assessment fees discussed herein.

By ORDER of the Florida Public Service Commission this 22nd day of March, 2000.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

TV/DTV

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 regarding approval of 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

ORDER NO. PSC-00-0575-PAA-WS
DOCKETS NOS. 970657-WS, 980261-WS
PAGE 21

Reporting, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 12, 2000. 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 and final upon the issuance of a Consummating Order.

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.

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for and certificates)
to operate a water and wastewater utility)
in Charlotte and DeSoto Counties by)
Lake Suzy Utilities, Inc.)
_____)

Docket No. 970657-WS

and

In re: Application for Amendment of)
Certificate Nos. 570-W and 496-S in)
Charlotte County by Florida Water)
Services Corporation)
_____)

Docket No. 980261-WS

Filed: January __, 2000

SETTLEMENT AGREEMENT AND STIPULATION

This Settlement Agreement and Stipulation ("hereinafter referred to the Agreement") is entered into on this ____ day of January, 2000, by and between Lake Suzy Utility, Inc. ("Lake Suzy"), AquaSource Utility, Inc. and AquaSource, Inc. (collectively "AquaSource") and Florida Water Services Corporation and MP Water Resources Group, Inc. (collectively "Florida Water").

WHEREAS, Lake Suzy has filed an original certificate application ("Lake Suzy's Application") to provide water and wastewater service in DeSoto and Charlotte Counties which is pending in Docket No. 970657-WS; and

WHEREAS, DeSoto County was granted intervention to object to Lake Suzy's Application; and

WHEREAS, Florida Water has timely filed an objection and petition to intervene to challenge Lake Suzy's Application; and

WHEREAS, Florida Water has filed its own application ("Florida Water's Application") for amendment on February 19, 1998 to add territory in Charlotte County which is pending as Docket No. 980261-WS; and

ATTACHMENT A

WHEREAS, Charlotte County, Lake Suzy and Haus Development, Inc. ("Haus"), have each timely filed objections to Florida Water's Application; and

WHEREAS, DeSoto County has enacted an Ordinance Number 1999-10, which grants Florida Water franchise territory in DeSoto County a portion of which Lake Suzy has requested in this proceeding before the Commission; and

WHEREAS, Lake Suzy timely filed a challenge to that ordinance in a lawsuit filed against Florida Water and DeSoto County; and

WHEREAS, the Commission has consolidated Docket Nos. 970657-WS and 980261-WS and the consolidated proceedings are scheduled for a hearing on February 3-4, 2000; and

WHEREAS, all of the stock of Lake Suzy has been purchased by AquaSource in May, 1999; and

WHEREAS, the parties to this Agreement seek to resolve their pending disputes and controversies without the need for further litigation and have determined that it is in their mutual best interests to resolve their differences in a cooperative, amicable and orderly fashion, and in a manner consistent with sound utility planning which will benefit present and future customers in the respective territories; and

WHEREAS, Lake Suzy, AquaSource and Florida Water have entered into this Agreement to resolve all of their disputes and the consolidated dockets as set forth herein:

NOW THEREFORE, in consideration of the premises and mutual benefits to be derived from the Agreement by the parties and in consideration of the representations, warranties, covenants and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ATTACHMENT A

1. Upon completion and execution of this Agreement, Florida Water shall withdraw with prejudice and without leave to refile that portion of its objection to Lake Suzy's Application (Docket No. 970657-WS) pertaining to the territory Lake Suzy has requested in Charlotte County i.e., the Links subdivision.

2. Florida Water will withdraw with prejudice and without leave to refile the territory amendment application it filed in Docket No. 980261-WS. Florida Water agrees not to file any future applications for authority to provide service to the territory referred in Docket No. 980261-WS in Charlotte County.

3. Florida Water agrees that it will not dispute Lake Suzy or AquaSource's right to serve either the Links subdivision in Charlotte County or the territory which the Commission had authorized Lake Suzy to serve pursuant to Certificate Nos. 416-S and 480-W prior to DeSoto County's March 1997 resolution to reassume jurisdiction over water and wastewater utilities within the County. Florida Water further agrees that it will not provide utility service in the territory described in those certificates.

4. Lake Suzy will dismiss with prejudice and without leave to refile all appeals and court actions pending against Florida Water and DeSoto County in the Twelfth Judicial Circuit in and for DeSoto County, in particular Case No. 99-0380CA, Case No. 99-0379CA and Case No. 99-381CA.

5. Lake Suzy acknowledges DeSoto County's authority to grant Florida Water a franchise in DeSoto County and Lake Suzy agrees that it will not dispute Florida Water's right to serve the franchise area in DeSoto County granted to Florida Water by DeSoto County Ordinance No. 99-10 dated June 8, 1999. Lake Suzy will withdraw without leave to refile that portion of its certificate application in Docket No. 970657-WS which overlaps the aforesaid Florida Water

ATTACHMENT A

Franchise Area. Lake Suzy further agrees that it will not provide utility service to the area described in that Ordinance.

6. Lake Suzy and AquaSource agree that they will not sue or take any action against Florida Water or DeSoto County to dispute the Water Supply Agreement between Florida Water and DeSoto dated December 14, 1999 or Florida Water's right to the water allocation described therein.

7. Lake Suzy, AquaSource and Florida Water hereby mutually release, discharge and covenant not to sue each other for any and all claims, demands, damages, obligations, promises, administrative actions, charges and causes of actions, both known or unknown, in law or in equity, of any kind whatsoever, which either party ever had, now has, or may have against the other for or by reason of any of the matters discussed herein including but not limited to Lake Suzy's Application, Florida Water's Application, DeSoto County's grant of a franchise to Florida Water and AquaSource's acquisition of Lake Suzy.

8. This Agreement constitutes and contains the entire agreement and understanding between the parties.

9. The parties agree and acknowledge that the signatories hereto are the proper and only necessary parties to this Agreement.

10. The parties agree to cooperate in good faith in seeking approval of this Agreement by the Commission. The parties intend that the Commission approve this Agreement to the extent the Commission has jurisdiction to do so.

11. This Agreement shall become effective upon execution of the Agreement by all parties. The parties agree that neither they, nor any employees, agents, consultants or affiliated entities, will bring any action to contest the legality or enforceability of this Agreement.

ATTACHMENT A

12. Any waiver of any term or condition of this Agreement or of any subsequent amendment or modification of this Agreement, shall be effective only if set forth in a written document executed by a duly authorized officer or partner of the waiving party, in the case of waiver, and by each of the parties in the case of a modification or amendment. A waiver of any breach or failure to enforce any of the terms of the Agreement by a party shall not in any way effect, limit or waive that party's other rights hereunder at any time to enforce strict compliance thereafter with each and every term of this Agreement.

13. This Agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Florida.

14. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. The parties intend that this Agreement shall survive any and all mergers, acquisitions, or reorganizations of any of the parties and will be binding on all affiliates, subsidiaries and related entities.

15. This Agreement may be executed simultaneously in two or more identical counterparts, each of which shall be deemed to be an original. Facsimiles of signatures shall be deemed to be the same as original signatures.


16. Each party agrees to bear its own attorney's fees and costs incurred to date for any of the proceedings discussed herein. The parties covenant and agree to act in good faith in carrying out the terms and provisions of this Agreement. In the event that any party incurs legal expenses to enforce or interpret any provision of this Agreement through a judicial or administrative proceeding, the prevailing party in such a proceeding shall be entitled to recover its legal expenses including,


ATTACHMENT A

without limitation, attorney's fees, costs, and necessary expenses and disbursements, in addition to any other relief to which such party may be entitled.


17. The parties each represent to each other that the undersigned have full authority to execute this Agreement and to bind the parties hereto, including all predecessors and affiliated entities.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.


LAKE SUZY UTILITY, INC.
By: Donald J. Clayton
President


AQUA SOURCE UTILITY, INC.
By: Donald J. Clayton
President

FLORIDA WATER SERVICES
CORPORATION
By: John Cirello
President


AQUA SOURCE, INC.
By: Donald J. Clayton
President

MP WATER RESOURCES GROUP, INC.
By: John Cirello


FAUSERS\ROXANNE\LakeSuzy\settlement.agr


ATTACHMENT A


without limitation, attorney's fees, costs, and necessary expenses and disbursements, in addition to any other relief to which such party may be entitled.


17. The parties each represent to each other that the undersigned have full authority to execute this Agreement and to bind the parties hereto, including all predecessors and affiliated entities.


IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.


LAKE SUZY UTILITY, INC.
By: Donald J. Clayton
President


AQUA SOURCE UTILITY, INC.
By: Donald J. Clayton
President


FLORIDA WATER SERVICES CORPORATION
By: John Cirello
President


AQUA SOURCE, INC.
By: Donald J. Clayton
President


MP WATER RESOURCES GROUP, INC.
By: John Cirello
President

FAUSERS ROXANNE@LakeSuzy.com

FLORIDA WATER SERVICES CORPORATION

CHARLOTTE COUNTY

TERRITORY TO BE DELETED

DESCRIPTION OF WATER AND WASTEWATER TERRITORY

A parcel of land lying in Section 5, Township 40 South, Range 23 East, Charlotte County, Florida, being more particularly described as follows:

Begin at the Northwest corner of said Section 5 and run S89°39'47"E a distance of 259.24 feet to the intersection with the westerly right-of-way of Kings Highway; thence S25°05'53"W a distance of 352.43 feet along said right-of-way of Kings Highway; thence N89°38'45"W leaving said right-of-way a distance of 111.73 feet; to the West line of Section 6; thence N00°21'19"E a distance of 320 feet; TO THE POINT OF BEGINNING.

LAKE SUZY UTILITIES, INC.

CHARLOTTE AND DESOTO COUNTIES

TERRITORY DESCRIPTION

DESCRIPTION OF WATER TERRITORY

All of the land in Sections 31 and 32, Township 39 S, Range 23 E DeSoto County, Florida less and except parcel 1 in section 31, Florida and plus a parcel of land in Section 6, Township 40 S, Range 23 E Charlotte County, Florida with all parcels more particularly described as follows:

LESS AND EXCEPT LAND IN SECTION 31 DESOTO COUNTY

All that portion of Section 31 Township 39 S, Range 23 E DeSoto County Florida lying southwesterly of the Interstate Highway # 75 being more particularly described as follows:

Begin at the southwest corner of section 31, then North along section line to the right of way of I-75 (569.00 feet plus or minus) then Southeasterly along I-75 right of way to the intersection of South section line (672.1 feet plus or minus) then West to the point of beginning (370.99 feet plus or minus) containing 2.4 acres more or less being **Parcel 1 of 1**.

ADDITIONAL LAND IN SECTIONS 5 AND 6 CHARLOTTE COUNTY

A parcel of land lying in Sections 5 and 6, Township 40 South Range 23 East, Charlotte County, Florida, being more particularly described as follows:

Begin at the Northwest corner of said Section 5 and run S89°39'47"E a distance of 259.24 feet to the intersection with the westerly right-of-way of Kings Highway; thence S25°05'53"W a distance of 352.43 feet along said right-of-way of Kings Highway; thence N89°38'45"W leaving said right-of-way a distance of 2771.64 feet; thence N00°07'54"E a distance of 154.03 feet; thence N39°05'37"E a distance of 98.67 feet to the intersection with a

curve concave to the East, to the South, and Southwest, having a radius of 50.00 feet, and a central angle of 219°49'31"; thence along said curve a distance of 191.83 feet to a point of reverse curvature of a curve to the left having a radius of 25.00 feet, a central angle of 46°01'19"; thence along said curve a distance of 20.08 feet; thence N32°53'49"E along a radial line a distance of 66.67 feet to the interconnection with the Northerly line of said Section 6; thence S89°38'45"E along said Northerly line a distance of 2661.15 feet to the point of beginning.

LAKE SUZY UTILITIES, INC.

CHARLOTTE AND DESOTO COUNTIES

TERRITORY DESCRIPTION

DESCRIPTION OF WASTEWATER TERRITORY

All of the land in Sections 31 and 32, Township 39 S, Range 23 E DeSoto County, Florida less and except parcels 1, 2 and 3 in said section 31, with all parcels more particularly described as follows:

LESS AND EXCEPT LAND IN SECTION 31 DESOTO COUNTY

All three (3) parcels of land are in Section 31, Township 39 South, Range 23 East, DeSoto County Florida. Bearings used in this description are taken from a deed recorded in Official Record Book 130, Pages 570-571, of said public records of DeSoto County, Florida. Said tracts are described as follows:

Begin at the southeast corner of section 31; Thence N 89°38'45" W along the south line of said section 31, 2388.17 feet; thence N 25°01'05" W, 39.15 feet, thence N 32°09'31" W, 134.59 feet; thence N 58°16'39" W, 152.45 feet; thence N 08°41'03" E, 58.79 feet; thence N 11°35'37"E, 720.86 feet; thence N 22°03'27" W. 563.84 feet; thence N 20°08'35" E, 472.51 feet to the POB of Parcel 1 of 2. Said POB being a point on a curve concave to the southwest with a radius of 400.00 feet and a tangent bearing of S 78°44'54" E; thence Southeasterly along arc of said curve, 369.13 feet; thence S 50°22'47" W, 159.29 feet; thence S 17°21'14" E, 704.05 feet; thence S 20°42'20" W, 582.63 feet; thence S 68°11'54" E, 177.71 feet; thence N 74°35'19" E, 353.72 feet; thence S 65°20'26"E, 726.23 feet; thence N 30°55'45"E, 287.95 feet; thence N 45°35'19" W, 863.70 feet; thence N 26°26'28" W, 725.47 feet;

thence N 47°17'25" W, 194.61 feet; S 65°37'18" W, 58.42 feet to a point on a curve concave to the southwest with a radius of 460.00 feet, said course is radial to said curve; thence northwesterly along arc of said curve, 427.14 feet to a point on said curve to be labeled as POINT A; thence continuing along said curve 296.21 feet through a total angle of 90°06'00"; thence S 65°31'26" W, 239.89 feet to the easterly ROW of Kingsway Circle; thence S 24°28'34" E along the easterly ROW of Kingsway Circle, 60.00 feet; thence N 65°31'26" E, 241.76 feet to a point on a curve concave to the southwest with a radius of 400.00 feet, thence northeasterly along arc of said curve 249.43 feet to the POB being parcel 1 of 3.

Thence beginning at above referenced POINT A; thence N 67°18'04" W, 240.34 feet; thence N 74°28'27" W, 56.04 feet; thence N 05°02'43" E, 309.07 feet; thence N 42°08'49" E, 189.00 feet; thence S 85°12'39" E, 778.88 feet; thence S 74°40'25" E, 365.65 feet; thence N 66°43'21" E, 116.00 feet; thence S 58°43'09" E, 183.27 feet to the POB of parcel 2 of 3; thence S 10°57'21" W, 110.00 feet; thence N 76°33'11" E, 814.18 feet; thence N 02°30'36" W, 169.87 feet to the ROW of Kingsway Circle; thence S 87°29'24" W, 465.49 feet along the ROW of Kingsway Circle to a point on a curve concave to the north with a radius of 530.00 feet; thence westerly along arc of said curve 67.52 feet; thence N 85°12'39" W, 217.99 feet; thence S 04°47'21" W, 221.24 feet; thence S 58°43'09"E, 51.12 feet to the POB being Parcel 2 of 3.

All that portion of section 31 township 39 S Range 23 E DeSoto County Florida lying southwesterly of the Interstate Highway # 75 being more particularly described as follows:

Begin at the southwest corner of section 31, then North along section line to the right of way of I 75 (569.00 feet plus or minus) then Southeasterly along 1-75 right of way to the intersection of South section line (672.1 feet plus or minus) then West to the point of beginning (370.99 feet plus or minus) containing 2.4 acres more or less being Parcel 3 of 3.

ORDER NO. PSC-00-0575-PAA-WS
DOCKETS NOS. 970657-WS, 980261-WS
PAGE 33

COMPANY: Lake Suzy Utilities, Inc.
SEWER TREATMENT PLANT
TEST YEAR ENDED JUNE 30, 1996

REVISED JUNE 12, 1997
SCHEDULE NO. 5
DOCKET NO. 960799-WS

Allowance for Funds Prudently Invested
Schedule of Charges:

	1996	1997	1998	1999	2000	2001	2002
	----	----	----	----	----	----	----
January		106.13	290.87	485.40	694.04	918.16	1,014.33
February		121.29	306.43	502.08	711.94	937.40	1,014.33
March		136.45	321.99	518.75	729.83	956.63	1,014.33
April		151.61	337.55	535.43	747.73	975.86	1,014.33
May		166.77	353.12	552.10	765.62	995.10	1,014.33
June		181.93	368.68	568.77	783.52	1,014.33	1,014.33
July	15.16	197.49 *	385.35	586.67	802.75	1,014.33	1,014.33
August	30.32	213.05 *	402.03	604.57	821.99	1,014.33	1,014.33
September	45.48	228.62 *	418.70	622.46	841.22	1,014.33	1,014.33
October	60.64	244.18 *	435.38	640.36	860.46	1,014.33	1,014.33
November	75.80	259.74 *	452.05	658.25	879.69	1,014.33	1,014.33
December	90.96	275.30 *	468.73	676.15	898.93	1,014.33	1,014.33

* Corrected Charges