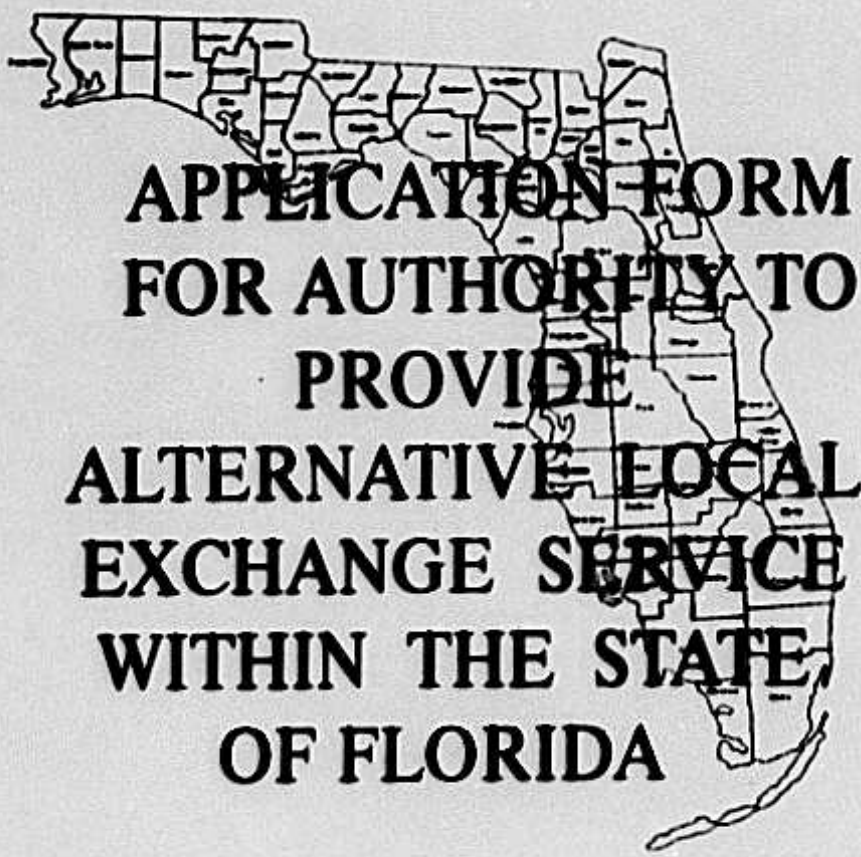


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DOCUMENT NUMBER DATE  
 10005 117-85  
 1000-RECORDS/REGISTRATION

**FLORIDA PUBLIC SERVICE COMMISSION  
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0000**

**APPLICATION FORM  
for**

**AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE  
WITHIN THE STATE OF FLORIDA**

---

**INSTRUCTIONS**

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. If you have questions about completing the form, contact:  

**Florida Public Service Commission  
Division of Communications, Certification & Compliance Section  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0000  
(904) 413-6600**
5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.

1. This is an application for (check one):

Original authority (new company)

Approval of transfer (to another certificated company)

Example. a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate (to a noncertificated company)

Example. a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

Approval for transfer of control (to another certificated company)

Example. a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant:

City of Ocala, Florida

3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

P. O. Box 1270  
2100 N. E. 30 Avenue  
Ocala, FL 34470 Ph: 352-351-6600

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

Same as 3(A)

C. Physical address of alternative local exchange service in Florida including street name, number, post office box, city, zip code and phone number.

Same as 3(A)

4. Structure of organization:

- Individual  
 Foreign Corporation  
 General Partnership  
 Joint Venture

- Corporation  
 Foreign Partnership  
 Limited Partnership  
 Other, Please explain Municipality

5. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: Ocala is a municipality, no incorporation is required.

6. Name under which the applicant will do business (d/b/a):

City of Ocala

7. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number: N/A

8. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

Not Applicable

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

No

10. Please provide the name, title, address, telephone number, internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Internet: rkent@oeu.ci.ocala.fl.us  
Richard T. Kent, Jr., P.E., Deputy Director  
Ocala Electric Utility  
2100 NE 30 Avenue Ocala, FL 34470

Fx: 352-351-8263

Ph: 352-351-6600

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or alternative local exchange service.

None

FORM PSC/CRU 8 (07/95)

Required by Chapter 364.337 F.S.

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

No

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

No

14. Please indicate how a customer can file a service complaint with your company. Service complaints may be filed either in writing, in person, or by telephone to the City of Ocala Utility Business Office.

15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide alternative local exchange service in Florida.

A. Financial capability. See Attached Financial Statements

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

**NOTE:** This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should attest that the financial statements are true and correct.

**B. Managerial capability.**

Management expertise will be provided by the City of Ocala's municipal electric system, Ocala Electric Utility.

**C. Technical capability.**

Technical expertise will be provided by the City of Ocala's municipal electric system, Ocala Electric Utility.

**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange service in the State of Florida. I have read the foregoing and declare that to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

Official:

  
Signature

2-3-97  
Date

Title:

City Manager  
City of Ocala

352 629-8401  
Telephone Number

Address:

P. O. Box 1270  
Ocala  
Florida 34478

CITY OF OCALA, FLORIDA  
 COMBINING BALANCE SHEET  
 ENTERPRISE FUNDS

September 30, 1996

Assets	Electric System Revenue
<b>Current Assets:</b>	
Cash and investments	\$ 2,300
Equity in pooled cash and investment fund	5,599,890
Accrued interest receivable	50,775
Accounts and notes receivable	6,639,488
Accrued unbilled revenues	5,145,208
Due from other funds	0
Interfund loans receivable	149,846
Inventories	2,296,022
Due from other governments	0
Other current assets	345,112
Total current assets	\$ 20,228,641
<b>Restricted Assets:</b>	
Cash and investments	10,208,157
Equity in pooled cash and investment fund	14,279,907
Accrued interest receivable	184,993
Due from other governments	0
Other	1,243,174
Total restricted assets	\$ 25,916,231
Interfund Loans Receivable After One year	1,111,150
Property, Plant and Equipment, net	74,195,150
Issuance Costs on Long-Term Debt	177,394
Total Assets	\$121,628,566



CITY OF OCALA, FLORIDA  
 COMBINING BALANCE SHEET - CONTINUED

ENTERPRISE FUNDS

September 30, 1996

Liabilities and Fund Equity	Electric System Revenue
Current Liabilities:	
Accounts payable	\$ 5,343,265
Compensated absences payable	410,725
Accrued interest payable	2,484
Due to other funds	1,237,190
Customer deposits	3,440,822
Deferred revenue	1,776
Interfund loans payable	0
Total Current Liabilities	\$ 10,436,262
Liabilities Payable from Restricted Assets:	
Accounts payable	43,555
Accrued interest payable	644,440
Deferred revenue	0
Revenue bonds payable within one year	3,900,000
Decommissioning costs	1,770,234
Total Liabilities payable from restricted assets	\$ 6,358,229
Interfund Loans Payable After One Year	0
Revenue Bonds and Notes Payable After One Year	17,037,627
Total Liabilities	33,832,118
Fund Equity:	
Contributed equity	6,111,763
Retained earnings:	
Reserved for debt service	0
Reserved for renewal and replacement	16,512,289
Total reserved retained earnings	16,512,289
Unreserved	65,172,396
Total retained earnings	81,684,685
Total fund equity	87,796,448
Total Liabilities and Fund Equity	\$ 121,628,566

## CITY OF Ocala, FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
RETAINED EARNINGS-ENTERPRISE FUNDS

Year Ended September 30, 1996

PRELIMINARY-SUBJECT TO CHANGE

	Electric System Revenue
Operating Revenues:	
Sale of electricity	\$ 76,301,304
Sale of water	0
Sewer and sanitation service charges	0
Fees and rentals	0
Commissions	0
Other	1,944,547
Total operating revenues	<u>78,245,851</u>
Operating Expenses:	
Purchase of electricity	47,208,982
Distribution	6,685,528
Operation and maintenance	2,216,645
Water and sewer treatment	0
Sewer collection	0
Administration	2,113,546
Depreciation and amortization	3,561,675
Economic improvement incentives	822,455
Other	1,751,836
Total operating expenses	<u>64,360,667</u>
Operating Income (Loss)	<u>13,885,184</u>
Non-Operating Revenues (Expenses):	
Interest Income	1,457,294
Interest Expense	(839,856)
Litigation settlement (net of \$486,160 of related costs)	0
Other non-operating revenue	0
Total non-operating revenues(expenses)	<u>617,438</u>
Income (Loss) Before Operating Transfers	<u>14,502,622</u>
Operating Transfers:	
From Other Funds	286,045
To other funds	(9,263,264)
Total Operating transfers	<u>(8,977,219)</u>
Net Income (Loss) Before Extraordinary Item	<u>5,525,403</u>
Extraordinary Item:	
Loss on refunding	0
Net income (Loss)	<u>5,525,403</u>
Retained Earnings, beginning of year	<u>76,168,270</u>
Equity Transfers to Other Funds	<u>(8,998)</u>
Retained Earnings, end of year	<u>81,684,685</u>

**CITY OF OCALA, FLORIDA**  
**COMBINED BALANCE SHEET**

**ENTERPRISE FUNDS**

**September 30, 1995**

<b>Assets</b>	<b>Electric System Revenue</b>	<b>Water and Sewer</b>	<b>Sanitation</b>
<b>Current Assets:</b>			
Cash and investments	\$ 2,125	\$ 450	\$ -
Equity in pooled cash and investment fund	4,270,003	4,600,928	193,766
Accrued interest receivable	33,015	33,722	1,798
Accounts and notes receivable	6,875,014	107,407	-
Accrued unbilled revenues	4,599,419	-	-
Due from other funds	-	548,295	286,493
Interfund loans receivable	76,485	-	-
Inventories	2,072,474	73,146	-
Due from other governments	-	-	41,576
Other current assets	330,696	62,849	-
<b>Total current assets</b>	<u>18,259,231</u>	<u>5,426,797</u>	<u>523,633</u>
<b>Restricted Assets:</b>			
Cash and investments	14,170,642	19,226,920	-
Equity in pooled cash and investment fund	11,209,108	9,389,636	-
Accrued interest receivable	170,316	398,885	-
Due from other governments	-	55,378	-
Other	961,883	342,059	-
<b>Total restricted assets</b>	<u>26,511,949</u>	<u>29,412,877</u>	<u>-</u>
<b>Interfund Loans Receivable After One Year</b>	596,167	-	-
<b>Property, Plant and Equipment, net</b>	72,814,906	84,503,838	1,048,246
<b>Issuance Costs on Long-Term Debt</b>	211,441	484,634	-
<b>Total Assets</b>	<u>\$ 118,393,694</u>	<u>\$ 119,828,146</u>	<u>\$ 1,571,879</u>

**CITY OF OCALA, FLORIDA**

**COMBING BALANCE SHEET - CONTINUED**

**ENTERPRISE FUNDS**

**September 30, 1995**

<b>Liabilities and Fund Equity</b>	<b>Electric System Revenue</b>	<b>Water and Sewer</b>	<b>Sanitation</b>
<b>Current Liabilities:</b>			
Accounts payable	\$ 5,179,724	\$ 146,612	\$ 240,374
Compensated absences payable	336,408	142,431	125,542
Accrued interest payable	3,019	-	-
Due to other funds	917,205	-	-
Customer deposits	3,252,773	-	-
Deferred revenue	-	-	-
Interfund loans payable	-	-	-
<b>Total current liabilities</b>	<u>9,689,129</u>	<u>289,043</u>	<u>365,916</u>
<b>Liabilities Payable from Restricted Assets:</b>			
Accounts payable	46,715	508,988	-
Accrued interest payable	745,848	1,960,606	-
Deferred revenue	-	71,064	-
Revenue bonds payable within one year	3,690,000	1,515,000	-
Decommissioning costs	1,433,766	-	-
<b>Total liabilities payable from restricted assets</b>	<u>5,916,329</u>	<u>4,055,658</u>	<u>-</u>
<b>Interfund Loans Payable After One Year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Revenue Bonds and Notes Payable After One Year</b>	<u>20,866,635</u>	<u>58,063,296</u>	<u>-</u>
<b>Total liabilities</b>	<u>36,472,093</u>	<u>62,407,997</u>	<u>365,916</u>
<b>Fund Equity:</b>			
Contributed equity	5,753,331	16,789,411	8,515
Retained earnings:			
Reserved for debt service	-	8,648,959	-
Reserved for renewal and replacement	16,526,025	5,517,120	-
<b>Total reserved retained earnings</b>	<u>16,526,025</u>	<u>14,166,079</u>	<u>-</u>
Unreserved	59,642,245	26,464,659	1,197,448
<b>Total retained earnings</b>	<u>76,168,270</u>	<u>40,630,738</u>	<u>1,197,448</u>
<b>Total fund equity</b>	<u>81,921,601</u>	<u>57,420,149</u>	<u>1,205,963</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 118,393,694</u>	<u>\$ 119,828,146</u>	<u>\$ 1,571,879</u>

**CITY OF OCALA, FLORIDA**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS**

**ENTERPRISE FUNDS**

**Year Ended September 30, 1998**

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>
<b>Operating Revenues:</b>			
Sale of electricity	\$ 77,531,618	\$ -	\$ -
Sale of water	-	3,700,279	-
Sewer and sanitation service charges	-	8,303,119	6,094,797
Fees and rentals	-	9,800	-
Commissions	-	-	-
Other	1,791,066	408,173	14,925
<b>Total operating revenues</b>	<u>79,322,684</u>	<u>12,421,371</u>	<u>6,109,722</u>
<b>Operating Expenses:</b>			
Purchase of electricity	46,080,940	-	-
Distribution	6,208,721	549,088	-
Operation and maintenance	1,787,084	-	5,377,084
Water and sewer treatment	-	2,371,838	-
Sewer collection	-	829,459	-
Administration	1,982,201	1,283,914	338,747
Depreciation and amortization	3,625,232	2,632,092	246,935
Economic improvement incentives	592,216	-	-
Other	1,346,812	288,657	53,787
<b>Total operating expenses</b>	<u>61,713,006</u>	<u>7,955,046</u>	<u>6,016,553</u>
<b>Operating Income (Loss)</b>	<u>17,609,678</u>	<u>4,466,325</u>	<u>93,169</u>
<b>Non-Operating Revenues (Expenses):</b>			
Interest income	1,324,508	1,642,308	10,743
Interest expense	(952,525)	(3,532,617)	-
Litigation settlement (net of \$486,160 of related costs)	-	1,378,844	-
Other non-operating revenue	92,223	10,179	72,073
<b>Total non-operating revenues (expenses)</b>	<u>464,204</u>	<u>(503,286)</u>	<u>82,815</u>
<b>Income (Loss) Before Operating Transfers</b>	<u>18,073,882</u>	<u>3,963,039</u>	<u>175,985</u>
<b>Operating Transfers:</b>			
From other funds	24,933	12,679	15,553
To other funds	(13,035,880)	(348,569)	(230,201)
<b>Total operating transfers</b>	<u>(13,010,947)</u>	<u>(335,890)</u>	<u>(214,648)</u>
<b>Net Income (Loss)</b>	<u>5,062,935</u>	<u>3,627,149</u>	<u>(38,663)</u>
<b>Retained Earnings, beginning of year</b>	71,907,803	37,170,568	1,255,258
<b>Equity Transfers to Other Funds</b>	<u>(802,468)</u>	<u>(166,977)</u>	<u>(19,147)</u>
<b>Retained Earnings, end of year</b>	<u>\$ 76,168,270</u>	<u>\$ 40,630,738</u>	<u>\$ 1,197,448</u>

**CITY OF OCALA, FLORIDA**

**COMBINED STATEMENT OF CASH FLOWS**

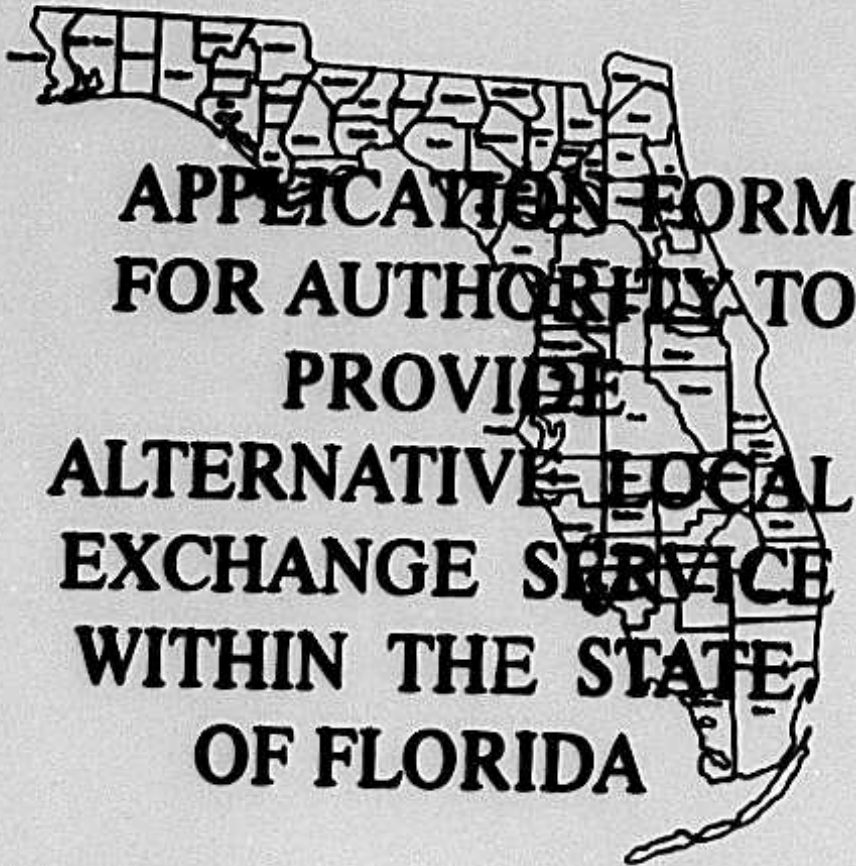
**ENTERPRISE FUNDS**

**Year Ended September 30, 1996**

	<u>Electric System Revenue</u>	<u>Water and Sewer</u>	<u>Sanitation</u>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 77,599,700	\$ 11,995,002	\$ 6,072,938
Cash paid to suppliers for goods and services	(55,199,634)	(2,982,836)	(3,849,294)
Cash paid to employees for services	(3,529,813)	(2,259,154)	(1,886,830)
Net cash provided by operating activities	<u>18,870,253</u>	<u>6,753,012</u>	<u>336,814</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Operating transfers in	24,933	12,679	15,553
Operating transfers out	(13,035,880)	(348,569)	(230,201)
Grant revenues	<u>92,223</u>	<u>10,179</u>	<u>72,073</u>
Net cash provided by (used in) non-capital financing activities	<u>(12,918,724)</u>	<u>(325,711)</u>	<u>(142,575)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(8,907,947)	(6,075,806)	(106,227)
Principal paid on bonds	(3,500,000)	(1,435,000)	-
Interest paid on bonds	(1,584,077)	(3,955,703)	-
Principal paid on loans from other funds	-	-	-
Interest paid on loans from other funds	-	-	-
Principal received on loans to other funds	70,927	-	-
Interest received on loans to other funds	33,181	-	-
Proceeds of loans from other funds	-	-	-
Loans to other funds	(164,717)	-	-
Contributions received from other governments and developers	310,464	1,853,691	-
Litigation settlement	-	1,376,844	-
Net cash provided by (used in) capital and related financing activities	<u>(13,742,169)</u>	<u>(8,235,974)</u>	<u>(106,227)</u>
<b>Cash Flows from Investing Activities:</b>			
Purchase of investments	(107,700)	-	-
Proceeds from sales and maturities of investments	6,084,924	3,492,754	-
Interest received	1,501,585	1,721,111	10,034
Net cash provided by investing activities	<u>7,478,809</u>	<u>5,213,865</u>	<u>10,034</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(311,831)</b>	<b>3,405,192</b>	<b>98,046</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b><u>21,864,887</u></b>	<b><u>19,403,634</u></b>	<b><u>95,720</u></b>
<b>Cash and Cash Equivalents, end of year</b>	<b><u>\$ 21,553,056</u></b>	<b><u>\$ 22,808,816</u></b>	<b><u>\$ 193,766</u></b>

INFORMED BY THE DATE

0472 4-0-0 0010397 990269



**APPLICATION FORM  
FOR AUTHORITY TO  
PROVIDE  
ALTERNATIVE LOCAL  
EXCHANGE SERVICE  
WITHIN THE STATE  
OF FLORIDA**

67 001-3 002 07

*City of Ocala*

1515E. OSCEOLA AVE.  
P.O. BOX 1270  
OCALA, FLORIDA 34478

BARNETT BANK OF MARION COUNTY, N.A.  
OCALA, FLORIDA 34478

CHECK NUMBER  
**192215**

DATE  
3/03/97

CHECK AMOUNT  
\*\*\*\*\*00.00

FLA PUBLIC SERVICE COMMISSION  
101 EAST GAINES STREET  
TALLAHASSEE FL 32399-0876

CITY OF OCALA  
TREASURY FUND

*Michael S. Amick*  
MEMBER OF CITY COUNCIL

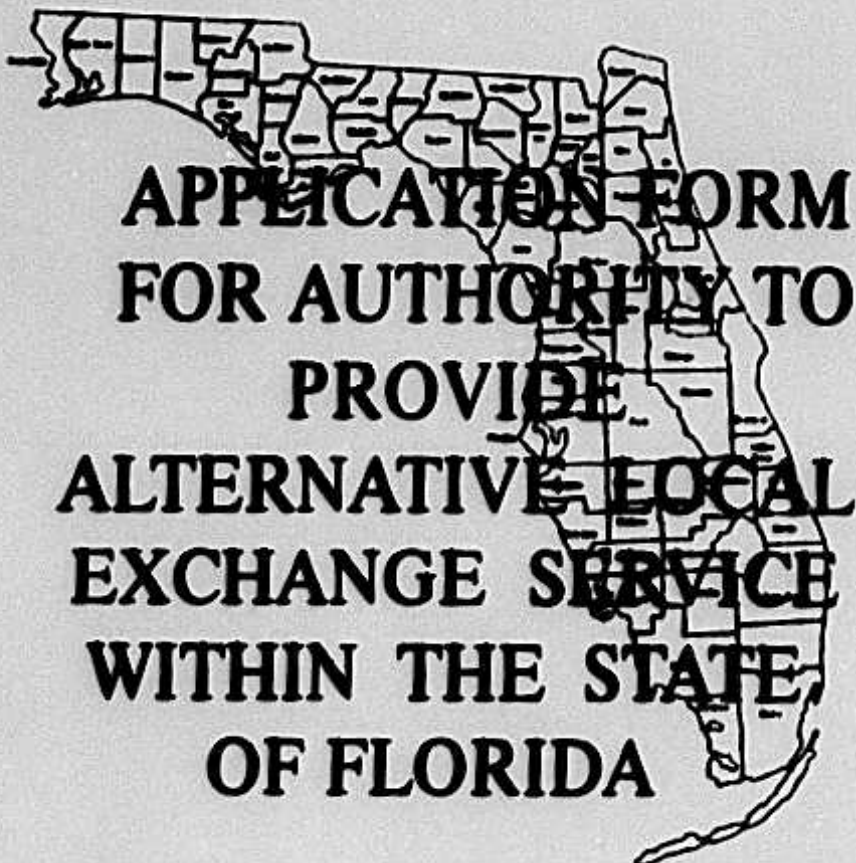


*John Baker*  
CITY CLERK

VOID AFTER 60 DAYS

DEPOSIT TEXAS REG. DATE

D472 MAR 03 97 970269-TX



97 MAR 03 11 2 57