

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint application for authority to transfer the assets of Venture Associates Utilities Corp. and Certificate No. 488-W in Marion County, Florida to Ocala Palms Utilities, LLC.

DOCKET NO. 130269-WU
ORDER NO. PSC-14-0434-FOF-WU
ISSUED: August 20, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER APPROVING TRANSFER OF VENTURE ASSOCIATES UTILITIES CORP
WATER SYSTEM AND CERTIFICATE NO. 488-W
AND ESTABLISHING NET BOOK VALUE

BY THE COMMISSION:

Background

On November 8, 2013, Venture Associates Utilities Corp. (Venture) filed an application for the transfer of Certificate No. 488-W to Ocala Palms Utilities, LLC (Ocala Palms) in Marion County. The service area is located in the Southwest Florida Water Management District and is in a water use caution area. According to Venture's 2013 Annual Report, it serves 1,059 water customers with operating revenue of \$612,143, which designates it as a Class B utility.

Certificate No. 488-W was originally granted in 1987.¹ In 1993, this Commission approved an allowance for funds used during construction.² In 1994, there was an amendment to include additional territory.³ In 1995, there was a new class of service added to Venture's tariff.⁴ In 1996, main extension and meter installation charges were approved as Contributions-in Aid-of-Construction (CIAC).⁵ In 1997, there was a transfer in part to Palm Cay Utilities, Inc.⁶ In

¹ See Order No. 18121, issued September 8, 1987, in Docket No. 860872-WU, In re: Application of Venture Associates Utilities Corporation for water certificate in Marion County.

² See Order No. PSC-93-1170-FOF-WU, issued August 10, 1993, in Docket No. 930406-WU, In re: Application for approval of allowance-for-funds-used-during-construction (AFUDC) rates in Marion County by Venture Associates Utilities Corp.

³ See Order No. PSC-94-1621-FOF-WU, issued December 30, 1994, in Docket No. 930892-WU, In re: Application for amendment of Certificate No. 488-W in Marion County by Venture Associates Utilities Corp.

⁴ See Order No. PSC-96-0120-FOF-WU, issued January 23, 1996, in Docket No. 951365-WU, In re: Application for a new class of service in Marion County by Venture Associates Utilities Corp.

⁵ See Order No. PSC-96-0790-FOF-WU, issued June 18, 1996, in Docket No. 930892-WU, In re: Application for amendment of Certificate No. 488-W in Marion County by Venture Associates Utilities Corp.

2001 and 2002, Venture's tariffs were revised to reflect revised service availability charges due to City of Ocala impact fees^{7,8} In 2006, there was an application for a Commission staff assisted rate case which was denied due to Venture's revenue exceeding the maximum allowed for Commission staff assistance.⁹

This Order addresses the transfer of the water system, Certificate No. 488-W and the net book value of the water system at the time of transfer. We have jurisdiction pursuant to Section 367.071, Florida Statutes (F.S.).

Decision

I. Transfer of Certificate

On November 8, 2013, Venture and Ocala Palms filed a joint application for approval to transfer the Venture water system and Certificate No. 488-W to Ocala Palms. The application is in compliance with Section 367.071, F.S., and the Florida Administrative Rules concerning applications for transfer of certificates. The closing occurred on September 6, 2013, contingent upon our approval of this transfer, pursuant to Section 367.071(1), F.S.

Noticing, Territory, and Land Ownership

The application contains proof of compliance with the noticing provisions set forth in Section 367.071, F.S., and Rule 25-30.030, F.A.C. From a pool of 1,059 customers, Commission staff received correspondence from six customers concerning the proposed transfer.¹⁰ Specifically, one customer raised concerns that Venture owed the City of Ocala anywhere from \$20,000 to \$50,000 for purchased water and implied that these debts had been outstanding for weeks, if not months. Commission staff, after investigation, found that Venture is current on all debts due to the City of Ocala.¹¹ Four of the six objecting customers asserted that the system should be annexed or otherwise transferred to the City of Ocala and implied that the City was intent on acquiring the system. We find that these issues are not germane to this transfer. While there is a possible referendum effort underway, current documents provided by the City of Ocala indicate that the earliest date such a referendum would be held is March 2015 and if the referendum for annexation is approved, then any transfer of the system resulting from

⁶ See Order No. PSC-98-1231-FOF-WU, issued September 21, 1998, in Docket No. 971670-WU, In re: Application for transfer of part of Certificate No. 488-W in Marion County from Venture Associates Utilities Corp. to Palm Cay Utilities, Inc.

⁷ See Order No. PSC-01-1436-CO-WU, issued July 3, 2001, in Docket No. 010444-WU, In re: Request for approval of tariff filing by Venture Associates Utilities Corp. in Marion County.

⁸ See Order No. PSC-02-0766-CO-WU, issued June 6, 2002, in Docket No. 020247-WU, In re: Request for approval of tariff increase for portion of tariff that applies to City of Ocala Impact Fees in Marion County by Venture Associates Utilities Corp.

⁹ See Docket No. 060349-WU, In re: Application for staff-assisted rate case in Marion County by Venture Associates Utilities Corp.

¹⁰ Additionally, Commission staff received one correspondence on July 30, 2014 objecting to the transfer. This objection, which was filed outside of the protest period, contained similar concerns to those addressed in this Order.

¹¹ We note that in the past year Venture has been overdue in paying its bills for purchased water once by a period of three days and once by a period of seven days. We find that these delinquencies are relatively minor and do not affect our decision regarding the proposed transfer.

this referendum may well take several additional months. We find that this potential referendum shall not have any impact on our decision to transfer this certificate for two reasons. First, until such time as a utility is acquired by a municipality, the owners and operators of the utility must comply with the laws and regulations of the State of Florida which include maintaining the certificate that is the subject of this proceeding. Second, consideration of the referendum in this docket is not ripe since it is not certain at this time that the referendum will be held; and if it is held, its outcome would have no weight until the results of the referendum are certified by the County Supervisor of Elections or the Florida Secretary of State. Commission staff also received correspondence from one customer requesting information, which was provided. The customer did not express objection to the transfer.

A description of Venture's water service territory is appended to this Order as Attachment A. Venture serves as a water reseller with no treatment facilities, and there is no land purchase associated with the transfer.

Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(h) and (i), F.A.C., the application contains a copy of the Purchase Agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. The customer deposits on Venture's books will be maintained by Ocala Palms and will be refunded at the appropriate time, in accordance with Rule 25-30.311, F.A.C. There are no guaranteed revenue contracts, developer agreements, customer advances, leases, or debt of Venture that must be disposed of with regard to the transfer. According to the Purchase Agreement, the total purchase price is \$500,000 for the portion of the assets attributable to water service, with 100 percent of the purchase price paid in cash at the closing. As noted, the closing took place on September 6, 2013, subject to Commission approval, pursuant to Section 367.071(1), F.S.

Facility Description and Compliance

Venture serves as a water reseller with no treatment facilities. Commission staff contacted the Florida Department of Environmental Protection (DEP) concerning the compliance status relative to any Notices of Violation or any DEP consent orders. DEP stated that the system is not subject to any outstanding violations or consent orders.

Technical and Financial Ability

Pursuant to Rule 25-30.037(1)(j), F.A.C., the application contains statements describing the technical and financial ability of the applicant to provide service to the proposed service area. According to the application, in addition to the water system, Ocala Palms also acquired all development assets served by Venture, as part of a larger commercial transaction. As such, there is an inherent interest by Ocala Palms to maintain and operate the system properly and efficiently. In addition, Ocala Palms has retained key Venture personnel with knowledge, training, and expertise to assist in the operation and maintenance of the utility system.

At this time, the service territory is at 100 percent build out. As such, there is no anticipated need for additional capital funds, other than for normal replacement of current assets. Upon review of the financial statement of Ocala Palms, we find that the assertion made in an affidavit filed with the transfer application that Ocala Palms will supply the necessary funds if there is need for improvements above the level of internal funding, is reasonable.¹² Based on the foregoing, we find that Ocala Palms has demonstrated the technical and financial ability to provide service to the existing service territory.

Rates and Charges

Venture's rates were last approved in an application for amendment in 1996.¹³ Venture has also consistently filed index rate adjustments from 2001 through 2014. Venture's miscellaneous service charges, customer deposits, and service availability charges have been approved by this Commission in various other dockets.¹⁴ The Utility's existing rates and charges are shown on Schedule No. 1. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by this Commission. Therefore, Venture's existing rates and charges shall remain in effect until a change is authorized by this Commission in a subsequent proceeding.

Regulatory Assessment Fees and Annual Reports

We have verified that the Venture is current on the filing of annual reports and RAFs through the closing date of September 6, 2013. Ocala Palms will be responsible for filing annual reports and paying RAFs from the closing date through the end of 2013 and all future years. The 2013 Annual Report has been filed and Ocala Palms is current on the payment of RAFs through December 2013.

Conclusion:

Based on the foregoing, we find that the transfer of Venture's water system and Certificate No. 488-W is in the public interest and shall be approved effective the date of our vote. This order shall serve as Ocala Palms' certificate and shall be retained by Ocala Palms. Venture's existing rates and charges shall remain in effect until a change is authorized by this Commission in a subsequent proceeding. The tariff pages reflecting the transfer shall be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.). Ocala Palms shall be responsible for filing the

¹² See Document 06853-13, "Joint application for authority to transfer the assets of Venture and Certificate No. 488-W in Marion County to Ocala Palms. Exhibit C," p. 11.

¹³ See Order No. PSC-96-0790-FOF-WU, issued June 18, 1996, in Docket No. 930892-WU, In re: Application for amendment of Certificate Number 488-W in Marion County by Venture Associates Utilities Corporation.

¹⁴ See Order No. PSC-98-1231-FOF-WU, issued September 21, 1998, in Docket No. 971670-WU, In re: Application for transfer of part of Certificate No. 448-W in Marion County from Venture Associates Utilities Corp. to Palm Cay Utilities, Inc.; Order No. PSC-02-0648-TRF-WU, issued May 13, 2002, in Docket No. 020247-WU, In re: Request for approval of tariff increase for portion of tariff that applies to City of Ocala Impact Fees in Marion County by Venture Associates Utilities Corp.

2014 Annual Report and paying the 2014 Regulatory Assessment Fees (RAFs) and shall be responsible for filing all future annual reports and RAFs.

II. Net Book Value

The purpose of establishing net book value (NBV) for transfers is to determine whether an acquisition adjustment is necessary to reflect the difference between the purchase price and the value of the system based on, in this case, an Original Cost Study. The NBV does not include normal ratemaking adjustments such as used and useful plant or working capital. The NBV of \$528,760, as described below, is shown on Schedule No. 2.

Utility Plant in Service (UPIS)

Venture's 2012 Annual Report reflected a water UPIS balance of \$1,422,751 as of December 31, 2012. Due to the lack of original documentation, Venture engaged Milian, Swain, & Associates, Inc., an independent third party, to conduct an Original Cost Study. This study identified water UPIS at \$1,662,082 based on historical record and estimation of supplies used.¹⁵ We find the Original Cost Study is the best assessment of the Utility's assets and therefore find that the water UPIS balance as of September 6, 2013, is \$1,662,082 as shown on Schedule No. 2.

Land and Land Rights

Venture purchases water from the City of Ocala and they have no pumping or treatment facility in use. Additionally all distribution mains and lines are in right-of-ways or easements. Therefore, there is no balance for land and land rights in Account 303.

Accumulated Depreciation

Venture's general ledger reflected an accumulated depreciation balance of \$455,625 as of December 31, 2012. The accumulated depreciation per the Original Cost Study is \$591,982 based on appropriate life spans and depreciation schedules. These balances are reflective of all necessary accruals through the date of the study. Therefore, we find the accumulated depreciation balance is \$591,982.

Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

As of December 31, 2012, Venture's general ledger reflected a CIAC balance of \$810,417 and an accumulated amortization of CIAC balance of \$332,327. According to the Original Cost Study, the CIAC balance is \$830,627 and the accumulated amortization of CIAC balance is \$289,287 as of September 6, 2013. We find that the CIAC balance as of September 6, 2013, is \$830,627 and accumulated amortization of CIAC balance is \$289,287, as shown on Schedule No. 2.

¹⁵ See Document No. 07612-13, Exhibit J "Original Cost Study" performed by Milian, Swain, & Associates, Inc., p. 6.

Net Book Value (NBV)

Venture's general ledger reflects NBV of \$489,036 as of December 31, 2012. Based on the Original Cost Study described above and as shown on Schedule No. 2, we find that the NBV for the system as of September 6, 2013 is \$528,760.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of the acquisition. Pursuant to Rule 25-30.3071(2), F.A.C., a positive acquisition adjustment results when the purchase price is greater than the NBV and a negative acquisition adjustment results when the purchase price is less than the NBV. Rule 25-30.371(2), F.A.C., further states that a positive acquisition adjustment shall not be included in rate base absent proof of extraordinary circumstances. Positive acquisition adjustments, if approved, increase rate base. With respect to negative acquisition adjustments, Rule 25-30.371(3), F.A.C., states that no negative acquisition adjustment shall be included in rate base if the purchase price is greater than 80 percent of the NBV. If the purchase price is equal to or less than 80 percent of the NBV, a negative acquisition adjustment shall be included in rate base equal to 80 percent of the NBV, less the purchase price. Negative acquisition adjustments reduce rate base. The purchase price for the system and all assets was \$500,000. As stated above, we find the appropriate NBV to be \$528,760. Given that purchase price is greater than 80 percent of the NBV, we find that no acquisition adjustment need be made in this case.

Conclusion:

Based on the foregoing, we find that the NBV of the water system for transfer purposes is \$528,760. This amount is based on an Original Cost Study which resulted in plant balances as of the closing date, September 6, 2013. No acquisition adjustment shall be recorded. Within 30 days of the date of the final order, Ocala Palms shall provide general ledgers which show its books have been updated to reflect the Commission-approved balances as of September 6, 2013, along with a statement that these adjustments will also be reflected in Ocala Palms' 2014 Annual Report when filed.

Based on the foregoing, it is

ORDERED by the Public Service Commission the transfer of Venture's water system and Certificate No. 488-W is in the public interest and shall be approved effective the date of our vote. This order shall serve as Ocala Palms' certificate and shall be retained by Ocala Palms. Venture's existing rates and charges shall remain in effect until a change is authorized by this Commission in a subsequent proceeding. The tariff pages reflecting the transfer shall be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. Ocala Palms shall be responsible for filing the 2014 Annual Report and paying the 2014 Regulatory Assessment Fees and shall be responsible for filing all future annual reports and RAFs. It is further

ORDERED that the net book value of the water system for transfer purposes is \$528,760. This amount is based on an Original Cost Study which resulted in plant balances as of the closing date, September 6, 2013. No acquisition adjustment shall be recorded. Within 30 days of the date of the final order, Ocala Palms shall provide general ledgers which show its books have been updated to reflect the Commission-approved balances as of September 6, 2013, along with a statement that these adjustments will also be reflected in Ocala Palms' 2014 Annual Report when filed. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 20th day of August, 2014.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MTL

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:
1) reconsideration of the decision by filing a motion for reconsideration with the Office of

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Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, 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.

Description of Ocala Palms Water Territory
Marion County

A Parcel of land lying in section 3, 4 and 9, Township 15 South, Range 21 East, Marion County, Florida, Tallahassee Meridian
Being more particularly described as follows:

Beginning at the Southeast corner of said Section 4; thence S 4°48'07" W, along the East boundary of the Northeast 1/4 of said Section 9, 1322.45 feet to the Southeast corner of the N.E. 1/4 of the N.E. 1/4 of said Section 9; thence N 85°41'55" W, along the South boundary of the said N.E. 1/4 of the N.E. 1/4, 1297.34 feet to the S.W. corner of the N.E. 1/4 of the N.E. 1/4 of said Section 9; thence continue N 85°41'55" W, along the South boundary of the N.W. 1/4 of the N.E. 1/4, 1297.33 feet to the S.W. corner of the said N.W. 1/4 of the N.E. 1/4 of said Section 9; Thence N 84°56'00" W, along the South boundary of the N.E. 1/4 of the N.W. 1/4 1348.41 feet, to the Southwest corner of the said N.E. 1/4 of the N.W. 1/4 of said Section 9; thence continue N 84°56'00" W, along the South boundary of the East 1/2 of the N.W. 1/4 of the N.W. 1/4 of said Section 9, 674.20 feet to the Southwest corner of the said East 1/2 of the N.W. 1/4 of the N.W. 1/4; thence N 5°01'04" E, along the west line of the said East 1/2 of the N.W. 1/4 of the N.W. 1/4, 230.63 feet; thence N 85°09'24" W, 649.90 feet to the east right of way line of N.W. 60th Avenue (50' right of way); thence N 4°50'36" E, along the said East right of way line, 264.00 feet; thence S 85°09'24" E, departing said East right of way line, 650.70 feet to the West line of the said East 1/2 of the N.W. 1/4 of the N.W. 1/4; thence N 5°01'04" E, along said West line, 824.90 feet to the Northwest corner of the said East 1/2 of the N.W. 1/4 of the N.W. 1/4; thence N 84°30'04" W, along the South boundary of the S.W. 1/4 of the said Section 4, 648.13 feet to the East right of way line of said N.W. 60th Avenue; thence N 4°52'39" E, along said east right of way line, 2643.25 feet to the North boundary of the S.W. 1/4 of said Section 4; thence S 85°17'29" E, along said North Boundary, 2649.01 feet to the Northeast corner of the said S.W. 1/4; thence S 4°09'21" W, along the East Boundary of the said S.W. 1/4, 315.00 feet (105 yards); thence S 85°17'29" E, parallel to the North boundary of the S.E. 1/4 of said Section 4, along the South boundary of the North 105 yards, 882.23 feet; thence N 4°28'23" E, along the West boundary of the East 6.36 chains of the N.W. 1/4 of the S.E. 1/4 of said Section 4, 44.39 feet to the South line of the North 4.10 chains of the said N.W. 1/4 of the S.E. 1/4; thence S 85°17'29" E, along the South boundary of the said North 4.10 chains, 352.15 feet; thence N 4°28'23" E, parallel to the East boundary of the N.W. 1/4 of the S.E. 1/4, 270.60 feet to the North boundary of the S.E. 1/4 of said Section 4; thence S 85°17'29" E, along the North boundary of the S.E. 1/4, 414.98 feet to the Southerly right of way line of U.S. Highway No. 27 (State Road No. 500); thence S 57°36'40" E, along said Southerly right of way line, 2827.20 feet to the South boundary of the N.E. 1/4 of the S.W. 1/4 of said Section 3; thence N 85°36'04" W, along said South boundary, 224.48 feet to the Southwest corner of the said N.E. 1/4 of the S.W. 1/4; thence continue N 85°36'04" W, along the South boundary of the N.W. 1/4 of the S.W. 1/4 of said Section 3, 1324.81 feet to the Southwest corner of the said N.W. 1/4 of the S.W. 1/4; thence S 4°47'44" W, along the East boundary of the S.E. 1/4 of said Section 4, 1321.71 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION
Authorizes
Ocala Palms Utilities, LLC
Pursuant to
Certificate Number 488-W

To provide water service in Marion County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled, or revoked by Order of this Commission.

| <u>Order Number</u> | <u>Date Issued</u> | <u>Docket Number</u> | <u>Filing Type</u> |
|---------------------|--------------------|----------------------|----------------------|
| 18121 | 09/08/87 | 860872-WU | Original Certificate |
| PSC-96-0120-FOF-WU | 01/23/96 | 951365-WU | New Class of Service |
| PSC-98-1231-FOF-WU | 09/21/98 | 971670-WU | Partial Transfer |
| PSC-14-0434-FOF-WU | 08/20/14 | 130269-WU | Transfer |

***Order Numbers and dates to be provided at time of issuance**

**Ocala Palms Utilities, LLC
Monthly Water Rates**

Residential and General Service

Base Facility Charge by Meter Size

| | |
|-------------|------------|
| 5/8" x 3/4" | \$13.30 |
| 3/4" | \$19.97 |
| 1" | \$33.30 |
| 1 1/2" | \$66.48 |
| 2" | \$106.42 |
| 3" | \$212.76 |
| 4" | \$332.46 |
| 6" | \$664.92 |
| 8" | \$1,063.86 |

Charges per 100 cubic feet – Residential and General Service \$2.49

Initial Customer Deposits

Residential Service

| | |
|-------------|---------|
| 5/8" x 3/4" | \$20.00 |
| 1" | \$20.00 |
| 1 1/2" | \$30.00 |
| 2" | \$35.00 |

Miscellaneous Service Charges

Schedule of Miscellaneous Service Charges

| | <u>During Hours</u> | <u>After Hours</u> |
|--|--------------------------------|---------------------------|
| Initial Connection Charge | \$15.00 | \$15.00 |
| Normal Reconnection Charge | \$15.00 | \$15.00 |
| Violation Reconnection Charge | \$15.00 | \$15.00 |
| Premises Visit Charge (in lieu of disconnection) | \$10.00 | N/A |

Service Availability Charges

Meter Installation Charge

5/8" x 3/4" \$100.00

Customer Connection (Tap-In) Charge

Actual Cost

Main Extension Charge

Residential - Per ERC (ERC = 350 gpd) \$715.00

All Others – Per gallon \$2.0429

City of Ocala Impact Fee

Residential – Per ERU 0 – 1,499 sq. ft. \$503.00

Residential – Per ERU 1,500 – 2,499 sq. ft. \$629.00

Residential – Per ERU 2,500 – 3,499 sq. ft. \$838.00

Residential – Per ERU 3,500 sq. ft. \$1,048.00

| Ocala Palms Utilities, LLC | | | |
|---|------------------|-------------------|------------------|
| Schedule of Net Book Value as of September 6, 2013 | | | |
| Description | Proposed | Adjustment | Approved |
| Utility Plant In Service | \$1,662,082 | 0 | \$1,662,082 |
| Land & Land Rights | 0 | 0 | 0 |
| Accumulated Depreciation | (591,982) | 0 | (591,982) |
| CIAC | (830,627) | 0 | (830,627) |
| Amortization of CIAC | <u>289,287</u> | <u>0</u> | <u>289,287</u> |
| Net Book Value | <u>\$528,760</u> | <u>0</u> | <u>\$528,760</u> |

| Ocala Palms Utilities, LLC | | | |
|---|------------------------------|------------------|---------------------------------|
| Schedule of Account Balances as of September 6, 2013 | | | |
| Account | | UPIS | Accumulated Depreciation |
| No. | Description | | |
| 331 | Transmission & Dist. Mains | \$1,262,482 | (\$414,545) |
| 333 | Services | 103,496 | (36,338) |
| 334 | Meter and Meter installation | 126,279 | (89,199) |
| 335 | Hydrants | <u>169,825</u> | <u>(51,900)</u> |
| | Total | <u>1,662,082</u> | <u>(\$591,982)</u> |