

STATE OF FLORIDA

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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

March 20, 2001

Mr. Tim E. Thompson, President
Marion Utilities Inc.
710 NE 30th Ave.
Ocala FL 34470

Docket No.991104-WU, Application for Amendment of Certificate No. 347-W to add territory in Marion County by Marion Utilities Inc.

Dear Mr. Thompson:

It has been previously determined that there is a discrepancy with the service territory description concerning the Marion Utilities, Inc.'s (Marion or utility) Ponderosa service area. We agree that the Ponderosa service territory description as reflected in the utility's approved tariff is wrong. This problem appears to have been created at the time of certification for this territory. As a result of this discovery, the staff suspected that other territories of Marion may be similarly affected. Therefore, we have decided to expand our territory description review to cover all of Marion's service areas. Our review has uncovered other territory description problems with systems owned by the utility, and these discrepancies will also need to be addressed. Included with this letter is pertinent information that may help you with your review. Please provide the additional information as requested.

1. Ponderosa - The information that you have previously provided appears to be sufficient to prove that the description as detailed in the approved tariff is wrong. However, there appear to be some discrepancies with the previously provided legal description for the correct service area. One problem appears to be a citing of S87 deg. 55' 37"W, not SE7 deg. 55' 37"W as was indicated in the legal description. The other is a 802.14 foot citing, not 602.14 feet as was indicated in the legal description. Attached to this letter are the materials used for this determination with the two cites highlighted. Because the description that is printed on the map that we have is hard to read, there could be other discrepancies. Please recheck the material to verify these problems and any others if necessary. Please resubmit a corrected legal description along with a cleaner, more legible copy of the map. Attached to this letter is the description that appears to have been used as the source of the legal description for the corrected territory.

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REGISTRATION DEPARTMENT

2. Fore Acres - There appear to have been some errors made between the simplified version of the territory description as reflected on Page 3.1 of the tariff, and the legal descriptions reflected in the original application. The tariff description includes the original Fore Acres area, which is located in Section 33 of Township 14 South, Range 22 East, the Fore Acres First Addition, and Fore Acres North, which are located in Section 28 of Township 14 South, Range 22 East. Included with the application, it appears that the Fore Acres area also includes the Pine Manor, Tall Pines, Georgetowne, and Hillside Acres subdivisions. Our review has determined that none of the above mentioned residential areas are part of the description in the tariff.

In reference to the Hillside Acres subdivision, the application description indicates that it takes up the West ½ of the South ½ of Northeast 1/4 of the Southeast 1/4 of Section 28 of Township 14 South, Range 22 East. Please confirm that Hillside Acres is presently not included in the utility's tariff description, and that the application description of this is correct. Is there a reason to not include this area in the utility's tariff?

In reference to the Pine Manor and Tall Pines subdivisions, the application description indicates that these two areas take up the West ½ of the Southeast 1/4 of the Southeast 1/4 of Section 28 of Township 14 South, Range 22 East. The territory description in the tariff indicates that the utility is serving the East ½ of the Southeast 1/4 of the Southeast 1/4 of Section 28 of Township 14 South, Range 22 East. It appears that the tariff description is wrong. Should it be the West ½, as the application description indicates? Are you serving anyone in the East ½? Please confirm whether our interpretation/understanding is correct, and provide information on any other customers.

In reference to the Georgetowne subdivision located in Section 33 of Township 14 South, Range 22 East, the tariff description does not show that you are serving the Georgetown area. It indicates that service is in only the Northwest 1/4 of the Northeast 1/4 of Section 33. The application description shows that Georgetown is in the Northeast 1/4 of the Northeast 1/4 of Section 33. Please advise whether the tariff description includes Georgetown.

3. Rainbow Lake Estates - The application description was done with references to plats. This differs from the territory description as shown on Page 3.2 of the tariff which was done in section, township, and range references. The application description is not properly formatted in accordance with Rule 25-30.036(3)(e), Florida Administrative Code. Does the utility have available a more accurate description of this area? If so, please verify this, and confirm that the two different descriptions represent the same area. Please provide a map that shows these two descriptions represent the same area.

4. Logan's Run - On Page 3.2 of the utility's tariff description, we believe that the Logan's Run area is described as International Villas. Also, the territory described in the tariff that is located in Section 28 of Township 15 South, Range 21 East, differs from the territory indicated in the application. In the tariff, it is indicated that the area served is in the East 1/4 of the Northwest 1/4

of the Northeast 1/4 of the above section, township, and range. The description in the application indicates that the area served is in the East 1/2 of the Northwest 1/4 of the Northeast 1/4 of the above section, township, and range. Are Logan's Run and International Villas the same? Which name should be used on the tariff? Also, please verify which description is correct.

5. Libra Oaks - In this service territory it appears that the description on Page 3.3 of the tariff does not match the territory as described in the legal notice when it was published in 1981. The tariff description indicates that you are serving in Sections 27 and 34 of Township 15 South, Range 21 East. The noticed legal description indicates that it is Sections 27 and 28 of the same township and range. We believe that the tariff description is wrong. Please verify this. If the tariff is correct, please provide a map with the tariff description plotted on it.

6. Sugar Hills Quadvillas - The tariffed territory description on Page 3.3, indicates that this area is located in Section 1 of Township 15 South, Range 22 East, with the exception of the area of the tariffed Quadvilla Estates. There are also three other areas noted as excluded in the application description, but not detailed in the tariff. They include a corner of property in the Northwest part of the Northwest 1/4 of the Northwest 1/4 of the Northwest 1/4 of the above mentioned section, township, and range. The second part is a corner of property in the Northeast part of the Northwest 1/4 of the Northwest 1/4 of the Northwest 1/4 of the above mentioned section, township, and range. The third excluded area in question is Northeast 1/4 of the Northwest 1/4 of the Northwest 1/4 of the above mentioned section, township, and range. One half of that section is the Quadvilla Estates area. It is apparent that the tariffed description has been simplified to include more area than originally requested in the application. Please verify this assumption by providing a description of what is in the areas that were originally excluded in the application, and a service area/territory map. Are the areas served by any utility other than Marion Utilities? Should there be a concern about conflicting territories that would warrant a modification of the territory description as detailed in the tariff?

7. Delcrest - The territory description on Page 3.4 of the tariff and the utility's original application indicates that the utility is serving the East 1/2 of the West 1/2 of the Southeast 1/4 of the Southeast 1/4 of Section 13 of Township 15 South, Range 22 East. In addition, the application also indicates a very small second area which is located adjacent to the area mentioned above. What is located in this area? Does the tariff description need to be modified to include this area? If so, please provide a service area/territory map.

8. Cedar Hills - Page 3.4 of the utility's tariff indicates that the Cedar Hills service area is located in the Southeast 1/4 of Section 27 of Township 15 South, Range 22 East, EXCEPT the Northeast 1/4 of the Southeast 1/4 of Section 27. The original application description indicates that the service area goes into the Northeast 1/4 of the Southeast 1/4 of Section 27. Included with the Cedar Hills territory descriptions is a map of the territory as derived from the descriptions. It clearly

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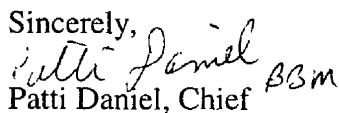
shows that the area in question is part of the described territory. Please advise whether the utility is providing service within the area excluded by the tariff.

9. Kings Court, Hidden Oaks, and Glen Manor - The territory description detailed on Page 3.6 of the tariff shows references to Marion County Property Appraiser parcel numbers which are located somewhere in Section 30 of Township 16 South, Range 21 East. This description is not properly formatted in accordance with Rule 25-30.036(3)(e), Florida Administrative Code. Please provide more accurate description's of these areas. Enclosed is the territory description and map format example.

10. Walbusser - It appears that the description on Page 3.8 of the tariff for this service territory does not match the territory as described in the original legal notice. The tariff description indicates that you are serving in Section 19 of Township 16 South, Range 25 East. The noticed legal description indicates that it should be Range 22 East not Range 25 East. We found a map of the service area that indicates it should be Range 22. We believe that the tariff description is wrong and the legal notice is correct. Please verify which description is correct.

11. Please review the enclosed Order No. 13264, issued May 4, 1984, in Docket No. 84109-WU. The description detailed in this order is not found in the utility's tariff filing. Please verify whether or not this area is currently served by the utility.

Rule 25-30.036(3)(e) Florida Administrative Code, requires utilities to provide descriptions of territories proposed to be served when filling amendment applications. It is the responsibility of the Commission staff to assure that Marion's territory descriptions currently on file at the Commission, as well as the territory descriptions of the areas the utility proposes to serve by way of the amendment application, are accurate and complete. We must secure this information prior to making our recommendation to the Commission as to whether the application should be approved. Therefore, please provide the above requested information by no later than May 21, 2001, with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. If you have any questions please call Mr. Stanley Rieger at (850) 413-6970 or Mr. Jason Fudge at (850) 413-6236.

Sincerely,

Patti Daniel, Chief
Bureau of Certification

cc: Division of Regulatory Oversight (Hoppe, Lowe, Rieger)
Division of Legal Services (Fudge)
Division of Records and Reporting (Bayo, Security File)