

STATE OF FLORIDA

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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

August 10, 1998

ORIGINAL

Mr. B. Kenneth Gatlin
Gatlin, Schiefelbein & Cowdery, P.A.
3301 Thomasville Road, Suite 300
Tallahassee, FL 32312

Re: Docket No. 980876-WS, Application for certificate to operate water and wastewater utility in Marion County by Ocala Springs Utilities Inc.

Dear Mr. Gatlin:

Your application for original water and wastewater certificates was received by the Commission on July 13, 1998 and assigned the above referenced docket number and name. Staff has preliminarily reviewed the application and requests a response to the following items. Please file the response with Records and Reporting on or before August 24, 1998.

Deficiency:

1. Filing Fee: According to Part VIII of the application, the enclosed filing fee was intended to be \$3,000 for water and \$3,000 for wastewater. Commission records show that a check was received in the amount of \$3,000. The check number was numbered 1344 and dated June 29, 1998 on the account of Avatar Utilities, Inc., General Account.

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Please either remit a check for the balance of the filing fee, as indicated in the application, or amend the application to indicate a lesser filing fee. In either case, please explain the basis used to determine the capacity for the filing fee absent an existing development plan.

Explanations:

2. Statement of Need: Rule 25-30.033(1)(e), Florida Administrative Code, requires a statement of need for service in the proposed area. According to information provided in the application, the developer/utility acquired the territory in 1970 and controls all development.

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The application also indicates that the developer/utility has been in the process of replanning and replatting the development since December of 1989. However, it is estimated it will take up to two years before system maps will be available in enough detail to apply for initial construction permits.

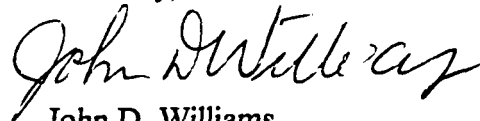
Based on the above, please provide a definitive statement why the applicant needs the Commission to issue certificates of service, now, rather than at the time the developer is prepared to go forward with construction. If applicable, please include the timeline for securing the permits and approvals required prior to initiating construction on the utility facilities.

3. Rates and Charges: The application was accompanied by a petition for temporary variance of the rules necessary for the Commission to set initial rates and charges. As noted above, it will be up to two years before the applicant will be ready to apply for construction permits. The petition for temporary variance indicates that it will take an additional two years to submit the information necessary to set rates and charges. However, Part III of the application indicates the applicant intends to begin serving water customers in December 2000 and wastewater customers in June 2000.

Please clarify the time frame for the initiation of rates and charges. Also, for each variance requested, please estimate how long the utility requests the variance to be applicable.

If you have any questions regarding the information requested, please contact Ms. Patricia Brady at (850) 413-6686.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

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JDW:pb

cc: Division of Water and Wastewater (Hill, Lowe, Messer, Brady, Redemann)
Division of Legal Services (McRae, Crosby)
Division of Records and Reporting