

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



DIVISION OF WATER
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 413-6900

ORIGINAL
FILE COPY

Public Service Commission

December 5, 1996

Mr. Charles deMenzes
Residential Water Systems, Inc.
P. O. Box 5220
Ocala, Florida 34478-5220

RE: Docket No. 961310-WU, Application for transfer of majority organizational control of Residential Water Systems, Inc., holder of Certificate No. 419-W in Marion County, to Charles deMenzes

Dear Mr. deMenzes:

Staff has reviewed the utility's application for transfer of majority organizational control and determined that it is deficient pursuant to Rules 25-9.044, 25-30.030, and 25-30.037, Florida Administrative Code. The following deficiencies have been noted:

1. **Utility Ownership.** Rule 25-30.037(3)(c), Florida Administrative Code (F.A.C.), requires the name(s) and address(es) of all of the buyer's corporate officers, directors, partners and any other person(s) who will own an interest in the utility. The application states that this is not applicable. According to Exhibit B of the application, the Corporation is authorized by its Articles of Incorporation to issue 100 shares of common stock with a par value of \$1.00 per share. Further, the buyer plans to purchase 100 shares of stock. Thus it would appear that you will be the sole shareholder. However, as we discussed, according to the utility's Annual Reports filed with the Commission from 1989 through 1995 the utility has 500 shares of stock with a par value of \$1.00. I have attached a page from the 1995 annual report for your reference. Based on our conversation, it is my understanding that the 500 shares reported was incorrect and has been corrected to accurately reflect 100 shares. Please provide documentation to support that there are only 100 shares of stock, this has been corrected on the utility's books, and you will be the sole shareholder following the transfer of majority organizational control.
2. **Financing of the Purchase.** Rule 25-30.037(3)(e), F.A.C., requires a statement describing the financing of the purchase. Additionally, Rule 25-30.037(3)(g), F.A.C., requires a list of all entities, including affiliates, that have provided, or will provide funding to the buyer. Exhibit B, Page 1, Items 4A through 4D, of the application

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LIN _____
 OPC _____
 RCH _____
 SEC 1
 WAS _____
 OTH _____

DOCUMENT NUMBER-DATE

provides a breakdown of the purchase price but not all of the sources of funds or terms of payment. Please provide the following additional information:

- A. Item 4A states that \$50,000 will be paid at closing. Will this amount be paid from the buyer's existing funds, a bank loan, or financial agreement with the seller's? If this amount will be paid through a bank loan or financial agreement with the sellers, please describe the terms of the loan or financial agreement.
 - B. Item 4B states that a portion of the purchase price will be paid through ratification of the demand promissory notes, representing previous shareholder loans to the Corporation which shall accrue no interest, and the first mortgage from First Bank of the Villages. Please provide a breakdown of the amount of these items and the terms of payment.
 - C. Item 4C describes the terms of payment for a \$386,000 promissory note. How will this note be financed (i.e., a bank, the sellers, etc.)?
3. **Public Interest, Technical Ability, and Financial Ability.** Rule 25-30.037(3)(f), F.A.C., requires a statement describing how the transfer is in the public interest, including a summary of the buyer's experience in water or wastewater utility operations, a showing of the buyer's financial ability to provide service, and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters. The statement provided in the application does not address all of these areas. Please provide the following additional information:
- A. A statement describing how the transfer is in the public interest.
 - B. A list of all water and wastewater utilities that the buyer is currently managing but does not own.
 - C. Documentation to show the buyer's financial ability, such as financial statements or income tax returns. You may request confidential treatment of these documents if that is of concern to you.
4. **System Upgrades.** Rule 25-30.037(3)(h), F.A.C., requires in part that if the system is in need of repair or improvement...the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them. The application states that the system will require certain upgrades which are already in process. It also states that Residential Water Systems, Inc. presently has a permit and financial arrangements made for the upgrade and it is under construction at this time. Please provide a list of the upgrades and approximate cost to make them.

Mr. Charles deMenzes

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Additionally, please provide copies of work orders and engineering plans or drawings for the water plant upgrades.

5. **Territory Description.** Rule 25-30.037(3)(j), F.A.C., requires the original and two copies of sample tariff sheets reflecting the change in ownership. Original Sheet No. 3.1 of the utility's proposed tariff contains the utility's territory description. In addition to a couple of minor errors which need to be corrected, staff believes the territory description can be simplified. We have attached a copy of Original Sheet No. 3.1 with notes regarding the changes that should be made. Please file a corrected version of Original Sheet No. 3.1.
6. **Rates and Charges.** Again, Rule 25-30.037(3)(j), F.A.C., requires the original and two copies of sample tariff sheets reflecting the change in ownership. Further, Rule 25-9.044(1), F.A.C., states that in case of change of ownership or control of a utility which places the operation under a different or new utility...the company which will thereafter operate the utility business must adopt and use the rates, classification and regulations of the former operating company (unless authorized to change by the Commission)... Original Sheets Nos. 16.0 and 20.0 of the utility's proposed tariff include a \$5.00 late fee. According to our records, the Commission has never authorized the utility to charge a late fee. In order to charge a late fee, the utility must first obtain approval from the Commission. The Commission has previously approved a \$3.00 late fee for several utilities and only recently approved a \$5.00 late fee for one utility. If you wish to request approval of a late fee at this time, we will need additional information from you to determine if a late fee is appropriate for this utility. Therefore, please do one of the following:
 - A. If you wish to request approval of a late fee at this time, please provide the following information:
 1. An analysis of the utility's delinquent bills. We have attached an example of a delinquent bill analysis from another case for your reference. We would prefer 12 consecutive months of data, however, if this proves to be unduly burdensome we will accept eight months as shown on the attached example. The purpose of this analysis is to determine the extent of the utility's delinquent bill problem.
 2. Cost justification for the \$5.00 late fee. Because the Commission has previously determined that a \$3.00 late fee is representative of the cost of processing delinquent bills for some utilities, staff may be able to recommend approval of a \$3.00 late fee without further cost justification, provided the delinquent bill analysis indicates there is a need for the late fee. However, if you wish to request approval of a \$5.00 late fee, we will need cost

justification. We have attached a copy of the cost justification that was submitted in another case for your reference.

3. If you decide to request approval of a \$3.00 late fee instead of a \$5.00 late fee, please submit revised Original Sheets Nos. 16.0 and 20.0 which show a \$3.00 late fee instead of the \$5.00 late fee.

Also, if the Commission approves a late fee for the utility, it will be necessary for you to send a customer notice to all of the utility's customers. You do not need to send a notice at this time, however, we wanted you to be aware of this requirement in the event you decide to request approval of the late fee. We have attached an example of a customer notice for your reference.

OR

- B. If you do not wish to request approval of a late fee at this time, please submit revised Original Sheets Nos. 16.0 and 20.0 without the reference to the \$5.00 late fee.
7. **Certificate.** Rule 25-30.037(3)(k), F.A.C., requires that the applicant submit the utility's current certificate. The application only contains a copy of the utility's certificate. Please submit the utility's actual certificate so that we may update it to reflect the transfer of majority organizational control if it is approved by the Commission. The certificate will be returned to the utility after this application is processed.
 8. **Notice of Application.** Rule 25-30.030, Florida Administrative Code (F.A.C.), sets forth the requirements for noticing of the utility's application for transfer of majority organizational control. Although the application contains proof of noticing, the notice itself is incorrect. It will be necessary for you to correct the notice and reissue it before we can process the utility's application. We have attached a copy of the notice with notes regarding the corrections that must be made. Regarding the corrections to the territory description, Rule 25-30.030(2)(b), F.A.C., describes the format that must be used for the territory description contained in the notice. We have attached copies of the orders which approved the utility's current service territory. However, for simplicity, you may use the same territory description shown on Original Sheet No. 3.1 after you make the corrections discussed in No. 5 above. Additionally, we have attached an updated notification mailing list since the list you used previously will expire on December 8. Please submit a copy of the revised notice for our review before reissuing it. Also, please submit new Exhibits C-2, C-3 and C-4 after you have completed the renoticing.

Mr. Charles deMenzes
December 5, 1996
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In addition to the above noted deficiencies, please provide the following information:

1. **Purchase Price.** Based upon a rough estimate using the utility's 1995 Annual Report, the utility's rate base is approximately \$108,000. However, according to the application, the purchase price for the utility's stock is \$526,000. Although the Commission does not regulate stock prices, we are required to determine if the transfer is in the public interest and the purchase is one of the components considered in making that determination. Also, the Commission's current policy is that utilities are only authorized to earn a return on their investment in rate base. Acquisition adjustments based on higher purchase prices are rarely approved by the Commission. Therefore, a large discrepancy between a utility's rate base and purchase price causes some concern for staff. Based upon our conversation, it is my understanding that you have an engineer's assessment of the value of the utility. Please provide a copy of that assessment. Also, please provide any other considerations which are included in the purchase price, such as non-utility assets, additional land and so forth, that will help explain the discrepancy in the rate base and stock purchase price.
2. **Wastewater Service.** Do the utility's customers receive wastewater service from another utility or septic tanks? If wastewater service is provided by another utility, please provide the name of the utility.

Please file an original and eight copies of the requested information no later than March 3, 1997 with Ms. Blanca Bayo, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850. Please feel free to call Richard Redemann at (904)413-6999 or me at (904)413-7015 if you have any questions.

Sincerely,

Martha A. Golden

Martha A. Golden
Economic Analyst

/MAG

Attachments

cc: Division of Water and Wastewater (Hill, Williams, Messer, Redemann)
Division of Legal Services (Jaber, Crosby, Johnson)
Division of Records and Reporting

CAPITAL STOCK (201 - 204)

	Common Stock	Preferred Stock
Par or stated value per share	\$1.00	
Shares authorized	500	
Shares issued and outstanding	500	
Total par value of stock issued	\$500.00	
Dividends declared per share for year	None	

RETAINED EARNINGS (215)

	Appropriated	Un-Appropriated
Balance first of year		(102,678)
Changes during the year (specify)		3,480
Add Current year operating Loss/Gain		
Balance end of year		(99,198)

LONG TERM DEBT (224)

	Interest		Principal per Balance Sheet Date
	Rate	Pymts	
Water System Construction 1/1/84-12/31/03	13%	Var	18,924
Automobile 1/3/94-1/3/99	9.5%	418	13,050
Nancy Finney 3/29/84-12/29-94	12%	None	7,095
			<u>39,069</u>

NAME OF COMPANY RESIDENTIAL WATER SYSTEMS, INC.

WATER TARIFF

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

HIGH POINTE SUBDIVISION

TOWNSHIP 16 SOUTH - RANGE 22 EAST

SECTION 2

Commence
~~COMMENCE~~ AT THE SOUTHWEST CORNER OF SOUTHEAST 1/4 OF SAID SECTION 2 AT A POINT ON THE CENTERLINE OF SOUTHEAST 41ST COURT THEN SOUTH 89 DEGREES 54 MINUTES 08 SECONDS EAST ALONG THE SOUTH BOUNDARY LINE OF SAID SECTION 2 A DISTANCE OF 40 FEET TO THE POINT OF BEGINNING. THEN CONTINUE ALONG THE SAID BOUNDARY ON SAID BEARING A DISTANCE OF 269.78 FEET TO A POINT ON SAID BOUNDARY THEN NORTH 38 DEGREES 33 MINUTES 30 SECONDS EAST A DISTANCE OF 685.96 FEET, THEN NORTH 51 DEGREES 26 MINUTES 30 SECONDS WEST A DISTANCE OF 600.00 FEET, THEN NORTH 38 DEGREES 33 MINUTES 30 SECONDS EAST A DISTANCE OF 600.00 FEET, THEN SOUTH 51 DEGREES 26 MINUTES 30 SECONDS EAST A DISTANCE OF 600.00 FEET, THEN SOUTH 38 DEGREES 33 MINUTES 30 SECONDS EAST A DISTANCE OF 2143.08 FEET, THEN NORTH 89 DEGREES 48 MINUTES 19 SECONDS WEST A DISTANCE OF 2426.19 FEET, THEN SOUTH 00 DEGREES 27 MINUTES 20 SECONDS EAST A DISTANCE OF 2857.15 FEET TO THE POINT OF BEGINNING.

AND

~~TOWNSHIP 16 SOUTH, RANGE 22 EAST, *delete*~~
THE SOUTH 660 FEET OF THE NE 1/4 OF SECTION 02- *delete*
A/K/A SUNTREE SUBDIVISION

AND

~~TOWNSHIP 16 SOUTH, RANGE 22 EAST, *delete*~~
THE NW 1/4 OF THE ^{SE} NW-1/4 LESS THE SOUTH 330 FEET ^{*delete*} OF SECTION 44 A/K/A EDGEWOOD SUBDIVISION.

THE NW 1/4 OF SE 1/4 OF NE 1/4 AND SW 1/4 OF NW 1/4 OF NE 1/4 OF SECTION 2- *delete*
A/K/A COUNTRY ESTATES BUFFINGTON ADDITION SUBDIVISION.

AND
THE N 1/2 OF SW 1/4 OF SECTION 2 A/K/A WINEBERRY SUBDIVISION.
delete

SECTION 11

→ *move this here*

CHARLES DE WENZEL
BOARDING OFFICER

PRESTON
TITLE

Florida Public Service Commission
Division of Water & Wastewater
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear

requests consideration to have a Late Payment Charge added to its water and sewer tariffs. Enclosed for review are a summary schedule of delinquent customers for the period October 1995 through May 1996 as well as updated tariff sheets. As the delinquency summary shows, the percentage delinquent customers has varied from 6% to 10%. The total delinquent accounts receivable balance each month has been greater than \$4,900.

The Commission has previously authorized a \$3 charge when a customer's billing account is not paid within 20 days. Listed below are four cases where such a charge has been approved.

Palm Coast Utilities, Inc.	PSC Docket No. 920349-WS
Ferncrest Utilities, Inc.	PSC Docket No. 920535-WS
Rolling Oaks Utilities, Inc.	PSC Docket No. 930353-WS
Hydratech Utilities, Inc.	PSC Docket No. 930387-WS

If you need additional information, please feel free to contact me at

Sincerely,

Analysis of Delinquencies
May 20, 1986

	Monthly Billing		Delinquencies			
	Revenue	Customers	Balance	%	Customers	%
May 1986	\$ 70,716	1,785	\$ 7,585	11%	115	6%
April 1986	\$ 79,372	1,783	\$ 7,422	9%	110	6%
March 1986	\$ 78,097	1,773	\$ 4,951	7%	106	6%
February 1986	\$ 68,462	1,768	\$ 8,637	12%	166	9%
January 1986	\$ 72,703	1,766	\$ 5,835	8%	119	7%
December 1985	\$ 58,509	1,756	\$ 5,377	9%	130	7%
November 1985	\$ 47,855	1,752	\$ 6,377	13%	177	10%
October 1985	\$ 57,957	1,747	\$ 6,288	11%	182	10%

Example of Cost justification

WE ARE CURRENTLY AVERAGING 100 LATE ACCOUNTS PER MONTH.
 (total costs = \$777.23 or \$7.77 per late account) ★

412 accounts
 total
 84% are
 delinquent

1. MAILING LATE NOTICES

-COST OF CARDS	.08*100	\$8.00
-COST OF STAMPS	.20*100	\$20.00
-PROCESSING COST	1.5 HRS. @ \$8/HR	\$12.00

2. PHONE CALLS

-CUSTOMER INCOMING	.26*50 CALLS @ 2 MIN. EACH	\$26.00
-CRU OUTGOING	.21*20 CALLS @ 5 MIN. EACH	\$21.00
-CRU INTERNAL COMM.	.11*10 CALLS @ 3 MIN. EACH	\$6.30

3. LETTERS TO TURNED OFF ACCTS. WHO COULDN'T BE CONTACTED APP.. 5/MO.

-PROCESSING COST	5 LETTERS @ 6 MIN. PER	\$5.00
-COST OF STAMPS	.32*5	\$1.60

4. MAN POWER COSTS

-RETURNING, RECEIVING & RECORDING CALLS	50*7MIN @ \$8/HR	\$46.67
-UPDATING COMPUTER	100*1MIN @ \$8/HR	\$13.33

5. BOOKKEEPING

-TRACKING LATE CKS, RECORDING FINANCIAL INFO	1 MIN*100 @ \$8/HR	\$13.33
-SEPARATE BK DEPOSIT	30 MIN. @ \$8/HR.	\$4.00

6. SUPERVISORY COSTS

-CFO INVOLVEMENT REVIEW OF ALL DATA, DECISIONS REGARDING WHOM TO TURN OFF, WHAT TYPE OF RESPONSE IN CERTAIN CASES, ETC.	12 HRS./MONTH @ \$50/HR	\$600
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Example of Customer Notice

NOTICE OF LATE PAYMENT CHARGE

By Order No. PSC-96-0987-POF-WS, issued August 5, 1996, in Docket No. 960673-WS, the Florida Public Service Commission approved a late payment charge for water and wastewater for MHC Systems, Inc. d.b.a. FFEC-Six in Lee County. The late payment charge will be levied when a customer's billing account is not paid within 20 days and is therefore delinquent.

The approved late payment charge on a monthly basis for your service area is:

**LEE COUNTY
RESIDENTIAL AND GENERAL SERVICE
WATER AND WASTEWATER**

Late Payment Charge

\$3.00

The late payment charge will be effective for billings on or after the Commission's stamped approval date on the tariff sheets.

If you should have any questions, please call the utility office at (941)731-3100. Be sure to have your account number on hand for quick reference.

**FFEC-Six
P.O. Box 4535
N. Ft. Myers, FL 33918**

majority organizational control of Residential Water Systems, Inc.

LEGAL NOTICE

367.071

change to new notice publication date

Notice is hereby given on ~~October 31, 1996~~, pursuant to Section 367.045, Florida Statutes, of the application for transfer of Water Certificate No. ~~419-W~~ from NANCY E. FINNEY and C. ELAINE FINNEY to CHARLES deMENZES, providing service to the following described territory in MARION County, Florida.

DESCRIPTION OF TERRITORIES SERVED

The following Subdivisions within Section 02 and Section 11 of Township 16 South - Range 22 East.

- HIGH POINTE SUBDIVISION
- SUNTREE SUBDIVISION
- EDGEWOOD SUBDIVISION
- COUNTRY ESTATES SUFFINGTON ADDITION SUBDIVISION
- WINEBERRY SUBDIVISION

Any objection to the ^{this} said application must be made in writing within thirty (30) days from this date to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Blvd, Tallahassee, Florida 32399-0850. A copy of said objection should be mailed to the applicant whose address is:

Charles deMenzes
PO Box 5220
Ocala, FL 34478-5220

It is not required, but is sometimes helpful to the customers to add the utility's phone number.

→ Replace with the correct legal descriptions contained in the attached orders or the corrected version of Original Sheet No. 3.1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for) DOCKET NO. 950907-WU
Amendment of Certificate No.) ORDER NO. PSC-96-0165-FOF-WU
419-W to Add Territory in Marion) ISSUED: February 6, 1996
County by Residential Water)
Systems, Inc.)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER AMENDING CERTIFICATE NO. 419-W TO
REFLECT ADDITIONAL TERRITORY
AND
CLOSING DOCKET

BY THE COMMISSION:

Background

Residential Water Systems, Inc. (Residential or utility) provides water service in Marion County and serves approximately 486 customers. The annual report for 1994 shows that the annual operating revenue for the system is \$113,267 and the net operating loss is \$6,314. Residential is a Class C utility under Commission jurisdiction.

On August 1, 1995, the utility applied for an amendment of Water Certificate No. 419-W in Marion County to extend its certificated territory to include territory that it has been servicing for several years. The oversight was discovered after the death of the company's president, Mr. Charles Finney. The applicant is currently providing water service to five residential subdivisions, three of which are outside the certificated territory.

No Show Cause Required

Pursuant to Section 367.045(2), Florida Statutes, a utility may not delete or extend its service area outside the area described in its certificate of authorization until it has obtained

an amended certificate of authorization from the Commission. Section 367.161(1), 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.

After the owner's death, the new manager recognized that the utility was serving customers outside of its territory and subsequently filed the amendment application. 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 antecedent Commission approval to extend its service area outside the area described in its certificate of authorization, 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., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule." Id. at 6.

Failure to obtain the approval of the Commission prior to extending the service area outside the area described in the certificate of authorization is an apparent violation of Section 367.045(2), Florida Statutes. In this case, however, we find that Residential's apparent violation of Section 367.045(2), Florida Statutes, does not warrant that a show cause order be issued. First, the utility took the necessary steps to correct the violation once it was discovered. Second, the area in question was developed into three subdivisions which required water service. Residential distribution lines were adjacent to the new development which made the applicant the most logical candidate to provide service. The Commission received an informal complaint concerning the validity of the expansion request and notification of water turnoffs during construction. The customers later decided not to pursue the issue.

Application

On August 1, 1995, Residential filed its application for amendment of its water certificate to include additional territory in Marion County. Except as noted above, the application is in

compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for amendment of certificate. The application contains a check in the amount of \$500, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided a copy of a warranty deed which provides for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(3)(e), (f) and (i), Florida Administrative Code. A description of the territory is appended to this Order. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No formal objections to the notice of application have been received and the time for filing such has expired. The local planning agency was provided notice of the application and did not file a protest.

The president/owner, Ms. Elaine Finney, has served as vice president assisting in the daily operation of the plant since 1983. In addition, the applicant has contracted the services of Mr. Charles de Menzes, manager of Tradewinds Utilities, Inc. (a Commission-regulated utility), to assist in the management of the plant. Historically, the utility has demonstrated the capacity and the financial and technical expertise to provide service to these customers.

Based on the above information, we find that it is in the public interest to grant Residential's application for amendment of Certificate No. 419-W to include the additional territory. The utility misplaced its certificate and requested that a replacement be issued so that the entry would include the additional territory and the filed revised tariff sheets would reflect the amended territory description.

Rates and Charges

Residential shall charge its customers the rates and charges approved in its tariff until authorized to change by this Commission in a subsequent proceeding.

It is therefore,

ORDERED by the Florida Public Service Commission that Certificate No. 419-W, held by Residential Water Systems, Inc., 3041 NE Jax Rd., Unit #8, Ocala, Florida 34470, is hereby amended to include the territory described in Attachment A of this Order. It is further

ORDERED that Residential Water Systems, Inc. shall charge those customers in the territory added herein the rates and charges approved in its tariff until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that Docket No. 950196-WU is hereby closed.

By ORDER of the Florida Public Service Commission, this 6th day of February, 1996.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-904-413-6770.

(S E A L)

MTR

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

ATTACHMENT A

RESIDENTIAL WATER SYSTEMS, INC.

Marion County

Edgewood Subdivision - Water Service Area

Township 16 South, Range 22 East

Section 11

The NW 1/4 of the SE 1/4 less the South 330 feet of Section 11.

Country Estates Buffington Subdivision - Water Service Area

Township 16 South, Range 22 East

Section 2

The NW 1/4 of SE 1/4 of NE 1/4 and SW 1/4 of NW 1/4 of NE 1/4 of Section 2.

Wineberry Subdivision - Water Service Area

Township 16 South, Range 22 East

Section 2

The N 1/2 of SW 1/4 of Section 2

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Residential Water Systems, Inc. amendment of Certificate No. 419-W to include additional territory in Marion County, Florida.) DOCKET NO. 840284-WU) ORDER NO. 14554) ISSUED: 7-10-85

ORDER AMENDING CERTIFICATE TO INCLUDE ADDITIONAL TERRITORY

BY THE COMMISSION:

On July 20, 1984, we received the application of Residential Water System, Inc. to amend its Certificate No. 419-W to include additional territory in Marion County, Florida, pursuant to the provisions of Section 367.061, Florida Statutes.

The applicant has submitted proof of notification to the certificated utilities and to the appropriate governmental bodies of Marion County. Notification was given on June 6, 1984.

Notice of the utility's intent to extend its service area was published on June 9, 16, and 23, 1984, in the Ocala Star Banner, a newspaper of general circulation published in Marion County, Florida.

No protests to this application were received by the Commission within the prescribed time period.

The appropriate filing fee of \$150 has been paid. The lines are already constructed, and the utility is ready to provide service to the territory that is the subject of this application.

We have examined the application and find it to be in compliance with the law. It is, therefore,

ORDERED by the Florida Public Service Commission that Certificate No. 419-W, held by Residential Water Systems, Inc., 1850 Southwest Pine Street, Ocala, Florida 32670, be and is hereby amended to include the following territory:

Township 16 South, Range 22 East

Section 02

The South 660 feet of the Northeast 1/4 of Said Section 02.

It is further

ORDERED that the utility shall charge the rates approved in its tariffs to customers in the territory added herein. It is further

ORDERED that Docket No. 840284-WU be and is hereby closed.

By ORDER of the Florida Public Service Commission, this 10th day of JULY, 1985.


STEVE TRIBBLE
COMMISSION CLERK

(S E A L)

JFH

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of RESIDENTIAL WATER)
SYSTEMS, INC., for a certificate to) DOCKET NO. 830436-W (AP)
provide water service in Marion County,) ORDER NO. 12842
pursuant to the provisions of Section)
367.041, Florida Statutes.) ISSUED: 1-4-84

The following Commissioners participated in the disposition of this matter:

GERALD L. GUNTER, Chairman
JOSEPH P. CRESSE
JOHN R. MARKS, III
KATIE NICHOLS
SUSAN W. LEISNER

ORDER GRANTING CERTIFICATE, SETTING RATES,
AND DETERMINING CHARGES FOR SERVICE AVAILABILITY

BY THE COMMISSION:

On September 9, 1983, we received the application of Residential Water Systems, Inc., for an original certificate to provide water service in Marion County, Florida.

Residential Water Systems, Inc., is a Florida corporation, whose principal officers are: Charles Finney, President, and Nancy E. Finney, Secretary/Treasurer.

The formation of this utility is for the primary purpose of providing water service to a development area in Marion County. The facility is not yet constructed but when completed will be located in Ocala, Florida. The legal description of the area proposed to be served is as follows:

TOWNSHIP 16 SOUTH - RANGE 22 EAST

Section 2

Commence at the Southwest Corner of Southeast 1/4 of said Section 2 at a point on the centerline of Southeast 41st Court then South 89 degrees 54 minutes 08 seconds East along the South boundary line of said Section 2 a distance of 40 feet to the point of beginning. Then continue along the said boundary on said bearing a distance of 269.78 feet to a point on said boundary then North 38 degrees 33 minutes 30 seconds East a distance of 665.75 feet, then North 51 degrees 26 minutes 30 seconds West a distance of 600.00 feet, then North 38 degrees 33 minutes 30 seconds East a distance of 600.00 feet then South 51 degrees 26 minutes 30 seconds East and distance of 600.00 feet, then North 38 degrees 33 minutes 30 seconds East a distance of 2143.08 feet, then North 89 degrees 48 minutes 19 seconds West a distance of 2426.19 feet then South 00 degrees 27 minutes 20 seconds East a distance of 2687.15 feet to the point of beginning.

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JAN 6 1984

Florida Public Service Commission
Water and Sewer Department

DOCUMENT FILED-DATE

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OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
12/03/1996-01/31/1997

UTILITY NAME

MANAGER

MARION COUNTY

A. P. UTILITIES, INC. (WU592)
3925 S.E. 45TH COURT, SUITE E
OCALA, FL 34480-7431

PHILIP D. WOODS
(904) 694-7474

ASTOR WEST, INC. (WS004)
% MR. S. RAY GILL, P.A.
P. O. BOX 337
OCALA, FL 34478-0337

SELMA J.R. COLLINS
(352) 732-8030

BFF CORP. (SU595)
P. O. BOX 5220
OCALA, FL 34478-5200

CHARLES DE MENZES
(352) 622-4949

C.F.A.T. H2O, INC. (WS719)
P. O. BOX 5220
OCALA, FL 34478-5220

CHARLES DE MENZES
(352) 622-4949

COUNTYWIDE UTILITY COMPANY (WU008)
P. O. BOX 1476
OCALA, FL 34478-1476

DIRK J. LEEMARD
(352) 245-7007

DECCA UTILITIES, A DIVISION OF DECCA (WS465)
8865 S.W. 104TH LANE
OCALA, FL 34481-8961

JAMES A. BELL
(352) 854-6210

EAGLE SPRINGS UTILITIES, INC. (WU470)
P. O. BOX 1975
SILVER SPRINGS, FL 34489-1975

LEONARD (LEN) B. TABOR
(904) 351-8800

EAST MARION SANITARY SYSTEMS, INC. (SU535)
% FIRST FEDERAL BANK OF OSCEOLA
200 EAST BROADWAY
KISSIMMEE, FL 34741-5791

JAMES W. BURNS
(407) 846-3000

EAST MARION WATER DISTRIBUTION, INC. (WU536)
% FIRST FEDERAL BANK OF OSCEOLA
200 EAST BROADWAY
KISSIMMEE, FL 34741-5791

JAMES W. BURNS
(407) 846-3000

LINADALE WATER COMPANY (WU148)
24901 S.E. COUNTY HIGHWAY 42
UMATILLA, FL 32784-9144

FANNIE J. SHIELDS
(904) 669-3589

OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
12/03/1996-01/31/1997

UTILITY NAME

MANAGER

MARION COUNTY (continued)

LOCH HARBOUR UTILITIES, INC. (WS151) P. O. BOX 2100 OCALA, FL 34478-2100	JOSEPH C. MCCOUN (904) 732-2100
MARION UTILITIES, INC. (WS160) 710 N.E. 30TH AVENUE OCALA, FL 34470-6460	TIM E. THOMPSON (904) 622-1171
OCALA OAKS UTILITIES, INC. (WU174) 1343 N.E. 17TH ROAD OCALA, FL 34470-4600	MICHAEL ELLZEY (904) 732-3504
PINE RUN UTILITIES, INC. (WU337) 8865 S.W. 104TH LANE OCALA, FL 34481-8961	JAMES A. BELL (352) 854-6210
QUAIL MEADOW UTILITIES, INC. (WU532) 2477 EAST COMMERCIAL BLVD. FT. LAUDERDALE, FL 33308-4041	STEPHEN G. MEHALLIS (305) 491-1722
RAINBOW SPRINGS UTILITIES, L.C. (WS199) P. O. BOX 1850 DUNNELLON, FL 34430-1850	LOWELL D. SMALLRIDGE (352) 489-5264
RESIDENTIAL WATER SYSTEMS, INC. (WU370) P. O. BOX 5220 OCALA, FL 34473-5220	CHARLES DEMENZES (352) 622-4949
S & L UTILITIES, INC. (SU327) P. O. BOX 4186 OCALA, FL 34478-4186	CHARLES FLETCHER, JR. (904) 694-3057/622-7236
SATEKE UTILITIES, INC. (WS212) 606 S.W. 2ND AVENUE OCALA, FL 34474-4215	TERRY S. ROBERTS (904) 622-4141
SILVER CITY UTILITIES (WU362) 355 PRINCES STREET KINCARDINE, ONTARIO CANADA N2Z 2-7.	DAVID SMALL (519) 396-2658

OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
12/03/1996-01/31/1997

UTILITY NAME

MANAGER

MARION COUNTY (continued)

SOUTHERN STATES UTILITIES, INC. (WS487) 1000 COLOR PLACE APOPKA, FL 32703-7753	BRIAN P. ARMSTRONG (407) 880-0058
SPRUCE CREEK SOUTH UTILITIES, INC. (SU653) 17585 S.E. 102ND AVENUE SUMMERFIELD, FL 34491-6920	HARVEY D. ERP (904) 347-3700
SPRUCE CREEK SOUTH UTILITIES, INC. (WU591) 17585 S.E. 102ND AVENUE SUMMERFIELD, FL 34491-6920	HARVEY D. ERP (904) 347-3700
STEEPLECHASE UTILITY COMPANY, INC. (WS598) # STONECREST 11053 S.E. 174TH LOOP SUMMERFIELD, FL 34491-8619	L. HALL ROBERTSON, JR. (904) 245-2770
SUN COMMUNITIES OPERATING LIMITED PARTNERSHIP (WS746) ATTN: SADDLE OAK CLUB 31700 MIDDLEBELT ROAD, SUITE 145 FARMINGTON HILLS, MI 48334	JAN CARR (407) 521-9533
SUNSHINE UTILITIES OF CENTRAL FLORIDA, INC. (WU239) 10230 S.E. HIGHWAY 25 BELLEVIEW, FL 34420-5531	JAMES H. HODGES (904) 347-8228
TRADEWINDS UTILITIES, INC. (WS350) P. O. BOX 5220 OCALA, FL 34478-5220	CHARLES DE MENZES (352) 622-4949
UTILITIES, INC. OF FLORIDA (SU661) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4099	DONALD RASMUSSEN (407) 869-1919
UTILITIES, INC. OF FLORIDA (WU443) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4099	DONALD RASMUSSEN (407) 869-1919
VENTURE ASSOCIATES UTILITIES CORP. (WU512) 2661 N.W. 60TH AVENUE OCALA, FL 34482-3933	ARTHUR F. TAIT (904) 732-5000

OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
12/03/1996-01/31/1997

UTILITY NAME

MANAGER

MARION COUNTY (continued)

WINDSTREAM UTILITIES COMPANY (MU385)
P. O. BOX 4201
OCALA, FL 34478-4201

SHARON (SHARI) DLOUHY
(904) 620-8290

OF WATER AND WASTEWATER UTILITIES IN MARION COUNTY

(VALID FOR 60 DAYS)
12/03/1996-01/31/1997

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

CLERK, BOARD OF COUNTY COMMISSIONERS, MARION COUNTY
P. O. BOX 1030
OCALA, FL 32678-1030

DEP CENTRAL DISTRICT
3319 MAGUIRE BLVD., SUITE 232
ORLANDO, FL 32803-3767

DEP SOUTHWEST DISTRICT
3804 COCONUT PALM DRIVE
TAMPA, FL 33618-8318

MAYOR, CITY OF BELLEVIEW
5343 S.E. ABSHIER BLVD.
BELLEVIEW, FL 34420-3904

MAYOR, CITY OF DUNNELLON
12014 SOUTH WILLIAMS STREET
DUNNELLON, FL 34432

MAYOR, CITY OF OCALA
P. O. BOX 1270
OCALA, FL 32678-1270

MAYOR, TOWN OF MCINTOSH
P. O. BOX 165
MCINTOSH, FL 32664-0165

MAYOR, TOWN OF REDDICK
P. O. BOX 203
REDDICK, FL 32686-0203

ROBERT TITTERINGTON, MARION COUNTY
601 S.E. 25TH AVENUE
OCALA, FL 34471

OF WATER AND WASTEWATER UTILITIES IN HARRIS COUNTY

(VALID FOR 60 DAYS)
12/03/1996-01/31/1997

UTILITY NAME

MANAGER

S.W. FLORIDA WATER MANAGEMENT DISTRICT
2379 BROAD STREET
BROOKSVILLE, FL 34609-6899

ST. JOHNS RIVER WTR MANAGEMENT DISTRICT
P.O. BOX 1429
PALATKA, FL 32178-1429

WITHLACOOCHEE REG PLANNING COUNCIL
1241 S.W. 10TH STREET
OCALA, FL 34474-2798

STATE OFFICIALS

STATE OF FLORIDA PUBLIC COUNSEL
C/O THE HOUSE OF REPRESENTATIVES
THE CAPITOL
TALLAHASSEE, FL 32399-1300

DIVISION OF RECORDS AND REPORTING
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850