



Public Service Commission

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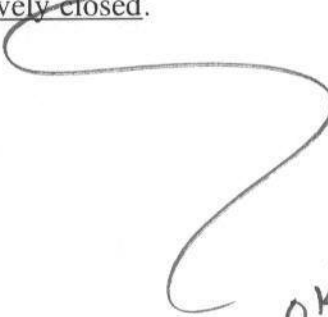
DATE: November 1, 1999
TO: Division of Records Reporting
FROM: Patricia Brady, Division of Water and Wastewater *Pb AS mgpw*
 Alice Crosby, Division of Legal Services *ACS*
RE: Docket No. 981930-WU, Application for transfer of facilities of Fiveland Investments, Inc. to Charlotte County, and cancellation of Certificate No. 571-W.

Order No. PSC-99-1220-FOF-WU, issued June 21, 1999, ordered that Docket No. 981930-WU remain open pending resolution in Docket No. 981858-WS of the problem regarding the overlapping territory, as discussed in the body of the order. At that time, Docket No. 981930-WU was to be administratively closed.

Attached are copies of Orders Nos. PSC-99-1909-PAA-WS, issued September 27, 1999, and PSC-99-2081-CO-WS, issued October 21, 1999, in Docket No. 981858-WS. The former order disposes of the problem of the overlapping territory by excluding the portion of the territory which overlaps that of Fiveland Investments, Inc. The latter order makes the action effective and final.

Consequently, there are no pending issues in Docket No. 981930-WU and the docket should be administratively closed.

Attachments
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- AFA _____
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DOCUMENT NUMBER-DATE

13521 NOV-3 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authority to transfer facilities of Rotonda West Utility Corporation and Certificates Nos. 565-W and 493-S in Charlotte County to AquaSource Utility, Inc., excluding a portion of service territory.

DOCKET NO. 981858-WS
ORDER NO. PSC-99-1909-PAA-WS
ISSUED: September 27, 1999

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TRANSFER

AND

NOTICE OF PROPOSED AGENCY ACTION

ORDER ESTABLISHING RATE BASE AND NOT INCLUDING

A POSITIVE ACQUISITION ADJUSTMENT IN

RATE BASE FOR TRANSFER PURPOSES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the actions discussed herein regarding the establishment of rate base and the decision not to include a positive acquisition adjustment in the calculation of rate base for transfer purposes are 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

Rotonda West Utility Corporation (Rotonda or utility) is a Class A water and wastewater utility located in Charlotte County. According to its 1998 annual report, the utility provides service to approximately 3,105 water and 2,853 wastewater connections, with combined operating revenues of \$3,249,329 and a combined net operating income of \$673,599.

DOCUMENT NUMBER-DATE

11624 SEP 27 99

PSC-RECORDS/REPORTING

Doc. #13521-99

The utility was originally established as Cape Haze Water Company, Inc., on June 17, 1957, to provide potable water for the development of lots on Cape Haze Peninsula. The utility, along with the land holdings, was acquired in 1969 by Cavanaugh Communities Corporation which changed the name of the utility in 1972 to Rotonda West Utility Corporation. The stock of the utility was subsequently acquired in 1980 by Rotonda Properties, Inc. On December 14, 1998, AquaSource Utility, Inc. (AquaSource) filed an application for authority to approve the transfer of Rotonda to AquaSource.

Rotonda closed on the sale on December 15, 1998, prior to obtaining Commission approval. This matter will be discussed later in this Order.

Jurisdiction over privately-owned water and wastewater utilities in Charlotte County has transferred back and forth between Charlotte County and this Commission several times. Most recently, jurisdiction was returned to us on September 30, 1994, pursuant to a resolution by the Board of County Commissioners of Charlotte County (County). By Order No. PSC-95-0780-FOF-WS, issued June 28, 1995, in Docket No. 941131-WS, Rotonda was granted grandfather Certificates Nos. 565-W ad 493-S. Two other Charlotte County utilities were granted grandfather certificates at essentially the same time in 1995: Fiveland Investments, Inc. (Fiveland) and Sandalhaven Utility, Inc. (Sandalhaven).

Upon the utility's notice to local utilities and governmental agencies of the application for transfer, an inquiry was received from the Director of Charlotte County Utilities regarding a potential territory overlap between Rotonda and Fiveland. It was determined that a territory overlap existed among Rotonda, Fiveland and Sandalhaven. On April 22, 1999, AquaSource filed a supplemental petition in this docket for the exclusion of the portion of Rotonda's service territory which overlaps with Fiveland and Sandalhaven. The issue of excluding the overlapping territory in the transfer of certificates will be addressed later in this Order.

Several letters were also received from customers of the utility in response to notices of the transfer. Our staff sent each customer a letter addressing the customers' concerns and

requesting verification of whether the customers wished to pursue a hearing on the matter. No response was received within the time specified and none of the customers had any further contact with our staff regarding the transfer.

NO SHOW CAUSE REQUIRED

As previously stated, Rotonda closed on the transfer of its facilities to AquaSource on December 15, 1998, prior to obtaining Commission approval. Section 367.071(1), Florida Statutes, states that, "No utility shall sell, assign, or transfer its certificate of authorization, facilities or any portion thereof..., without determination and approval of the commission that the proposed sale, assignment, or transfer is in the public interest."

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. In closing on the transfer of its facilities prior to Commission approval, the utility's act was "willful" in the sense intended by Section 367.161, Florida Statutes. 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, Florida Administrative Code, 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 "[i]n our view, 'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule."

Although Rotonda's failure to obtain our approval prior to transferring its facilities to AquaSource is an apparent violation of Section 367.071(1), Florida Statutes, according to a letter dated March 12, 1999, there is a provision in the contract between Rotonda and AquaSource which states that the sale is subject to this Commission's jurisdiction and if the Commission does not approve the transfer, the parties will "unwind" the transaction.

Based on the foregoing, we do not find that the apparent violation of Section 367.071, Florida Statutes, rises in these circumstances to the level which warrants the initiation of a show cause proceeding. Therefore, Rotonda shall not be required to show

cause for failure to obtain Commission approval prior to transferring its facilities to AquaSource.

APPLICATION

Except as previously discussed, the application as filed and amended is in compliance with the governing statute, Section 367.071, Florida Statutes, and other pertinent statutes and provisions of the Florida Administrative Code. The application contained the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. In response to Rule 25-30.037(2)(t), Florida Administrative Code, which requires the return of the utility's original certificates, AquaSource included a copy of a letter from our staff dated November 19, 1998, which verifies that grandfather certificates had never been issued.

The application contained proof of noticing as required by Rule 25-30.030, Florida Administrative Code. However, the notice to customers was not given within the time prescribed by the rule, and the notice to local utilities and governmental agencies inadvertently left off several pages. Both notices were reissued. The notice to customers was reissued a third time, as the time for customers to respond to the second notice was not adequate.

Mostly as a consequence of the inadequate time for response to the second notice, we received a number of inquiries and complaints from customers of the utility. As previously noted, our staff addressed each customer's concerns in a written response in which our staff requested verification whether the customer wished to pursue a formal hearing. No response was received from any of the customers within the time specified and none of the customers have had further contact with our staff. Therefore, we conclude that the customers do not wish to pursue a hearing in the matter.

We also received a response from the Director of Charlotte County Utilities to the second notice given to local utilities and governmental agencies, in which a potential territory overlap was identified between Rotonda and Fiveland. This matter is addressed later in this Order.

Finally, another response to the notice given to local utilities and governmental agencies was filed by the Southwest Florida Regional Planning Council (Council). The Council reviews various proposals, notices, applications, permits and environmental

impact statements for compliance with regional goals, objectives and policies determined by the Strategic Regional Policy Plan (Regional Plan). The Council designated the filing as "Regionally Significant and Consistent with the Regional Plan."

As required by Rules 25-30.037(2)(g), (h), (i), (k), and (q), Florida Administrative Code, the application was accompanied by the Agreement for Purchase and Sale of Water and Wastewater Assets (sales contract) which contained the provisions required by Commission rules. The agreed upon purchase price was \$20,300,000. This was a cash transaction financed by AquaSource's parent, DQE, Inc. (DQE). A list of customer deposits or advance facility charges and an accounting of the amount of each individual deposit or receivable was to be provided at the closing. According to the application, there are no guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, or leases that must be disposed of in association with the transfer of the assets of the utility. A copy of the deed transferring ownership of all utility land upon which treatment facilities are located was attached to the sales contract, and an executed and recorded copy of this deed was subsequently filed on March 12, 1999.

Our staff confirmed that the utility is current on annual reports and regulatory assessment fees through 1998 and there are no penalties, interest or refunds due. Since the transfer occurred on December 15, 1998, the application indicates that AquaSource will be responsible for filing the utility's annual reports and regulatory assessment fees from January 1, 1999 forward.

Pursuant to Rule 25-30.037(2)(j), Florida Administrative Code, the application provided a statement of AquaSource's financial and technical ability. AquaSource is a wholly owned subsidiary of DQE which is an energy services holding company. DQE's other subsidiaries include Duquesne Light Company and Montauk. Formed on June 1, 1997, AquaSource is now reportedly the largest investor-owned water utility in Texas, with experienced staff, which has been providing services to municipal and private water utilities for more than 25 years. Recently, AquaSource has acquired a number of water and wastewater systems in Florida and appears to be in the process of acquiring more. DQE's and AquaSource's financial statements were attached as verification of financial ability. DQE's statements indicate assets exceeding \$4.6 billion with total long-term debt of \$1.4 billion. AquaSource's statements indicate

assets in excess of \$123 million with long-term debt just under \$18 million.

Pursuant to Rule 25-30.037(2) (p), Florida Administrative Code, the application contained a statement that, after reasonable investigation, AquaSource has determined that the systems being acquired appear to be in satisfactory condition and in compliance with all applicable standards set by the Florida Department of Environmental Protection (DEP). Our staff confirmed with the DEP that the utility is currently in satisfactory compliance with environmental requirements and rules.

As required by Rule 25-30.037(2) (j), Florida Administrative Code, AquaSource provided a statement that it intends to fulfill the commitments, obligations and representations of the seller with regard to utility matters. The application indicates that AquaSource is constantly expanding its technical capabilities and implementing improved quality control, maintenance management, and training and safety programs. These improvements are intended to provide direct and tangible benefits to utilities owned and operated by AquaSource and municipal utilities served by AquaSource. Currently, AquaSource operates water and wastewater systems serving approximately 125,000 customers. AquaSource stated its intent to continue to employ the operations and clerical personnel previously employed by the seller and that no changes in the operations of the system should be readily apparent due to the continuity of operating personnel and operations.

Based on the foregoing, we find that the transfer of Certificates Nos. 565-W and 493-S from Rotonda to AquaSource to be in the public interest, and it is approved.

DELETION OF TERRITORY

As noted above, during the pendency of this docket, it was discovered that there was a territory overlap among three utilities: Rotonda, Fiveland, and Sandalhaven. All three utilities were granted grandfather certificates within a few months of each other in 1995. The territory overlap is in Section 3, Township 42 South, Range 20 East, of Charlotte County. Fiveland and Sandalhaven both serve identical territory in Section 3, with Fiveland providing water service and Sandalhaven providing wastewater service.

Fiveland's water certificate and Sandalhaven's wastewater certificate granted the northwest quarter of Section 3 lying east of Lemon Bay and north and west of an existing canal. Rotonda's water and wastewater certificates contain all of Section 3. Based on research, it appears that the error in territory overlap occurred in the granting of Rotonda's grandfather certificates pursuant to Order No. PSC-95-0780-FOF-WS, issued June 28, 1995, in Docket No. 941131-WS. The following summarizes the history of the disputed territory.

As previously noted, Rotonda was originally established on June 17, 1957, under the name of Cape Haze Water Company, Inc. (Cape Haze). On July 28, 1964, the County adopted a Resolution bringing water and wastewater public utilities in the County under what was then known as the "Water and Sewer System Regulatory Law" pursuant to Section 367.23, Florida Statutes. Apparently, none of the affected utilities were issued certificates until after Chapter 71-278, Laws of Florida, became effective on September 1, 1971. Then, by Order No. 5347, issued March 7, 1972, in Docket No. C-71520-WS, Cape Haze was granted Certificates Nos. 60-W and 59-S under its new corporate name of Rotonda West Utility Corporation. Its certificates contained the east half and south half of the northwest quarter of Section 3.

By Order No. 8514, issued October 9, 1978, in Docket No. 780499-W, Fiveland was granted water Certificate No. 312-W under the name of Grove City Realty Corporation. Certificate No. 312-W was later transferred to Fiveland by Order No. 9876, issued March 17, 1981, in Docket No. 800491-W. The territory granted and transferred in Section 3 was the same as it is now; i.e., the northwest quarter of the section lying east of Lemon Bay and north and west of an existing canal. By a 1980 act of the Florida Legislature under Chapter 80-99, Laws of Florida, Charlotte County was excluded from the provisions of Chapter 367, Florida Statutes. Consequently, Rotonda's and Fiveland's certificates were canceled by Order No. 11496, issued January 10, 1983, in Docket No. 830011-WS.

Sandalhaven was established shortly thereafter on June 29, 1983, under the jurisdiction of the County with territory essentially duplicating that of Fiveland. When Fiveland was originally formed, the developer contemplated both water and wastewater services. For some reason, the services were subsequently split with water provided by Fiveland and wastewater provided by Sandalhaven.

When the County returned jurisdiction to this Commission on September 30, 1994, Rotonda, Fiveland and Sandalhaven all filed for grandfather certificates. Fiveland's water territory in Section 3, Township 42 South, Range 20 East, was the same as previously certificated under our jurisdiction with Sandalhaven's wastewater territory matching. However, the information provided in Rotonda's application contained slightly varying versions of the legal description for said Section 3 from that previously granted by this Commission. In addition, while under the County's jurisdiction, Rotonda was granted additional territory in 1990 and 1993. Pursuant to the interpretation of supplemental information provided by the utility, the territory in Section 3 was consolidated to include all of Section 3, Township 42 South, Range 20 East. This now appears to have been an error.

At the time we were made aware of the potential territory overlap, Fiveland had a pending application in Docket No. 981930-WU for a transfer of its facilities to the County and a cancellation of its water certificate and Sandalhaven had a pending application in Docket No. 981221-SU for a transfer of its facilities to Utilities, Inc. of Sandalhaven. By Order No. PSC-99-1220-FOF-WU, issued June 21, 1999, we acknowledged the transfer of Fiveland's facilities to the County. However, Certificate No. 571-W was to remain active and the docket open pending resolution in this docket of the territory being transferred back to the County. The transfer of Sandalhaven is still pending our approval.

Our staff informally discussed the matter of the territory overlap with the three affected utilities. Although none of the utilities are serving the territory at this time, both Fiveland and Sandalhaven indicated that they were unwilling to delete the overlapping territory from their certificates. On April 22, 1999, AquaSource filed a modification to its application in which it requested that:

In the spirit of cooperation with Charlotte County, AquaSource Utility, Inc. hereby agrees that the description of the service area it is acquiring in connection with its purchase of the assets of Rotonda West Utility Corporation, exclude that portion of its service area in the northwest quarter of Section 3 of Township 42 South, Range 20 East which overlaps with the service areas of the aforementioned utilities.

We find that AquaSource's request is appropriate since it appears that the territory overlap was inadvertently granted to Rotonda in its grandfather certificates. Thus, the northwest quarter of Section 3, Township 42 South, Range 20 East, in Charlotte County, Florida, lying east of Lemon Bay and north and west of an existing canal shall be excluded from the territory transferred to AquaSource from Rotonda. A description of the territory to be transferred from Rotonda to AquaSource is in Attachments A and B of this Order, which by reference are incorporated herein.

RATE BASE

According to the application, the net book value of the systems being transferred was \$3,160,778 for the water system and \$2,880,938 for the wastewater system. The values were from the rate base last established for the utility by Order No. PSC-96-0663-FOF-WS, issued May 13, 1996, in Docket No. 950336-WS, using a thirteen month average projected test year ending December 31, 1995.

The transfer from Rotonda to AquaSource occurred on December 15, 1998. An audit was conducted in which it was determined that no rate base transactions occurred between December 15 and December 31. Therefore, the general ledger as of December 31, 1998, was used as the basis of "per books" audit information. In general, the audit revealed that not all ratemaking adjustments required in Order No. PSC-96-00663-FOF-WS had been posted as of December 31, 1998. Further, some transactions posted to plant-in-service accounts were either incorrect or lacked support. Consequently, the audit report contained several disclosures.

The disclosures are summarized below. In all instances, AquaSource agreed to make the adjustments recommended by our auditors. However, for plant additions not allowed because the utility did not have adequate support, AquaSource states that it reserves the right to revisit the transactions in a subsequent rate proceeding if it is able to locate adequate documentation. Also, AquaSource states that it reserves the right to argue the reclassification of Disclosure No. 5b in a future rate proceeding if the reclassification would be consistent with other plant treatment in that proceeding. We note that AquaSource is free to argue what it may in future proceedings before this Commission.

Disclosure No. 1 - Utility Sales Agreement. This disclosure lists the non-transferred utility assets which

total \$2,265,238. It also recommends the acquisition adjustment be based on the net audited value of plant assets of \$7,521,230.

Disclosure No. 2 - Prior Rate Case Adjustments - Land. This disclosure recommends a number of adjustments to land in service based on Orders Nos. PSC-96-0663-FOF-WS and PSC-96-0663A-FOF-WS issued May 13, 1996 and June 12, 1996, respectively, in Docket No. 950336-WS (the utility's last rate case).

Disclosure No. 3 - Prior Rate Case Adjustments - Unsupported Plant. This disclosure recommends the utility follow the instructions in Order No. 96-0663-FOF-WS to transfer \$86,136 in unsupported plant additions and \$3,340 in related accumulated depreciation to "non-utility" accounts.

Disclosure No. 4 - Utility Master Plan. This disclosure recommends the utility follow the instructions in Order No. 96-0663-FOF-WS to reclassify a utility master plan costing \$125,360 from a deferred asset account to utility plant in service accounts.

Disclosure No. 5a - Unsupported Plant Additions. This disclosure recommends the utility follow the practice in the prior rate case and transfer a net of \$262,206 in unsupported plant addition reclassifications, along with related accumulated depreciation of \$8,750, from plant in service to "non-utility" accounts.

Disclosure No. 5b - Improperly Classified Plant Additions. This disclosure recommends that a total of \$186,449 had been improperly classified as plant additions instead of expensed as incurred. The corresponding accumulated depreciation was a total of \$16,205.

Disclosure No. 6 - Treatment of Gain or Loss on Plant Retirements. This disclosure relates to the appropriate general ledger treatment of the sale of two trucks and a trailer in 1997 amounting to \$19,600.

Disclosure No. 7 - Replacement of Permeators. This disclosure recommends the removal of permeators purchased in excess of 100% of their replacement value during the

five year life specified for this equipment in the Uniform System of Accounts. The disclosure also recommends the utility establish a permeator sub-account on a going-forward basis using a depreciation life of five years.

Disclosure No. 8 - Construction Work in Progress (CWIP). This disclosure recommends the utility expense \$77,461 for a sludge processing project that will not be completed. The disclosure also recommends that \$52,900 in Plant Held for Future Use (PHFU) related to an uncompleted reuse wastewater project in Disclosure No. 9, below, be transferred to CWIP.

Disclosure No. 9 - Plant Held for Future Use (PHFU) and Associated Contributions in Aid of Construction (CIAC). This disclosure recommends the utility reclassify \$137,585 of PHFU for two reuse projects and several expense items, reclassify \$104,268 in unsupported plant additions for both wastewater and water, and remove \$166,600 for a warehouse and related land which have been sold. The disclosure also recommends an imputation to CIAC and corrections to CIAC on PHFU.

Disclosure No. 10 - Accumulated Depreciation and Accumulated Amortization of CIAC. This disclosure recommends the appropriate amount for "true-up" of depreciation and amortization actually accumulated during the year. At the time of the field audit, the true-up had not been performed.

Disclosure No. 11 - Non-Utility Plant. This disclosure is a summary recommendation on booking the non-utility adjustments in Disclosures Nos. 2 and 3 as well as a recommendation to depreciate the amount based on a twenty-five year service life.

We concur with the audit findings except the recommendation in Disclosure No. 1 that the acquisition adjustment be based on the net audited value of plant assets of \$7,521,230. This value includes a net of \$924,589 in non-utility plant. Non-utility plant is a carry over from Rotonda's last rate proceeding in Charlotte County, in which the County ruled that portions of rate base lacked original cost documentation or were considered contributed. The County required the utility to remove these amounts from rate base

along with any associated CIAC and accumulated depreciation. These amounts were then recorded as non-utility plant.

As of the utility's last rate case, non-utility plant totaled \$10,011,352, along with non-utility CIAC of \$9,316,420 and non-utility accumulated depreciation of \$658,133. The net difference of these amounts was \$36,789, which the utility was amortizing over a ten year period. No amortization had been taken for 1998. The non-utility plant, adjusted to the time of the transfer, has been increased by adjustments in Disclosures Nos. 2, 3, 5 and 9, above. When the amount of non-utility plant was relatively small, our auditors found that the previous method of amortization was reasonable. Due to the increased amount, we find that it is now more appropriate to depreciate this amount (net of land) over the utility's composite service life of twenty-five years.

The resulting net non-utility plant is \$924,589. Although non-utility plant is not included in rate base established for purposes of transfer, it is considered in evaluating the acquisition adjustment discussed later in this Order.

The calculation of water rate base is in Schedule No. 1, with adjustments set forth on Schedule No. 2, which by reference are incorporated herein. The calculation of wastewater rate base is in Schedule No. 3, with adjustments set forth on Schedule No. 4, which by reference are incorporated herein. Based on the foregoing, we find that as of December 31, 1998, rate base for Rotonda for purpose of the transfer is \$2,782,513 for the water system and \$3,814,128 for the wastewater system, for a combined utility total rate base of \$6,596,641.

The rate base calculations are used solely to establish the net book value of the property being transferred. As such, the calculations do not include the normal ratemaking adjustments of working capital calculations and used and useful adjustments. Also, as noted above, net non-utility plant of \$924,589 from rate base calculation has been excluded.

ACQUISITION ADJUSTMENT

An acquisition adjustment results when the purchase price differs from the original cost calculation adjusted to the time of the acquisition. The acquisition adjustment resulting from the transfer of Rotonda to AquaSource is calculated as follows:

| | |
|---|---------------------|
| Purchase Price | \$20,300,000 |
| Rate Base Adjusted to December 31, 1998 | <u>\$ 6,596,641</u> |
| Positive Acquisition Adjustment | \$13,703,359 |

In the absence of extraordinary circumstances, it is the practice of this Commission that the purchase of a utility at a premium or discount shall not affect the rate base calculation. The circumstances in this case do not appear to be extraordinary. However, as previously noted, there was a net of \$924,589 in non-utility plant acquired by AquaSource in the transfer as verified during the last rate case and adjusted during this audit. While this amount is not included in rate base at the time of transfer, the fact that additional, disallowed assets were included in the purchase price makes the transaction somewhat less positive than it would have been if AquaSource had not paid for these assets.

We note that, while AquaSource is not requesting an acquisition adjustment at this time, it wishes to reserve the right to revisit the matter should Commission practice with regard to acquisition adjustments change in the future. At the September 7, 1999, agenda conference, the utility agreed to the net book value established in our audit subject only to correction of errors in the future. If new findings of fact are presented in the future, then the issue may be revisited.

Based on the foregoing, we find that a \$13,703,359 positive acquisition adjustment shall not be included in the calculation of rate base.

RATES AND CHARGES

The utility's current water service charges, including fire protection service, were administratively approved pursuant to a 1998 price index effective November 1, 1998. Service availability fees and charges (exclusive of allowance for funds prudently invested (AFPI) described later) were administratively approved pursuant to a miscellaneous tariff filing effective September 30, 1997. The water rates and charges are set forth below. In addition, the utility has customer deposits, meter test deposits and miscellaneous service charges.

WATER TARIFF
 GENERAL, RESIDENTIAL, MULTI RESIDENTIAL SERVICES

Monthly Base Facility Charges

| <u>Meter Size</u> | <u>Charge</u> |
|-------------------|---------------|
| 5/8" x 3/4" | \$ 17.61 |
| 1" | 44.03 |
| 1-1/2" | 88.05 |
| 2" | 140.89 |
| 3" | 281.76 |
| 4" | 440.27 |
| 6" | 880.54 |
| 8" | 1,408.85 |
| 10" | 2,024.97 |

Gallage Charge \$4.00 per 1,000 gallons

WATER TARIFF
 FIRE PROTECTION SERVICE
 Monthly Charges

| <u>Meter Size</u> | <u>Charge</u> |
|-------------------|---------------|
| 5/8" x 3/4" | \$ 1.47 |
| 1" | 3.67 |
| 1-1/2" | 7.34 |
| 2" | 11.74 |
| 3" | 23.49 |
| 4" | 36.69 |
| 6" | 73.38 |
| 8" | 117.41 |
| 10" | 168.75 |

WATER TARIFF
 SERVICE AVAILABILITY FEES AND CHARGES

| <u>Description</u> | <u>Amount</u> |
|---------------------------------|--------------------|
| <u>Inspection Fee</u> | \$ Actual Cost [1] |
| <u>Service Installation Fee</u> | |
| 5/8" x 3/4" | \$ 195.00 |
| 1" | 370.00 |
| 1-1/2" | 685.00 |
| 2" | 885.00 |

| | |
|--|--------------------|
| 3" | 2,210.00 |
| 4" | 4,300.00 |
| 6" | 6,335.00 |
| 8" | Actual Cost [1] |
| 10" | Actual Cost [1] |
| <u>Plan Review Charge</u> | \$ Actual Cost [1] |
| <u>Fire Hydrant Charge</u> | |
| Residential | \$ 64.00 |
| General Service | 110.00 |
| <u>Plant Capacity Charge (per ERC)</u> | |
| 5/8" x 3/4" | \$ 1,272.00 |
| 1" | 3,180.00 |
| 1-1/2" | 6,360.00 |
| 2" | 10,176.00 |
| 3" | 20,352.00 |
| 4" | 31,800.00 |
| 6" | 63,600.00 |
| 8" | 101,760.00 |
| 10" | 146,280.00 |

[1] Actual Cost is equal to the total cost incurred for services rendered to a customer.

The utility's existing wastewater residential service charges were administratively approved by tariff correction effective March 31, 1999. General service and multi-residential service charges were administratively approved pursuant to a 1998 price index effective November 1, 1998. The reuse service rate was administratively approved pursuant to a 1997 price index/pass through effective June 27, 1997. Service availability fees and charges (exclusive of AFPI described later) were administratively approved pursuant to a miscellaneous tariff filing effective September 30, 1997. The wastewater rates and charges are set forth below. In addition, the utility has customer deposits and miscellaneous service charges.

WASTEWATER TARIFF
RESIDENTIAL SERVICE

| | |
|-------------------------------------|---------|
| Monthly Base Facility Charge | \$14.31 |
| Gallonge Charge (per 1,000 gallons) | \$ 3.73 |

with a 10,000 gallon cap.)

WASTEWATER TARIFF
 GENERAL AND MULTI RESIDENTIAL SERVICES

Monthly Base Facility Charges

| <u>Meter Size</u> | <u>Charge</u> |
|-------------------|---------------|
| 5/8" x 3/4" | \$ 14.31 |
| 1" | 35.79 |
| 1-1/2" | 71.57 |
| 2" | 114.52 |
| 3" | 229.03 |
| 4" | 357.86 |
| 6" | 715.73 |
| 8" | 1,145.15 |
| 10" | 1,646.01 |

Gallonge Charge \$4.47 per 1,000 gallons

WASTEWATER TARIFF
 REUSE SERVICE

Monthly Base Facility Charges \$ N/A

Gallonge Charge (per 1,000 gallons) \$0.35

WASTEWATER TARIFF
 SERVICE AVAILABILITY FEES AND CHARGES

| <u>Description</u> | <u>Amount</u> |
|---------------------------|--------------------|
| <u>Inspection Fee</u> | \$ Actual Cost [1] |
| <u>Plan Review Charge</u> | \$ Actual Cost [1] |

Plant Capacity Charge (per ERC)

| | |
|-------------|-------------|
| 5/8" x 3/4" | \$ 1,716.00 |
| 1" | 4,290.00 |
| 1-1/2" | 8,580.00 |
| 2" | 13,728.00 |
| 3" | 27,456.00 |
| 4" | 42,900.00 |

| | |
|-----|------------|
| 6" | 85,800.00 |
| 8" | 137,280.00 |
| 10" | 197,340.00 |

[1] Actual Cost is equal to the total cost incurred for services rendered to a customer.

As noted above, in addition to water and wastewater service availability charges, the utility's service availability tariffs also include approved AFPI charges. These charges were established in prior Charlotte County rate case dockets in which they were called carrying cost recovery charges. The charts of AFPI charges are in Attachments C through F, which by reference are incorporated herein. We note that the escalation of the AFPI charges has expired and the charges are now capped at the maximum rate where they still apply. Reorganization of AFPI charges into the applicable service availability tariffs will be addressed in a later tariff proceeding.

AquaSource shall continue to charge the utility's existing rates and charges until authorized to change by the Commission in a subsequent proceeding. AquaSource has filed water and wastewater tariffs reflecting the transfer. The tariffs reflecting the transfer shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets.

If no timely protest is received to the proposed agency action issues, upon the expiration of the protest period, this Order shall become final and effective upon the issuance of a Consummating Order, and this docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of Certificates Nos. 565-W and 493-S from Rotonda West Utility Corporation, 9494 Placida Road, Cape Haze, Florida 33946, to AquaSource Utility, Inc., 200 Corporate Center Drive, Suite 300, Coraopolis, Pennsylvania 15108, is hereby approved. 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 all matters contained in the attachments and schedules attached hereto are incorporated herein by reference. It is further

ORDERED that a show cause proceeding shall not be initiated against Rotonda West Utility Corporation for its apparent violation of Section 367.071(1), Florida Statutes. It is further

ORDERED that the northwest quarter of Section 3, Township 42 South, Range 20 East, in Charlotte County, Florida, lying east of Lemon Bay and north and west of an existing canal shall be excluded from the territory transferred from Rotonda West Utility Corporation to AquaSource Utility Corporation. It is further

ORDERED that rate base for transfer purposes shall be \$2,782,513 for the water system and \$3,814,128 for the wastewater system as of December 31, 1998, for a combined total rate base of \$6,596,641. It is further

ORDERED that the \$13,703,359 positive acquisition adjustment shall not be included in the calculation of rate base for transfer purposes. It is further

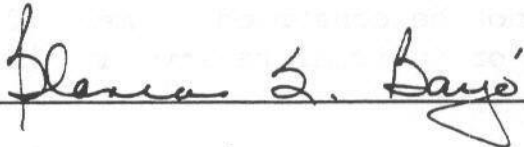
ORDERED that AquaSource Utility, Inc., shall continue to charge the rates and charges approved for Rotonda West Utility Corporation until authorized to change by the Commission in a subsequent proceeding. It is further

ORDERED that the tariff sheets reflecting the change in ownership shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. 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 in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 27th Day of September, 1999.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

SMC

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 actions regarding the establishment of rate base and the decision not to include a positive acquisition adjustment in the calculation of rate base for transfer purposes are 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 Reporting, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on October 18, 1999. 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.

TERRITORY DESCRIPTION
AQUASOURCE UTILITY, INC.
CHARLOTTE COUNTY

WATER SERVICE AREA

Township 41 South, Range 20 East, Charlotte County, Florida

- SECTION 13 All of said Section.
SECTION 14 All of said Section.
SECTION 15 All of said Section.
- SECTION 21 Commence at the SE corner of Section 21, thence N 00°32'57" E, a distance of 215.11 feet to the Point of Beginning, thence N 89°46'02" W, a distance of 1,254.80, thence N 00°32'57" E, a distance of 118.46 feet, thence S 89°46'02" E, a distance of 1,254.80 feet, thence S 00°32'57" W, a distance of 118.46 feet to the Point of Beginning.
- SECTION 22 All of said Section.
SECTION 23 All of said Section.
SECTION 24 All of said Section.
SECTION 25 All of said Section.
SECTION 26 All of said Section.
SECTION 27 The East 1/2.
SECTION 34 The East 1/2.
SECTION 35 All of said Section.
SECTION 36 All of said Section.

Township 41 South, Range 21 East, Charlotte County, Florida

- SECTION 17 That portion lying west of S.R. 771 together with that portion of Section 17 lying east of the Seaboard Coastline Railroad being described as follows:

Commence at the SW corner of Section 17, thence N 88°26'07" E, along the south line of Section 17, a distance of 38.1 feet to the Point of Beginning, thence N 24°30'00" E, a distance of 400 feet more or less to the south R/W line of Rotonda Blvd.,

East, thence S 89°59'53" E, a distance of 624.69 feet, thence, S 00°09'34" E, a distance of 344.69 feet, thence S 88°26'07" W, along the south line of said Section 17, a distance of 849.10 feet to the Point of Beginning.

SECTION 18 All of said Section.

SECTION 19 That portion lying west of the Seaboard Coast Line Railroad together with that portion of Section 19 lying east of the Seaboard Coast Line Railroad being described as follows:

Commence at the NE corner of said Section 19, thence S 00°07'14" W, along the east line of said Section 19, a distance of 78.5 feet to a point, said point being the Point of Beginning, thence continue S 00°07'14" W, a distance of 382.15 feet to a point, thence S 89°58'47" W, a distance of 177.27 feet to a point, thence N 24°43'08" E, a distance of 428.0 feet more or less to the Point of Beginning.

SECTION 20 Commence at the NW corner of Section 20, thence N 88°26'20" E, along the north line of said Section 20, a distance of 40.10 feet to the Point of Beginning, thence continue N 88°26'20" E, along said north line, a distance of 807 feet to a point, thence S 00°09'34" E, a distance of 481.6 feet to a point, thence N 89°58'47" W, a distance of 849.1 feet to the east line of said Section 20, thence N 00°07'14" E, along said east line a distance of 460.65 feet to the Point of Beginning.

SECTION 29 That portion lying west of S.R. 771.

SECTION 30 All of said Section.

SECTION 31 All of said Section 31 lying west of the west R/W line of S.R. 771.

SECTION 32 Commence at the NE corner of Section 32, Township 41 South, Range 21 East, said point also being the Point of Beginning, thence S 00°48'48" E, along the east line of said section to the SE corner, thence N 89°35'44" W, along the South line of said section, a distance of 2,900 feet more or less to a point on a curve concave to the NE, said curve having a central angle of 22°47'51", a radius of 5,779.58 feet, and arc of 4,000 feet, thence continue westerly along said curve an arc distance of 3,000 feet more or less to a point that intersects the west line of said Section 32, thence N 00°09'16" E, along the west line of said Section 32 to the east R/W of S.R. 771, thence continue N 00°09'16" E, to the NW corner of said Section 32, thence easterly along the north line of the section to the NE corner thereof being also the Point of Beginning.

SECTION 33 All of said Section.

SECTION 34 All of said Section.

SECTION 35 All of said Section.

Township 42 South, Range 20 East, Charlotte County, Florida

SECTION 1 All of said Section, less the south 1,275 feet.

SECTION 2 That portion of Section 2 being bounded by the north, south, and west section lines of said Section 2, and being bounded on the east by the west shoreline of the west branch of Coral Creek together with:

Commence at the NE corner of Section 2, Township 42 South, Range 20 East, said point also being the Point of Beginning, thence southerly along the east section line a distance of 2,900 feet more or less, thence N 89°31'30" W, a distance of 1,800 feet more or less to the east bank of the west branch of Coral Creek, thence northerly along the east bank of Coral Creek to the north line of said Section 2, thence east along said north line to the NE corner of Section 2 and the Point of Beginning.

- SECTION 3 All of said Section 3, less the northwest quarter lying east of Lemon Bay and north and west of an existing canal.
- SECTION 4 All that portion of Don Pedro Island lying in Section 4, less the north 812 feet thereof.
- SECTION 10 The easterly 2,200 feet of the N 1/2 of the NE 1/4 of said Section 10, together with all that portion of Don Pedro Island lying within said Section 10.
- SECTION 11 That portion of Section 11 lying north of the inland waterway and south of Coral Creek.

Township 42 South, Range 21 East, Charlotte County, Florida

- SECTION 1 Commence at the NW corner of Section 1, Township 42 South, Range 21 East, thence S 01°36'56" W, a distance of 190 feet to the Point of Beginning, thence S 89°50'49" E, a distance of 40 feet, thence S 01°36'57" E, a distance of 106.46 feet, to the PC of a curve concave to the NW, said curve having a central angle of 09°44'42", a radius of 2,772.09 feet, and arc of 471.48 feet, thence continue southerly along said curve to a point that intersects with the west line of said Section 1, thence N 00°32'16" E, along the west line of said Section 1 to the Point of Beginning.
- SECTION 2 All of Section 2, Township 42 South, Range 21 East, less the following described portion.
- Commence at the SE corner of said Section 2, said point also being the Point of Beginning, thence S 89°12'54" W, along the south section line a distance of 700 feet more or less, thence N 00°30' W, a distance of 1,800 feet to the PC of a curve concave to the NW, said curve having a central angle of 34°56'57", a radius of 2,772.04 feet, and arc of 1,690.91 feet, thence continue northerly along said curve to a point that intersects the east line of Section 2, thence S 01°36'56" E, along the east line of Section 2 to the SE corner and Point of Beginning.

- SECTION 3 All of said Section.
- SECTION 4 All of Section 4, Township 42 South, Range 21 East, less the following described property:
- Commence at the SW section corner of said Section 4, said point also being the Point of Beginning, thence N 00°17'22" E, along the west line of Section 4, a distance of 200 feet, thence S 45° E, a distance of 300 feet more or less to the south line of Section 4, thence S 89°56'12" W, along the south line of Section 4 to the SW corner and the Point of Beginning.
- SECTION 5 Commence at the NE corner of Section 5, said point also being the Point of Beginning, thence S 00°17'22" W, along the east line of said Section 5, a distance of 4,850 feet, thence S 45° W, a distance of 700 feet more or less to the south line of said Section 5, thence N 89°54'50" W, along said south line, a distance of 4,600 feet, thence N 48°28'41" W, a distance of 550 feet more or less to the west line of Section 5, thence N 00°25'49" W, along said west line a distance of 1,000 feet to a point on a curve concave to the NW, said curve having a central angle of 39°30'00" a radius of 1,940 feet, and arc of 1,311.12 feet, thence continue northerly along said curve and arc a distance of 1,311.12 feet, thence N 12°47'16" E, a distance of 440 feet to the PC of a curve concave to the SE, said curve having a central angle of 33°10'00", a radius of 2,060 feet, and arc of 1,192.4 feet, thence N 45°57'16" E, a distance of 2,377.12 feet, thence N 45° W, a distance of 350 feet more or less to the north section line of Section 5, thence S 89°35'44" E, along the north section line a distance of 2,700 feet more or less to the Point of Beginning.
- SECTION 6 That portion of Section 6, Township 42 South, Range 21 East, bounded on the north by the north line of Section 6, on the west by the west section line and the east by the west R/W of S.R. 771.

SECTION 8 That portion of Section 8, Township 42 South, Range 21 East, being more particularly described as follows:

Commence at the NE corner of said Section 8; thence N 89°54'50" W, along the north line of said section a distance of 1,500 feet more or less to a point on a curve concave to the NE having a radius of 5,500.00 feet, a central angle of 05°00'00", and arc distance of 440.70 feet which said point is also the Point of Beginning, thence southwesterly along said curve 440.70 feet to its PT, which PT is the PC of a circle concave to the NE having a radius of 5,050.00 feet, a central angle of 12°00'00", and arc distance of 1,057.67 feet, thence southwesterly along said curve a distance of 1,057.67 feet to its PT, thence N 43°00'00" W, a distance of 50.00 feet, thence S 53°00'00" E, a distance of 40.00 feet, thence N 43°00'00" W, a distance of 850.00 feet to a point, thence S 47°00'00" E, a distance of 140.00 feet to a point, thence N 43°00'00" W, a distance of 620 feet more or less to the north line of said Section 8, thence easterly along said north line a distance of 2,400 feet more or less to the Point of Beginning.

SECTION 9 Commence at the NE corner of Section 9, said point also being the Point of Beginning, thence S 00°35'03" W, along the east line of said Section 9, a distance of 3,124.40 feet more or less, thence N 85° W, a distance of 1,819.58 feet to the PC of a curve concave to the NE, said curve having a central angle of 72°00'00", a radius of 1,060 feet, and arc of 1,332.04 feet, thence northerly along said curve an arc distance of 1,332.04 feet, thence N 13° W, a distance of 500 feet to the PC of a curve concave to the SW, said curve having a central angle of 33°11'25", a radius of 940 feet, and arc of 544.52 feet, thence northerly along said curve an arc distance of 544.52 feet to a point, thence N 43°48'35" E, a distance of 60.00 feet to the PC of a curve concave to the SW, said curve having a central angle of 35°48'35", a radius of 1,000.00 feet, and arc of 625.00 feet, thence along said curve a distance of 625.00 feet, thence N 82°00'00"

W, a distance of 135.00 feet to a point on a curve concave to the NE, said curve having a central angle of 42°00'00", a radius of 1,000.00 feet, and arc of 733.04 feet, thence along said curve a distance of 580 feet more or less to the intersection with the north line of said Section 9, thence N 89°56'12" E, along the north line of said Section 9, 4,500 feet more or less to the Point of Beginning.

SECTION 10

Commence at the NE corner of Section 10, said point also being the Point of Beginning, thence S 0°05'37" W, along the east line of said Section 10, a distance of 4,697.27 feet, thence S 89°30'00" W, a distance of 987 feet to the PC of a curve concave to the NE, said curve having a central angle of 40°29'59", a radius of 2,060 feet, and arc of 1,456.13 feet, thence westerly along said curve an arc distance of 1,456.13 feet, thence N 50° W, a distance of 750 feet to the PC of a curve concave to the SW, said curve having a central angle of 35°, a radius of 1,950 feet, and arc of 1,185 feet, thence N 85° W, a distance of 1,380 feet, to the west line of said Section 10, thence N 00°35'03" E, along the west line of said section a distance of 3,124.40 feet, to the NW corner, thence N 89°25'14" E, along the north line of said section to the Point of Beginning.

ATTACHMENT B

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TERRITORY DESCRIPTION
AQUASOURCE UTILITY, INC.
 CHARLOTTE COUNTY
WASTEWATER SERVICE AREA

Township 41 South, Range 20 East, Charlotte County, Florida

SECTION 13 All of said Section.
 SECTION 14 All of said Section.
 SECTION 15 All of said Section.

SECTION 21 Commence at the SE corner of Section 21, thence N 0°32'57" E, a distance of 215.11 feet to the Point of Beginning, thence N 89°46'02" W, a distance of 1,254.80 feet, thence N 0°32'57" E, a distance of 118.46 feet, thence S 89°46'02" E, a distance of 1,254.80 feet, thence S 0°32'57" W, a distance of 118.46 feet to the Point of Beginning.

SECTION 22 All of said Section.
 SECTION 23 All of said Section.
 SECTION 24 All of said Section.
 SECTION 25 All of said Section.
 SECTION 26 All of said Section.
 SECTION 27 The East 1/2.
 SECTION 34 The East 1/2.
 SECTION 35 All of said Section.
 SECTION 36 All of said Section.

Township 41 South, Range 21 East, Charlotte County, Florida

SECTION 17 That portion lying west of S.R. 771 together with that portion of Section 17 lying east of the Seaboard Coastline Railroad being described as follows:

Commence at the SW corner of Section 17, thence N 88°26'07" E, along the south line of Section 17 a distance of 38.1 feet to the Point of Beginning, thence N 24°30'00" E, a distance of 400 feet more or less to the south R/W line of Rotonda Blvd.,

ATTACHMENT B

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East, thence S 89°59'53" E, a distance of 624.69 feet, thence, S 00°09'34" E, a distance of 344.69 feet, thence S 88°26'07" W, along the south line of said Section 17 a distance of 849.10 feet to the Point of Beginning.

SECTION 18 All of said Section.

SECTION 19 That portion lying west of the Seaboard Coast Line Railroad together with that portion of Section 19 lying east of the Seaboard Coast Line Railroad being described as follows:

Commence at the NE corner of said Section 19, thence S 00°07'14" W, along the east line of said Section 19, a distance of 78.5 feet to a point, said point being the Point of Beginning, thence continue S 00°07'14" W, a distance of 382.15 feet to a point, thence S 89°58'47" W, a distance of 177.27 feet to a point, thence N 24°43'08" E, a distance of 428.0 feet more or less to the Point of Beginning.

SECTION 20 Commence at the NW corner of Section 20; thence N 88°26'20" E, along the north line of said Section 20 a distance of 40.10 feet to the Point of Beginning, thence continue N 88°26'20" E, along said north line a distance of 807.0 feet to a point, thence S 00°09'34" E, a distance of 481.6 feet to a point, thence N 89°58'47" W, a distance of 849.1 feet to the east line of said Section 20, thence N 00°07'14" E, along said east line a distance of 460.65 feet to the Point of Beginning.

SECTION 29 That portion lying west of S.R. 771.

SECTION 30 All of said Section.

SECTION 31 All of said Section 31- lying west of the west R/W line of S.R. 771.

SECTION 32 Commence at the NE corner of Section 32, Township 41 South, Range 21 East, said point also being the Point of Beginning, thence S 00°48'48" E, along the east line of said section to the SE corner, thence N 89°35'44" W, along the south line of said section a distance of 2,900 feet more or less to a point on a curve concave to the NE, said curve having a central angle of 22°47'51", a radius of 5,779.58 feet, and arc of 4,000 feet, thence continue westerly along said curve an arc distance of 3,000 feet more or less to a point that intersects the west line of said Section 32, thence N 00°09'16" E, along the west line of said section to the east R/W of S.R. 771, thence continue N 00°09'16" E, to the NW corner of said Section 32, thence easterly along the north line of the section to the NE corner thereof being also the

Point of Beginning.

SECTION 33 All of said Section.
 SECTION 34 All of said Section.
 SECTION 35 All of said Section.

Township 42 South, Range 20 East, Charlotte County, Florida

SECTION 1 All of said Section, less the south 1,275 feet.

SECTION 2 That portion of Section 2 being bounded by the north, south, and west section lines of said Section 2, and being bounded on the east by the west shoreline of the west branch of Coral Creek together with:

Commence at the NE corner of Section 2, Township 42 South, Range 20 East, said point also being the Point of Beginning, thence southerly along the east section line a distance of 2,900 feet more or less, thence N 89°31'30" W, a distance of 1,800 feet more or less to the east bank of the west branch of Coral Creek, thence northerly along the east bank of Coral Creek to the north line of said Section 2, thence east along said north line to the NE corner of Section 2 and the Point of Beginning.

- SECTION 3 All of said Section 3, less the northwest quarter lying east of Lemon Bay and north and west of an existing canal.
- SECTION 4 All that portion of Don Pedro Island lying in Section 4, less the north 812 feet thereof.
- SECTION 10 The easterly 2,200 feet of the N 1/2 of the NE 1/4 of said Section 10, together with all that portion of Don Pedro Island lying within said Section 10.
- SECTION 11 That portion of Section 11 lying north of the inland waterway and south of Coral Creek.
- SECTION 12 That portion of Section 12 lying north of the inland waterway and south of Coral Creek.

Township 42 South, Range 21 East, Charlotte County, Florida

- SECTION 1 Commence at the NW corner of Section 1, Township 42 South, Range 21 East, thence S 01°36'56" W, a distance of 190 feet to the Point of Beginning, thence S 89°50'49" E, a distance of 40 feet, thence S 01°36'57" E, a distance of 106.46 feet, to the PC of a curve concave to the NW, said curve having a central angle of 09°44'42", a radius of 2,772.09 feet, and arc of 471.48 feet, thence continue southerly along said curve to a point that intersects with the west line of said Section 1, thence N 00°32'16" E, along the west line of said Section 1 to the Point of Beginning.
- SECTION 2 All of Section 2, Township 42 South, Range 21 East, less the following described portion.
- Commence at the SE corner of said Section 2, said point also being the Point of Beginning, thence S 89°12'54" W, along the south section line a distance of 700 feet more or less, thence N 00°30' W, a distance of 1,800 feet to the PC of a curve concave to the NW, said curve having a central angle of 34°56'57", a radius of 2,772.04 feet, and arc of -

SECTION 3 All of said Section.

SECTION 4 All of Section 4, Township 42 South, Range 21 East, less the following described property.

Commence at the SW corner of said Section 4, said point also being the Point of Beginning, thence N $00^{\circ}17'22''$ E, along the west line of Section 4 a distance of 200 feet, thence S 45° E, a distance of 300' more or less to the south line of Section 4, thence S $89^{\circ}56'12''$ W, along the south line of Section 4 to the SW corner and the Point of Beginning.

SECTION 5 Commence at the NE corner of Section 5, said point also being the Point of Beginning. Thence S $0^{\circ}17'22''$ W, along the east line of said Section 5, a distance of 4,850 feet. Thence S 45° W, a distance of 700 feet more or less to the south line of said Section 5. Thence N $89^{\circ}54'50''$ W, along said south line a distance of 4,600 feet. Thence N $48^{\circ}28'41''$ W, a distance of 550 feet more or less to the west line of Section 5. Thence N $00^{\circ}25'49''$ W, along said west line a distance of 1,000 feet to a point on a curve concave to the NW, said curve having a central angle of $39^{\circ}30'00''$, a radius of 1,940 feet, and arc of 1,311.12 feet, thence continue northerly along said curve an arc distance of 1,311.12 feet, thence N $12^{\circ}47'16''$ E, a distance of 440 feet to the PC of a curve concave to the SE, said curve having a central angle of $33^{\circ}10'00''$, a radius of 2,060 feet, and arc of 1,192.4 feet, thence N $45^{\circ}57'16''$ E, a distance of 2,377.12 feet, thence N 45° W, a distance of 350 feet more or less to the north section line of Section 5, thence S $89^{\circ}35'44''$ E, along the north section line, a distance of 2,700 feet more or less to the Point of Beginning.

SECTION 6 That portion of Section-6, Township 42 South, Range 21 East, bounded on the north by the north line of Section 6, on the west by the west section line and the east by the west R/W of S.R. 771.

SECTION 8 That portion of Section 8, Township 42 South, Range 21 East, being more particularly described as follows:

Commence at the NE corner of said Section 8, thence N $89^{\circ}54'50''$ W, along the north line of said Section 8, a distance of 1,500 feet more or less to a point on a curve concave to the NE having a radius of 5,500.00 feet, a central angle of $05^{\circ}00'00''$, and arc distance of 440.70 feet, which said point is also the Point of Beginning, thence southwesterly along said curve 440.70 feet to its PT, which PT is the PC of a circle concave to the NE having a radius of 5,050.00 feet, a central angle of $12^{\circ}00'00''$, and arc distance of 1,057.67 feet, thence southwesterly along said curve a distance of 1,057.67 feet to its PT, thence N $43^{\circ}00'00''$ W, a distance of 50.00 feet; thence S $53^{\circ}00'00''$ E, a distance of 40.00 feet; thence N $43^{\circ}00'00''$ W, a distance of 850.00 feet to a point, thence S $47^{\circ}00'00''$ E, a distance of 140.00 feet to a point, thence N $43^{\circ}00'00''$ W, a distance of 620 feet more or less to the north line of said Section 8, thence easterly along said north line a distance of 2,400 feet more or less to the Point of Beginning.

SECTION 9 Commence at the NE corner of Section 9, said point also being the Point of Beginning, thence S $0^{\circ}35'03''$ W, along the east line of said Section 9 a distance of 3,124.40 feet more or less, thence N 85° W, a distance of 1,819.58 feet to the PC of a curve concave to the NE, said curve having a central angle of $72^{\circ}00'00''$, a radius of 1,060 feet, and arc of 1,332.04 feet, thence northerly along said curve an arc distance of 1,332.04 feet, thence N 13° W, a distance of 500 feet to the PC of a curve concave to the SW, said curve having a central angle of $33^{\circ}11'25''$, a radius of 940 feet, and arc of 544.52 feet, thence northerly along said curve an arc distance of 544.52 feet to a point, thence N $43^{\circ}48'35''$ E, a distance of 60.00 feet to the PC of a curve concave to the SW, said curve having a central angle of $35^{\circ}48'35''$, a radius of 1,000.00 feet, and arc of 625.00 feet, thence along

ATTACHMENT B

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said curve a distance of 625.00 feet, thence N 82°00'00" W, a distance of 135.00 feet to a point on a curve concave to the NE, said curve having a central angle of 42°00'00", a radius of 1,000.00 feet, and arc of 733.04 feet, thence along said curve a distance of 580 feet more or less to the intersection with the north line of said Section 9, thence N 89°56'12" E, along the north line of said Section 9, 4,500 feet more or less to the Point of Beginning.

SECTION 10

Commence at the NE corner of Section 10, said point also being the Point of Beginning, thence S 0°05'37" W, along the east line of said Section 10 a distance of 4,697.27 feet, thence S 89°30'00" W, a distance of 987 feet to the PC of a curve concave to the NE, said curve having a central angle of 40°29'59", a radius of 2,060 feet, and arc of 1,456.13 feet, thence westerly along said curve an arc distance of 1,456.13 feet, thence N 50° W, a distance of 750 feet to the PC of a curve concave to the SW, said curve having a central angle of 35°, a radius of 1,950 feet, and arc of 1,185 feet, thence N 85° W, a distance of 1,380 feet to the west line of said Section 10, thence N 0°35'03" E, along the west line of said section a distance of 3,124.40 feet to the NW corner, thence N 89°25'14" E, along the north line of said Section 10 to the Point of Beginning.

ROTONDA WEST UTILITY CORPORATION
 WATER TREATMENT PLANT (WTP)
 ALLOWANCE FOR FUNDS PRUDENTLY INVESTED (AFPI)

| | 1993 WTP AFPI | | | 1994 WTP AFPI | | |
|-----------|---------------|---------|--------|---------------|---------|--------|
| | New | Present | Total | New | Present | Total |
| | 1 | 2 | | 1 | 2 | |
| January | 11.41 | 39.42 | 50.83 | 148.75 | 39.42 | 188.17 |
| February | 22.83 | 39.42 | 62.25 | 160.55 | 39.42 | 199.97 |
| March | 34.24 | 39.42 | 73.66 | 172.34 | 39.42 | 211.76 |
| April | 45.65 | 39.42 | 85.07 | 184.14 | 39.42 | 223.56 |
| May | 57.06 | 39.42 | 96.48 | 195.93 | 39.42 | 235.35 |
| June | 68.48 | 39.42 | 107.90 | 207.73 | 39.42 | 247.15 |
| July | 79.89 | 39.42 | 119.31 | 219.53 | 39.42 | 258.95 |
| August | 91.30 | 39.42 | 130.72 | 231.32 | 39.42 | 270.74 |
| September | 102.71 | 39.42 | 142.13 | 243.12 | 39.42 | 282.54 |
| October | 114.13 | 39.42 | 153.55 | 254.91 | 39.42 | 294.33 |
| November | 125.54 | 39.42 | 164.96 | 266.71 | 39.42 | 306.13 |
| December | 136.95 | 39.42 | 176.37 | 278.51 | 39.42 | 317.93 |
| | 1995 WTP AFPI | | | 1996 WTP AFPI | | |
| | New | Present | Total | New | Present | Total |
| | 1 | 2 | | 1 | 2 | |
| January | 291.20 | 39.42 | 330.62 | 444.52 | 39.42 | 483.94 |
| February | 303.89 | 39.42 | 343.31 | 458.20 | 39.42 | 497.62 |
| March | 316.59 | 39.42 | 356.01 | 471.89 | 39.42 | 511.31 |
| April | 329.28 | 39.42 | 368.70 | 485.57 | 39.42 | 524.99 |
| May | 341.98 | 39.42 | 381.40 | 498.25 | 39.42 | 538.67 |
| June | 354.67 | 39.42 | 394.09 | 512.94 | 39.42 | 552.36 |
| July | 367.38 | 39.42 | 406.78 | 528.62 | 39.42 | 566.04 |
| August | 380.08 | 39.42 | 419.48 | 540.31 | 39.42 | 579.73 |
| September | 392.75 | 39.42 | 432.17 | 553.99 | 39.42 | 593.41 |
| October | 405.45 | 39.42 | 444.87 | 567.67 | 39.42 | 607.09 |
| November | 418.14 | 39.42 | 457.56 | 581.36 | 39.42 | 620.78 |
| December | 430.83 | 39.42 | 470.25 | 595.04 | 39.42 | 634.46 |
| | 1997 WTP AFPI | | | | | |
| | New | Present | Total | | | |
| | 1 | 2 | | | | |
| January | 609.82 | 39.42 | 649.24 | | | |
| February | 624.59 | 39.42 | 664.01 | | | |
| March | 639.37 | 39.42 | 678.79 | | | |
| April | 654.15 | 39.42 | 693.57 | | | |
| May | 668.92 | 39.42 | 708.34 | | | |
| June | 683.70 | 39.42 | 722.12 | | | |
| July | 698.47 | 39.42 | 737.89 | | | |
| August | 713.25 | 39.42 | 752.67 | | | |
| September | 728.02 | 39.42 | 767.44 | | | |
| October | 742.80 | 39.42 | 782.22 | | | |
| November | 757.58 | 39.42 | 797.00 | | | |
| December | 772.35 | 39.42 | 811.77 | | | |

1) The AFPI shown above in the column labeled "New" are assessed for only the first 1,844 ERC's connected after the commencement of the AFPI on January 1, 1993.
 2) The AFPI shown above in the column labeled "Present" are recognize the carrying costs of the Cape Haze Water Treatment Plant through December 31, 1992. These charges are assessed for only the first 889 ERC's connected after January 1, 1993.

ATTACHMENT D

ROTONDA WEST UTILITY CORPORATION
 WATER TRANSMISSION AND DISTRIBUTION SYSTEMS
 ALLOWANCE FOR FUNDS PRUDENTLY INVESTED (AFPI)

The Following AFPI will be assessed per all ERC's connected after the commencement of the AFPI

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
|-----------|-------|-------|-------|--------|--------|--------|--------|--------|
| January | 2.40 | 31.36 | 62.78 | 96.93 | 134.08 | 174.54 | 218.65 | 266.78 |
| February | 4.79 | 33.96 | 65.61 | 100.00 | 137.43 | 178.19 | 222.53 | 271.13 |
| March | 7.19 | 36.56 | 68.43 | 103.08 | 140.77 | 181.84 | 228.61 | 275.47 |
| April | 9.59 | 39.16 | 71.26 | 106.15 | 144.12 | 185.48 | 230.59 | 279.82 |
| May | 11.98 | 41.76 | 74.08 | 109.22 | 147.47 | 189.13 | 234.57 | 284.17 |
| June | 14.38 | 44.36 | 76.91 | 112.30 | 150.81 | 192.78 | 238.55 | 288.51 |
| July | 16.77 | 46.96 | 79.73 | 115.37 | 154.16 | 196.43 | 242.53 | 292.86 |
| August | 19.17 | 49.56 | 82.56 | 118.44 | 157.51 | 200.08 | 246.51 | 297.21 |
| September | 21.57 | 52.16 | 85.38 | 121.52 | 160.85 | 203.72 | 250.49 | 301.56 |
| October | 23.96 | 54.76 | 88.21 | 124.59 | 164.20 | 207.37 | 254.47 | 305.90 |
| November | 26.36 | 57.36 | 91.03 | 127.66 | 167.55 | 211.02 | 258.45 | 310.25 |
| December | 28.76 | 59.96 | 93.86 | 130.74 | 170.89 | 214.67 | 262.43 | 314.60 |

ROTONDA WEST UTILITY CORPORATION
 SEWER (WASTEWATER) TREATMENT PLANT (STP)
 ALLOWANCE FOR FUNDS PRUDENTLY INVESTED (AFPI)

| 1993 STP AFPI | | | | 1994 STP AFPI | | | |
|---------------|-------|----------|----------|---------------|-------|---------|----------|
| | New | Present | Total | | New | Present | Total |
| January | 0.65 | 293.53 | 294.18 | January | 8.53 | 452.33 | 460.86 |
| February | 1.31 | 306.67 | 307.98 | February | 9.22 | 466.58 | 475.80 |
| March | 1.96 | 319.81 | 321.77 | March | 9.90 | 480.82 | 490.72 |
| April | 2.62 | 332.96 | 335.58 | April | 10.59 | 495.07 | 505.66 |
| May | 3.27 | 346.10 | 349.37 | May | 11.28 | 509.32 | 520.60 |
| June | 3.92 | 359.24 | 363.16 | June | 11.96 | 523.56 | 535.52 |
| July | 4.58 | 372.38 | 376.96 | July | 12.65 | 537.81 | 550.46 |
| August | 5.23 | 385.52 | 390.75 | August | 13.33 | 552.06 | 565.39 |
| September | 5.89 | 398.66 | 404.55 | September | 14.02 | 566.30 | 580.32 |
| October | 6.54 | 411.80 | 418.34 | October | 14.70 | 580.55 | 595.25 |
| November | 7.19 | 424.94 | 432.13 | November | 15.39 | 594.80 | 610.19 |
| December | 7.85 | 438.08 | 445.93 | December | 16.07 | 609.04 | 625.11 |
| 1995 STP AFPI | | | | 1996 STP AFPI | | | |
| | New | Present | Total | | New | Present | Total |
| January | 16.82 | 624.51 | 641.33 | January | 25.78 | 811.45 | 837.23 |
| February | 17.56 | 639.96 | 657.52 | February | 26.59 | 828.27 | 854.86 |
| March | 18.20 | 655.44 | 673.64 | March | 27.39 | 845.08 | 872.47 |
| April | 19.04 | 670.91 | 689.95 | April | 28.20 | 861.89 | 890.09 |
| May | 19.78 | 686.38 | 706.16 | May | 29.00 | 878.70 | 907.70 |
| June | 20.53 | 701.84 | 722.37 | June | 29.81 | 895.51 | 925.32 |
| July | 21.27 | 717.31 | 738.58 | July | 30.61 | 912.32 | 942.93 |
| August | 22.01 | 732.78 | 754.79 | August | 31.42 | 929.13 | 960.55 |
| September | 22.75 | 748.24 | 770.99 | September | 32.22 | 945.95 | 978.17 |
| October | 23.50 | 763.71 | 787.21 | October | 33.03 | 962.76 | 995.79 |
| November | 24.24 | 779.18 | 803.42 | November | 33.83 | 979.57 | 1,013.40 |
| December | 24.98 | 794.64 | 819.62 | December | 34.63 | 996.38 | 1,031.01 |
| 1997 STP AFPI | | | | | | | |
| | New | Present | Total | | | | |
| January | 35.51 | 1,014.67 | 1,050.18 | | | | |
| February | 36.38 | 1,032.97 | 1,069.35 | | | | |
| March | 37.26 | 1,051.28 | 1,088.52 | | | | |
| April | 38.13 | 1,069.58 | 1,107.69 | | | | |
| May | 39.00 | 1,087.85 | 1,126.85 | | | | |
| June | 39.88 | 1,106.15 | 1,146.03 | | | | |
| July | 40.75 | 1,124.44 | 1,165.19 | | | | |
| August | 41.62 | 1,142.73 | 1,184.35 | | | | |
| September | 42.50 | 1,161.03 | 1,203.53 | | | | |
| October | 43.37 | 1,179.32 | 1,222.69 | | | | |
| November | 44.24 | 1,197.62 | 1,241.86 | | | | |
| December | 45.12 | 1,215.91 | 1,261.03 | | | | |

* The AFPI shown above are assessed for only the first 884 ERC's connected after the commencement of the AFPI on January 1, 1993

ATTACHMENT F

ROTONDA WEST UTILITY CORPORATION
WASTEWATER COLLECTION SYSTEMS
ALLOWANCE FOR FUNDS PRUDENTLY INVESTED (AFPI)

The following AFPI will be assessed per all ERC's connected after the commencement of the AFPI

| | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 |
|-----------|------|-------|-------|-------|-------|-------|-------|--------|
| January | 0.79 | 10.39 | 20.79 | 32.09 | 44.38 | 57.75 | 72.32 | 88.21 |
| February | 1.59 | 11.25 | 21.73 | 33.11 | 45.48 | 58.95 | 73.64 | 89.85 |
| March | 2.38 | 12.11 | 22.68 | 34.12 | 46.59 | 60.16 | 74.95 | 91.08 |
| April | 3.18 | 12.97 | 23.60 | 35.14 | 47.70 | 61.37 | 76.26 | 92.52 |
| May | 3.97 | 13.83 | 24.53 | 36.16 | 48.80 | 62.57 | 77.58 | 93.95 |
| June | 4.76 | 14.69 | 25.47 | 37.17 | 49.91 | 63.78 | 78.89 | 95.39 |
| July | 5.56 | 15.55 | 26.40 | 38.19 | 51.01 | 64.98 | 80.21 | 96.82 |
| August | 6.35 | 16.41 | 27.34 | 39.21 | 52.12 | 66.19 | 81.52 | 98.26 |
| September | 7.15 | 17.28 | 28.27 | 40.22 | 53.23 | 67.39 | 82.84 | 99.69 |
| October | 7.94 | 18.14 | 29.21 | 41.24 | 54.33 | 68.60 | 84.15 | 101.13 |
| November | 8.73 | 19.00 | 30.14 | 42.26 | 55.44 | 69.80 | 85.47 | 102.58 |
| December | 9.53 | 19.86 | 31.08 | 43.27 | 56.54 | 71.01 | 86.78 | 104.00 |

SCHEDULE 1

ROTONDA WEST UTILITY CORPORATION
 SCHEDULE OF WATER RATE BASE
 AS OF DECEMBER 31, 1998

| <u>DESCRIPTION</u> | <u>BALANCE PER UTILITY</u> | <u>COMMISSION ADJUSTMENTS</u> | <u>BALANCE PER COMMISSION</u> |
|--|--------------------------------|-----------------------------------|-----------------------------------|
| Utility Plant in Service | \$ 8,067,121 | \$(252,624) | \$ 7,814,497 |
| Land and Land Rights | 382,390 | (2,369) | 380,021 |
| Accumulated Depreciation | (2,368,608) | 108,373 | (2,260,235) |
| Contributions in Advance of Construction (CIAC) | (3,328,953) | (251,141) | (3,580,094) |
| Amortization of CIAC | 408,800 | 4,903 | 413,703 |
| Construction Work in Progress | 14,070 | 0 | 14,070 |
| Plant Held for Future Use (PHFU) | 1,524,453 | (74,790) | 1,449,663 |
| PHFU - CIAC | (1,550,781) | 101,669 | (1,449,112) |
| PHFU - Amortization | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL WATER RATE BASE | <u>\$ 3,148,492</u> | <u>\$ (365,979)</u> | <u>\$ 2,782,513</u> |

SCHEDULE 2

ROTONDA WEST UTILITY CORPORATION
 SCHEDULE OF WATER RATE BASE ADJUSTMENTS
 (Numbers in brackets refer to Disclosure No.)

| <u>EXPLANATION</u> | <u>ADJUSTMENT</u> |
|--|----------------------------|
| Utility Plant in Service | |
| 1) Prior Rate Case adjustments to land [2] | \$ 2,002 |
| 2) Prior Rate Case adjustments to land [2] | 367 |
| 3) Prior Rate Case unsupported plant [3] | (55,295) |
| 4) Reclassify plant additions that should be expensed [5] | (81,195) |
| 5) Current unsupported plant [5] | (6,246) |
| 6) Remove permeators that were replaced [7] | <u>(112,257)</u> |
| Total | (252,624) |
| Land and Land Rights | |
| 1) Prior Rate Case adjustments to land [2] | (2,369) |
| Accumulated Depreciation | |
| 1) Prior Rate Case unsupported plant [3] | 7,852 |
| 2) Current unsupported plant [5] | 218 |
| 3) Adjust depreciation on plant additions expensed [5] | 7,838 |
| 4) Correct gain on sale [6] | (6,163) |
| 5) Remove acc. dep. on replaced permeators [7] | 112,257 |
| 6) True-up of depreciation expense [10] | (13,227) |
| 7) True-up on amortization of franchise fees [10] | <u>(402)</u> |
| Total | 108,373 |
| Contributions in Advance of Construction (CIAC) | |
| 1) Prior Rate Case adjustments to land [2] | (95,149) |
| 2) Correct posting error [9] | <u>(155,992)</u> |
| Total | (251,141) |
| Accumulated Amortization of CIAC [10] | 4,903 |
| Plant Held for Future Use (PHFU) | |
| 1) Reclassify utility plant in service assets [9] | (74,790) |
| PHFU - CIAC | |
| 1) Correct posting error [9] | 128,669 |
| 2) Impute CIAC for repurchase of previously-owned land [9] | <u>(27,000)</u> |
| Total | 101,669 |
| TOTAL ADJUSTMENT | <u>\$ (365,979)</u> |

SCHEDULE 3

ROTONDA WEST UTILITY CORPORATION
 SCHEDULE OF WASTEWATER RATE BASE
 AS OF DECEMBER 31, 1998

| <u>DESCRIPTION</u> | <u>BALANCE PER UTILITY</u> | <u>COMMISSION ADJUSTMENTS</u> | <u>BALANCE PER COMMISSION</u> |
|---|----------------------------|-------------------------------|-------------------------------|
| Utility Plant in Service | \$ 5,656,138 | \$(331,072) | \$ 5,325,066 |
| Land and Land Rights | 76,308 | 0 | 76,308 |
| Accumulated Depreciation | (1,315,222) | (11,803) | (1,327,025) |
| Contributions in Advance of Construction (CIAC) | (1,759,083) | 0 | (1,759,083) |
| Amortization of CIAC | 174,009 | 3,653 | 177,662 |
| Construction Work in Progress | 1,204,920 | (24,561) | 1,180,359 |
| Plant Held for Future Use | 250,826 | (100,463) | 150,363 |
| PHFU - CIAC | (36,845) | 27,323 | (9,522) |
| PHFU - Amortization | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL WASTEWATER RATE BASE | <u>\$ 4,251,051</u> | <u>\$(436,923)</u> | <u>\$3,814,128</u> |

SCHEDULE 4

ROTONDA WEST UTILITY CORPORATION
 SCHEDULE OF WASTEWATER RATE BASE ADJUSTMENTS
 (Numbers in brackets refer to Disclosure No.)

| <u>EXPLANATION</u> | <u>ADJUSTMENT</u> |
|--|---------------------------|
| Utility Plant in Service | |
| 1) Prior Rate Case unsupported plant [3] | \$(30,841) |
| 2) Prior Rate Case unsupported plant [3] | (255,961) |
| 3) Plant additions that should be expensed [5] | (105,254) |
| 4) Reclassify reuse project from PHFU [9] | <u>60,984</u> |
| Total | (331,072) |
| Accumulated Depreciation | |
| 1) Prior Rate Case unsupported plant [3] | 3,080 |
| 2) Current unsupported plant [5] | 8,532 |
| 3) Reclassify unsupported plant [5] | 8,367 |
| 4) To remove gain on sale [6] | (6,163) |
| 5) To record acc. dep. on reuse project [9] | (11,151) |
| 6) True-up of amortization on franchise fee [10] | (402) |
| 7) True-up depreciation [10] | <u>(14,066)</u> |
| Total | (11,803) |
| Accumulated Amortization of CIAC - True-up [10] | 3,653 |
| Construction Work in Progress | |
| 1) Reclassify PHFU [8 & 9] | 52,900 |
| 2) Remove canceled sludge processing project [9] | <u>(77,461)</u> |
| Total | (24,561) |
| Plant Held for Future Use (PHFU) | |
| 1) Add back land incorrectly written-off [9] | 66,600 |
| 2) Remove PHFU [9] | (137,585) |
| 3) Remove PHFU [9] | <u>(29,478)</u> |
| Total | (100,463) |
| Plant Held for Future Use-CIAC - True-up [10] | 27,323 |
| TOTAL ADJUSTMENT | <u>\$(436,923)</u> |

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authority to transfer facilities of Rotonda West Utility Corporation and Certificates Nos. 565-W and 493-S in Charlotte County to AquaSource Utility, Inc., excluding a portion of service territory.

DOCKET NO. 981858-WS
ORDER NO. PSC-99-2081-CO-WS
ISSUED: October 21, 1999

CONSUMMATING ORDER

BY THE COMMISSION:

By Order No. PSC-99-1909-PAA-WS, issued September 27, 1999, this Commission proposed to take certain action, subject to a Petition for Formal Proceeding as provided in Rule 25-22.029, Florida Administrative Code. No response has been filed to the order. It is, therefore,

ORDERED by the Florida Public Service Commission that Order No. PSC-99-1909-PAA-WS has become effective and final. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 21st day of October, 1999.

/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 1-850-413-6770.

(S E A L)

ORDER NO. PSC-99-2081-CO-WS

DOCKET NO. 981858-WS

PAGE 2

SMC/ALC

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 judicial review of Commission orders that is available pursuant to Section 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 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 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.