

West Lakeland Utilities, Inc.
2901 Brooks Street
Lakeland, FL 33803

010382-SU

March 30, 2001

Check received with filing and
forwarded to Fiscal for deposit.
Fiscal to forward a copy of check
to RAR with proof of deposit.

Initials of person who forwarded check:

[Handwritten initials]

VIA FEDERAL EXPRESS

Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

*Re: Transfer Application for The Village Lakeland Sewer Franchise:
Proposed sale by ABCA, Inc. to West Lakeland Utilities, Inc.*

To Whom It May Concern:

I am the president of West Lakeland Utilities, Inc., the buyer in the above-referenced proposed sale.

I enclose an original and six copies of a completed Application for Sale, Assignment or Transfer of Certificate of Facilities with exhibits. I also enclose an original and two copies of a proposed wastewater tariff. I also enclose a check for the filing fee.

Please return a date stamped copy of the transfer application to me in the enclosed, self-addressed stamped envelope.

A rate case for ABCA, Inc. was recently concluded and new rates for the utility were approved. The rate case was assigned Docket No. 990937-SU. A copy of the Order Granting Temporary Rates in the Event of Protest and Denying to Initiate Show Cause Proceedings and Notice of Proposed Agency Action Order Granting Increased Wastewater Rates and Charges and a copy of the Consummating Order from the rate case are attached as Exhibit 5 to the transfer application in response to the net book value of the utility.

DOCUMENT NUMBER-DATE

04020 APR-25

FPSC-RECORDS/REPORTING

Director, Division of Records and Reporting
March 30, 2001
Page 2

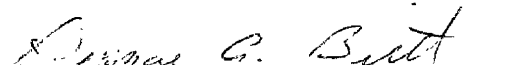
We expect to publish notice of the filing of the transfer application in a newspaper of general circulation in Polk County, Florida next week. An affidavit of notice of publication will be late-filed. We also expect to send notices of the filing of the transfer application to the utility's customers and to the appropriate governmental agencies next week. Affidavits of notice to the customers and to the governmental agencies will be late-filed. The original current certificate for the utility also will be late-filed.

We will supplement the transfer application with a copy of an amendment to the contract for sale, which will show West Lakeland Utilities, Inc. as a party to the contract and the purchaser of the utility.

Please contact Matthew W. Cheney (one of the attorneys for ABCA, Inc.) at (410) 580-4122 or me with any questions, concerns or requests for supplemental information. Thank you for your consideration.

Sincerely,

West Lakeland Utilities, Inc.

By: 
Suzanne A. Britt
President

Enclosures

cc: Matthew W. Cheney, Esquire (by Federal Express with enclosures)

APPLICATION FOR SALE, ASSIGNMENT OR TRANSFER
OF CERTIFICATE OR FACILITIES

(Pursuant to Section 367.071, Florida Statutes)

TO: Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

The undersigned hereby makes application for the sale,
assignment or transfer of (all-or-part) of Water Certificate No.
_____ and/or Wastewater Certificate No. 515-S or facilities in
_____ POLK _____ County, Florida, and submits
the following information:

PART I APPLICANT INFORMATION

A) The full name (as it appears on the certificate), address
and telephone number of the applicant:

ABCA, INC.

Name of utility

(703) 760-5387

Phone No.

(703) 760-5817

Fax No.

c/o Douglas A. Carson, Vice President, First Union National Bank, 7th Floor-
Office street address _____ VA-1954

McLean Virginia 22102

City State Zip Code

N.A.

Mailing address if different from street address

N.A.

Internet address if applicable

B) The name, address and telephone number of the person to contact concerning this application:

David S. Musgrave, Esquire (410) 580-4222
Name Phone No.
Piper Marbury Rudnick & Wolfe LLP, 6225 Smith Avenue
Street address
Baltimore Maryland 21209-3600
City State Zip Code

C) The full name (as it will appear on the certificate), address and telephone number of the buyer:

West Lakeland Utilities, Inc.
Name of utility
(863) 665 1748 (863) 667 1748 665 1675
Phone No. Fax No.
2901 Brooks St.
Office street address
Lakeland, FL 33803
City State Zip Code
P.O. Box 266 Eaton Park FL 33840
Mailing address if different from street address
ELM0315@AOL.com
Internet address if applicable

D) Indicate the organizational character of the buyer: (circle one)

Corporation Partnership Sole Proprietorship

Other: _____
(specify)

E) The date and state of incorporation or organization of the buyer:

State of Florida

Incorporation - July 26, 2000

F) If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors. (Use additional sheet if necessary).

Suzzane Averett Britt, President

Sam A. Averett, Sec/Treasurer

G) If the buyer is not a corporation, list the names, titles, and addresses of all persons owning an interest in the organization. (Use additional sheet if necessary.)

N.A.

PART II FINANCIAL AND TECHNICAL INFORMATION

A) Exhibit 1 - A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

B) List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

Averett Septic Tank Co., Inc FLA DEP 175935
Residuals Management Facility, 2901 Brooks Street, Lakeland, FL 33803

Note: West Lakeland Utilities, Inc. wastewater Maintenance & operation

contractor resume to follow.

C) Exhibit 2 - A copy of the contract for sale and all auxiliary or supplemental agreements, which shall include, if applicable:

- (1) Purchase price and terms of payment.
- (2) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities.
- (3) A description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, assumption of obligations.

The contract for sale shall also provide for the disposition, where applicable, of the following:

- (a) Customer deposits and interest thereon;
- (b) Any guaranteed revenue contracts;
- (c) Developer agreements;
- (d) Customer advances;
- (e) Debt of the utility; and
- (f) Leases.

D) Exhibit 3 - A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

E) Exhibit 4 - A statement describing the financing the purchase.

F) Exhibit 4a - A list of all entities upon which the applicant is relying to provide funding to the buyer, and an

explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent ownership interest in the utility.

3

G) Exhibit 5 - The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. Orders Attached Identify all adjustments made to update this rate base (or net book value) to the date of the proposed transfer.

H) Exhibit N.A. - A statement setting forth the reasons for the inclusion of an acquisition adjustment, if one is requested. (An acquisition adjustment results when the purchase price of the utility differs from the original cost calculation.)

I) The full name, address and telephone number of the person who has possession of the books and records of the seller:

Paul Lowry (941) 667-4778
Name Phone No.

P. O. Box 2303
Street address

Eaton Park Florida 33840
City State Zip Code

J) Exhibit 6 - If the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records.

K) Exhibit 7 - A statement from the buyer that is has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was

first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

- L) Exhibit 8 - A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection (DEP)

If the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them, a list of the action taken by the utility with regard to the violation, a copy of the Notice of Violation(s), a copy of the consent order and a list of the improvements and repairs consented to and the approximate cost to make them.

PART III NOTICE OF ACTUAL APPLICATION

- A) Exhibit 9 - An affidavit that the notice of actual application was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail to the following:

- (1) the governing body of the municipality, county, or counties in which the system or the territory proposed to be served is located;
- (2) the privately owned water and wastewater utilities that hold a certificate granted by the Public Service Commission and that are located within the county in which the utility or the territory proposed to be served is located;
- (3) if any portion of the proposed territory is within one mile of a county boundary, the utility shall notice the privately owned utilities located in the bordering counties and holding a certificate granted by the Commission;

- (4) the regional planning council;
- (5) the Office of Public Counsel;
- (6) the Public Service Commission's Director of Records and Reporting;
- (7) the appropriate regional office of the Department of Environmental Protection; and
- (8) the appropriate water management district.

Copies of the Notice and a list of entities noticed shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

- B) Exhibit 10 - An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred. A copy of the Notice shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.
- C) Exhibit 11 - Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit. THIS MAY BE A LATE-FILED EXHIBIT.

PART IV FILING FEE

Indicate the filing fee enclosed with the application:

_____ (for water) and \$750.00 (for wastewater).

Note: Pursuant to Rule 25-30.020, Florida Administrative Code, the amount of the filing fee as follows:

- (1) For applications in which the utility to be transferred has the capacity to serve up to 500 ERC's, the filing fee shall be \$750.
- (2) For applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERC's the filing fee shall be \$1,500.
- (3) For applications in which the utility to be transferred has the capacity to serve from 2,001 ERC's to 4,000 ERC's the filing fee shall be \$2,250.
- (4) For applications in which the utility to be transferred has the capacity to serve more than 4,000 ERC's the filing fee shall be \$3,000.

PART V OTHER

- A) Exhibit 12 - Evidence that the utility owns the land where the utility treatment facilities are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.
- B) Exhibit 13 - The original and two copies of sample tariff sheets reflecting the new name of the utility, the existing rates and charges and territorial description of the water and/or wastewater systems. **Sample tariff(s) are attached.**
- C) Exhibit 14 - The utility's current certificate(s) or, if not available, an explanation of the steps the applicant took to obtain the certificate(s).

PART VI AFFIDAVIT

I Suzzane Averett Britt (applicant) do solemnly swear or affirm that the facts stated in the forgoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitutes a complete statement of the matter to which it relates.
West Lakeland Utilities

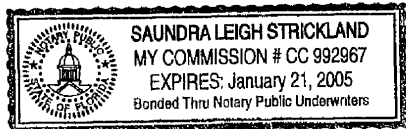
BY: Suzzane Averett Britt
Applicant's Signature

Suzzane Averett Britt
Applicants Name (typed)

President
Applicant's Title*

Subscribed and sworn to before me this 30th day in the month of March
In the year of 2001 by Suzzane A. Britt who is personally
known to me or produced identification.

Type of identification produced.



Sandra Leigh Strickland
Notary Public's Signature

Sandra Leigh Strickland
Print, Type or Stamp Commissioned Name of
Notary Public

* If applicant is a corporation, the affidavit must be made by the president or other officer authorized by the by-laws of the corporation to act for it. If applicant is a partnership or association, a member of the organization authorized to make such affidavit shall execute same.

EXHIBIT 1

As owners of Averett Septic Tank Co. Inc., the largest septic tank company in the South East United States, our expertise and experience in wastewater, lift station and residuals management industry, permit # FLA DEP 175935, will provide the public with exceptional service, billing and record keeping.

West Lakeland Utilities, Inc. will also be owned by Averett Septic Tank Co., Inc. established in 1958. It's current management team of Sam A. Averett, President and Suzzane Averett Britt, Vice President, the brother and sister team are now the second generation carrying on the family business. Averett Septic Tank Co., Inc. is a well known company with many customers that are waste water utilities. We are equipped with 7 tanker pump trucks, a 42 person staff and a 24-hour emergency pumping and lift station repair crew. We currently are the preferred vendor of Polk County, the City of Lakeland, Winter Haven and Auburndale. We are on all of the 24-hour emergency call out lists. Our RMF Plant is equipped to handle 100,000 gallons per day. Last year we pumped over 10,000,000 gallons.

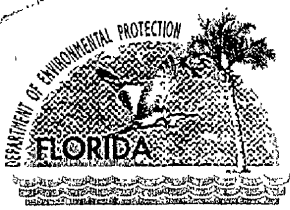
As owners also of West Lakeland Utilities, Inc. we bring with us financial strength. Our abilities will be validated and supported with financial statements, letter of credit and bonding ability. This documentation will be included with Part III, "Notice of Actual Application" Affidavit.

West Lakeland Utilities, Inc. will fulfill all commitments, obligations and representations of the seller and the Public Service Commission with regard to utility matters.

SEE EXHIBIT A

EXHIBIT A

2 pages



Department of Environmental Protection

Lawton Chiles
Governor

Southwest District
3804 Coconut Palm Drive
Tampa, Florida 33619

Virginia B. Wetherell
Secretary

NOTICE OF PERMIT ISSUANCE

In the Matter of an Application
for Permit by:

Averett Septic Tank Co., Inc.
Sam Averett, President
P.O. Box 266
Eaton Park, FL33840

DEP File No: FLA175935-001-DW3S
Polk County
August 4, 1998

Averett Septic Tank Co., Inc.

Enclosed is Permit Number FLA175935-001-DW3S for operation of a domestic wastewater treatment plant issued pursuant to Chapter 403, F.S., and Chapters 62-4, 62-600, 62-601, 62-600, 62-610, 62-620 and 62-640, F.A.C.

The Department's proposed agency action shall become final unless a timely petition for an administrative hearing is filed under Sections 120.569 and 120.57 of the Florida Statutes before the deadline for filing a petition. The procedures for petitioning for a hearing are set forth below.

A person whose substantial interests are affected by the Department's proposed permitting decision may petition for an administrative proceeding (hearing) in accordance with Sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received by the clerk) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000.

Petitions by the applicant or any of the parties listed below must be filed within fourteen (14) days of date of receipt of this written notice. Petitions filed by any persons other than those entitled to written notice under Section 120.60(3) of the Florida Statutes must be filed within fourteen (14) days of publication of the notice or within fourteen (14) days of receipt of the written notice, whichever occurs first.

Under Section 120.60(3) of the Florida Statutes, however, any person who has asked the Department for notice of agency action may file a petition within fourteen (14) days of receipt of such notice, regardless of the date of publication.

The petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57 of the Florida Statutes. Any subsequent intervention (in a proceeding initiated by another party) will be only at the discretion of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205 of the Florida Administrative Code.

A petition that disputes the material facts on which the Department's action is based must contain the following information:

- (a) The name, address, and telephone number of each petitioner, the applicant's name and address, the Department Permit Identification Number and the county in which the subject matter or activity is located;
- (b) A statement of how and when each petitioner received notice of the Department action;

- (c) A statement of how each petitioner's substantial interests are affected by the Department action;
- (d) A statement of the material facts disputed by petitioner, if any;
- (e) A statement of facts which petitioner contends warrant reversal or modification of the Department action;
- (f) A statement of which rules or statutes the petitioner contends require reversal or modification of the Department action; and
- (g) A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take.

A petition that does not dispute the material facts on which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Department's final action may be different from the position taken by it in this notice. Persons whose substantial interests will be affected by any such final decision of the Department have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above.

Mediation under Section 120.573 of the Florida Statutes is not available for this proceeding.

This action is final and effective on the date filed with the Clerk of the Department unless a petition is filed in accordance with the above. Upon the timely filing of a petition this order will not be effective until further order of the Department.

Any party to the order has the right to seek judicial review of the order under section 120.68 of the Florida Statutes, by the filing of a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the Clerk of the Department in the Office of General Counsel, Mail Station 35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000; and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate district court of appeal. The notice of appeal must be filed within thirty (30) days from the date when the final order is filed with the Clerk of the Department.

Executed in Tampa, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION



Michael S. Hickey
Water Facilities Administrator
Southwest District
3804 Coconut Palm Drive
Tampa, FL. 33619-8318

(813) 744-6100
(813) 744-8198

EXHIBIT 2

CONTRACT FOR SALE AND PURCHASE OF REAL ESTATE

This 20 day of March, 2001

FRANZON BRIGGERS, as agent for the Seller: ABCA, Inc. acknowledges the successful bidder to be: Mr. Wernett & Suzanne U. Brill hereinafter called the Buyer for the purchase of the property identified as Auction Property DC-10601, legally described on Exhibit A, attached and made a part hereof together with all improvements thereon, upon the conditions and terms as follows:

- 1. Purchase price calculated as: High Bid: (\$175,000)
 Buyer's Premium: (\$17,500)
 Full Purchase Price: (\$192,500)

apply as part and shall be held in escrow by Fidelity National Title Deposit: (\$19,250) received from the Buyer which shall pending closing of this transaction.

2. Prior to the closing of this transaction, the Seller shall have issued, by a reputable Title Insurance Company, a commitment for title insurance agreeing to insure marketable title to said property and upon closing the Seller shall purchase and deliver to the Buyer a title insurance policy on the real property covered hereunder in the amount of the Full Purchase price, after all necessary instruments, are filed of record. In the event the title shall be proven to be unmarketable, the Seller shall have a period of 45 days after notification thereof within which to cure defects in title, and this sale shall be closed within 10 days after notice that the title defects are cured. Upon Seller's failure to correct unmarketability within the time specified after exercising reasonable diligence, the earnest money deposit shall be returned to the Buyer and neither party shall have any further obligations to the other hereunder.

3. Subject to the aforesaid curative period, this sale shall be closed on or before April 18, 2001 Special Warranty

4. Seller agrees to convey title to the aforesaid property to the Buyer at closing by 2001 Deed, free and clear of all encumbrances, assessments or liens except: _____ and subsequent years property taxes, easements and reservations of record, and covenants & restrictions of record.

5. All adjustments of taxes or other items on the said property are to be made on a prorata basis as of closing date.

6. The required documentary stamps shall be placed on the deed by Buyer.

7. The Seller agrees to pay said Agent according to the terms of the Exclusive Real Estate Auction Agreement existing between them, at the time of closing this transaction. If the Buyer fails to perform this contract within the time herein specified, time being of the essence in this agreement, the deposit made by the Buyer shall be forfeited, and the amount of such deposit shall be divided equally between the Agent and the Seller, after paying out of such deposit any expense of the transaction incurred by either; provided, however, that the amount received or retained by the Agent shall not exceed the full amount of said commission, and any excess shall be paid to the Seller. If the transaction shall not be closed because of refusal or inability of the Seller to perform, then the Seller shall pay said commission to the Agent on demand. Failure or refusal of a spouse of Seller or Buyer to execute deed or mortgage required hereunder shall be deemed default on the part of such Seller or Buyer.

8. If the improvements are damaged by fire or other casualty before the closing hereunder and can be restored to substantially the same condition as now exists through the use of applicable insurance coverage, if any, within a period of 90 days thereafter, the Seller shall so restore the improvements and the closing date herein above set shall be extended accordingly, but if not covered by insurance or such restoration is not completed after exercise of reasonable diligence within that time this contract may be cancelled by either party and neither shall have any further obligations to the other hereunder.

9. The Words "Agent", "Buyer", and "Seller" herein employed shall include their heirs, administrators, executors and successors, and said words, and any pronouns relative thereto, shall include the masculine, feminine and neuter gender, and the singular and plural number, wherever the context so admits or requires.

10. This instrument shall become effective as a contract when signed by the Agent, Buyer and Seller. If not signed by all parties on or before March 20, 2001 any monies deposited by the Buyer shall be refunded and neither party shall have any further obligations to the other hereunder.

11. The Buyer may, prior to closing date, have the property surveyed at his expense.

12. The Buyer has personally inspected this property and acknowledges that by entering into this contract Buyer is agreeing to accept the property in its "as is" condition.

13. This agreement is not contingent upon the Buyer obtaining financing.

14. This agreement may not be assigned without the written consent of the Seller.

15. No agreements, unless incorporated in this agreement shall be binding upon the Agent, Buyer, or Seller.

16. In connection with any litigation arising out of this agreement including agent's rights hereunder, the prevailing party shall be entitled to court costs and reasonable attorney fees. The parties specifically waive trial by jury.

17. This agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes. A facsimile copy of the contract shall be deemed an original for all purposes.

18. Addendum attached and made a part hereof or no addendum attached .

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF AN ATTORNEY PRIOR TO SIGNING.

RECEIPT OF DEPOSIT AS HEREIN STATED IS ACKNOWLEDGED.

By Delinda B. Miller Agent
 ABOVE OFFER HEREBY CONFIRMED

Handwritten notes:
 500 911 18,250

DATE 3-20-2001

SSN 267-57-5558

PHONE 863-665-1748

DATE 3/16/01

[Signature] BUYER (SEAL)

[Signature] BUYER (SEAL)

P.O. Box 266 ADDRESS

Eaton Park 133840

[Signature] SELLER (SEAL)

**ADDENDUM A TO CONTRACT FOR SALE AND
PURCHASE OF REAL ESTATE DATED MARCH 20, 2001**

This Addendum A to Contract for Sale and Purchase of Real Estate is dated the 20th day of March, 2001, and is between ABCA, Inc., as Seller and Dan Averett + Suzanne A Britz as Buyer. *all assign*

The Seller and the Buyer agree to change/supplement the Contract for Sale and Purchase of Real Estate (the "Contract") as follows:

1. Title. Paragraph 2 of the Contract is deleted in its entirety and replaced with the following:

The Buyer acknowledges receipt of a current title commitment (the "Title Commitment") issued by Chicago Title Insurance Company with respect to the real property (the "Property") covered by the Contract, a copy of which Title Commitment is attached as Exhibit No. 1 to the Contract. The Buyer confirms and agrees that title to the Property as reflected in the Title Commitment is acceptable to and approved by the Buyer. The Seller agrees to convey to the Buyer at closing on the Contract title to the Property as reflected in the Title Commitment.

2. Closing. Paragraph 3 of the Contract is deleted in its entirety and replaced with the following:

This transaction shall be closed, the closing documents shall be delivered, and the purchase price shall be paid, within two (2) business days after the entry of an order by the Florida Public Service Commission (the "PSC") approving the transfer of Parcel II pursuant to the Contract and related permits to the Buyer.

3. Conveyance of Property. Paragraph 4 of the Contract is deleted in its entirety and replaced with the following:

Seller agrees to convey title to the Property to the Buyer at closing by Special Warranty Deed or Bill of Sale, as applicable,

free and clear of all liens and encumbrances, except as reflected on the Title Commitment, and except for the lien for current taxes and assessments not yet due and payable.

4. Customer Deposits. At the closing of this transaction, the Seller shall transfer to the Buyer all deposits delivered to the Seller by customers of the utility operated on Parcel II. The Seller shall not be obligated to transfer to the Buyer any other monies in the possession of the Seller with respect to the utility.

5. Pro Forma Work. The Seller agrees that all pro forma work as described in PSC Docket No. 990937 will be completed before closing at the Seller's expense and in accordance with PSC requirements and standards. Any other maintenance outside the scope of PSC Docket No. 990937 will be the responsibility of the Buyer pursuant to paragraph 12 of the Contract.

6. Approval of Transfer by Florida Public Service Commission. Within two (2) business days following March 20, 2001, the Seller shall prepare and deliver to the Buyer a transfer application form for submission to the PSC to effect the transfer of the permit issued by the PSC with respect to the utility operated on Parcel II, and to obtain the approval of the transfer of Parcel II to the Buyer. Within two (2) business days following receipt of the transfer application, the Buyer shall provide to the Seller all information with respect to the Buyer necessary to complete the application. Provided that the Buyer has provided to the Seller all such information in a timely manner, the Seller shall file the transfer application with the PSC no later than ten (10) business days following March 20, 2001, along with the necessary application fee, which the Seller and the Buyer shall split evenly between them. If the Buyer has failed to provide to the Seller, within ten (10) business days following March 20, 2001, any information

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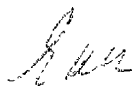
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necessary to complete the transfer application, the Seller may terminate the Contract and retain the Buyer's deposit, and the parties shall have no further rights or obligations under the Contract.

7. Proceedings Before the PSC. The Buyer understands and acknowledges that the Seller and the PSC may, from time to time, request financial and other information from or regarding the Buyer. The Buyer agrees to respond to such information requests in a timely manner, and to provide all such requested information promptly. The Buyer understands and acknowledges that the PSC may require that the Buyer demonstrate its financial capability to fund the operations of the utility on Parcel II of the Property, and that the PSC may require the Buyer to post a bond, letter of credit or other form of security in connection with approval of the transfer application. If the Buyer fails to comply with this paragraph 6, the Buyer's deposit shall be forfeited to the Seller, the Contract shall be terminated, and the parties shall have no further rights or obligations under the Contract.

8. Failure to Obtain Approval of Transfer by the PSC. Upon entry of an order by the PSC rejecting the Seller's transfer application, the Buyer's deposit shall be forfeited to the Seller, the Contract shall be terminated, and the parties shall have no further rights or obligations under the Contract.

9. Indemnification. The Buyer indemnifies and holds harmless Seller, its representatives, successors and assigns, against any and all loss, cost, damages or expenses resulting from any breach by the Buyer of the warranties, representations and covenants set forth in the Contract, and against any and all demands, claims, actions or causes of action, assessments, losses, costs, expenses and damages in any manner, directly or indirectly, arising or resulting or deriving from or by reason of any claims, demands or liabilities existing against the



Buyer or the Property after closing, or arising out of any events, conditions or circumstances occurring or existing after closing. The indemnities contained in this paragraph shall include actual expenses and attorneys' fees incurred by the Seller as a result of the Buyer's refusal to compromise, defend or fully pay any such liability. This indemnification shall not include indemnification from claims by third parties against the Seller arising from events occurring before closing.

10. Disclaimer by Seller. Except as expressly set forth in this Contract, it is understood and agreed that the Seller has not at any time made and is not now making, and it specifically disclaims, any warranties or representations of any kind or character, express or implied, with respect to the Property, including, but not limited to, warranties or representations as to (i) matters of title, (ii) environmental matters relating to the Property or any portion thereof, including, without limitation, the presence of Hazardous Materials in, on, under or in the vicinity of the Property, (iii) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water, and geologic faults and the resulting damage of past and/or future faulting, (iv) whether, and to the extent to which the Property or any portion thereof is affected by any stream (surface or underground), body of water, wetlands, flood prone area, flood plain, floodway or special flood hazard, (v) drainage, (vi) soil conditions, including the existence of instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, or the sufficiency of any undershoring, (vii) the presence of endangered species or any environmentally sensitive or protected areas, (viii) zoning or building entitlements to which the Property or any portion thereof may be subject, (ix) the availability of any utilities to the Property or any portion thereof including, without limitation, water, sewage, gas and electric, (x) usages of adjoining property,



(xi) access to the Property or any portion thereof, (xii) the value, compliance with the plans and specifications, size, location, age, use, design, quality, description, suitability, structural integrity, operation, title to, or physical or financial condition of the Property or any portion thereof, or any income, expense, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Property or any part thereof, (xiii) the condition or use of the Property or compliance of the Property with any or all past, present or future federal, state or local ordinances, rules, regulations or laws, building, fire or zoning ordinances, codes or other similar laws, (xiv) the existence or non-existence of underground storage tanks, surface impoundments, or landfills, (xv) the merchantability of the Property or fitness of the Property for any particular purpose, (xvi) tax consequences, or (xvii) any other matter or thing with respect to the Property.

11. Sale "As Is, Where Is". Buyer acknowledges and agrees that upon closing, Seller shall sell and convey to Buyer and Buyer shall accept the Property "AS IS, WHERE IS, WITHOUT REPRESENTATIONS OR WARRANTIES," except to the extent expressly provided otherwise in this Contract and any document executed by Seller and delivered to Buyer at closing. Except as expressly set forth in this Contract, Buyer has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any express or implied warranties, guarantees, statements, representations or information pertaining to the Property or relating thereto (including specifically, without limitation, property information packages distributed with respect to the Property) made or furnished by Seller, or any real estate broker, agent or third party representing or purporting to represent Seller, to whoever made or given, directly or indirectly, orally or in writing. Buyer represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate and that, except as expressly set forth in this Contract, it is relying solely on its own expertise and that of Buyer's consultants in purchasing the Property and



shall make an independent verification of the accuracy of any documents and information provided by Seller.

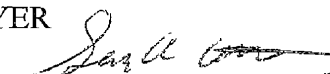
12. "Hazardous Materials" Defined. For purpose hereof, "Hazardous Materials" means "Hazardous Material," "Hazardous Substance," "Pollutant" or "Contaminant," and "Petroleum" and "Natural Gas Liquids," as those terms are defined or used in Section 101 of CERCLA, and any other substances regulated because of their effect or potential effect on public health and the environment, including, without limitation, PCBs, lead paint, asbestos, urea formaldehyde, radioactive materials, putrescible, and infectious materials.

13. Deadline for Closing. Notwithstanding any other provision of the Contract, the Seller may terminate the Contract if closing does not occur by September 20, 2001, in which case the Buyer's Deposit shall be returned to the Buyer and the parties shall have no further rights or obligations under the Contract.

Agreed this 20th day of March, 2001.

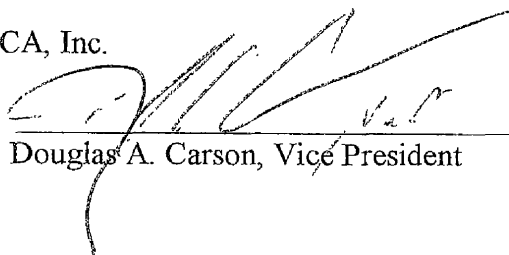
BUYER

By:


Sam Azzett + Suzanne A. Beitt + or
Name: Sam Azzett + Suzanne A. Beitt + or
Title: Buyers Assigns

ABCA, Inc.

By:


Douglas A. Carson, Vice President

Property DG-1060

Exhibit A

PARCEL I:

INTENTIONALLY OMITTED

PARCEL II:

Utility Site of THE VILLAGE-LAKELAND, UNIT NUMBER THREE, according to the map or plat thereof recorded in Plat Book 62, page 14, of the public records of Polk County, Florida.

PARCEL III:

The North 1/4 of the Southwest 1/4 of the Northwest 1/4 of Section 23, Township 28 South, Range 24 East, Polk County, Florida, LESS AND EXCEPT the South 70 feet of the West 150 feet; and LESS AND EXCEPT the North 100 feet of the West 435.6 feet; and LESS AND EXCEPT right-of-way for Reynolds Road.

PARCEL IV:

The Northeast 1/4 of the Northwest 1/4 of Section 23, Township 28 South, Range 24 East, Polk County, Florida, LESS AND EXCEPT the PLAT OF THE VILLAGE-LAKELAND, UNIT NUMBER THREE, according to the map or plat thereof recorded in Plat Book 62, page 14, of the public records of Polk County, Florida; and LESS AND EXCEPT the following described parcel: Beginning 1622 feet East of the Northwest corner of said Section 23; run thence South 0 01'00" East, 100.37 feet; thence South 89 55'30" East, 130 feet; thence North 0 01'00" West, 100.16 feet; thence North 89 55'30" West, 130 feet to the Point of Beginning.

PARCEL V:

The Southeast 1/4 of the Northwest 1/4 of Section 23, Township 28 South, Range 24 East, Polk County, Florida.

PARCEL VI:

The West 1/4 of the Southeast 1/4 of Section 23, Township 28 South, Range 24 East, Polk County, Florida.

PARCEL VII:

The North 300 feet of the East 1/2 of the Southwest 1/4; the East 500 feet of the South 500 feet of the North 800 feet of the East 1/2 of the Southwest 1/4; the East 320 feet of the South 600 feet of the North 1400 feet of the East 1/2 of the Southwest 1/4; and the East 220 feet of the East 1/2 of the Southwest 1/4; LESS AND EXCEPT the North 1400 feet thereof, all being in Section 23, Township 28 South, Range 24 East, Polk County, Florida.

PARCEL VIII:

The South 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 14, Township 28 South, Range 24 East, Polk County, Florida, LESS AND EXCEPT the following described parcel:

Commencing at the Southwest corner of said Section 14; thence South 89 55'30" East, along the South boundary thereof 1325.00 feet to the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 14 and the Point of Beginning; continue thence South 89 55'30" East, 427.00 feet; thence North 0 01'00" West 339.84 feet; thence North 89 55'30" West, 427.00 feet, more or less, to the East boundary of said Southwest 1/4 of the Southwest 1/4; thence Southerly along said East boundary 339 feet, more or less, to the Point of Beginning.

ALSO LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

Beginning at the Northwest corner of Lot 1 of the PLAT OF THE VILLAGE-LAKELAND, UNIT NUMBER THREE, according to the map or plat thereof recorded in Plat Book 62, page 14, of the public records of Polk County, Florida; thence run Northerly along an extension of said West boundary of said Lot 1 thereof to the water's edge of lake; thence meandering Southeasterly along said water's edge to the Northeast corner of said Lot 1; thence Southwesterly along the Northerly boundary of said Lot 1 to the Point of Beginning.

Property DG-1060 Overview Plat

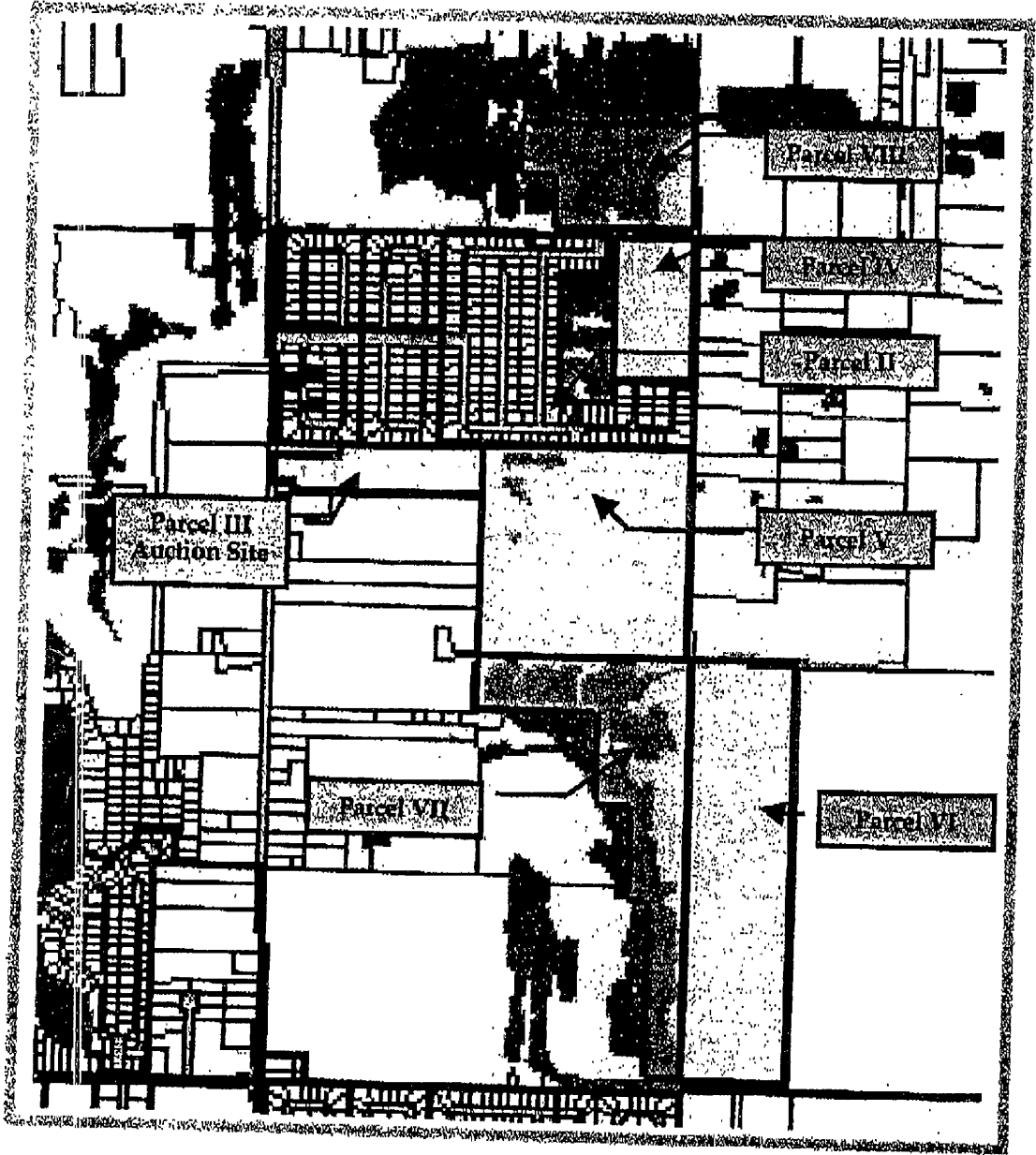


EXHIBIT 3

Prior to actual transfer of certificate all outstanding regulatory assessment fees, fines, or refunds owed will be satisfied and or prorated

EXHIBIT 4

Financing to be handled by Colonial Bank. 5015 South Florida Avenue, Lakeland, FL 33813,
Tim Hart Senior Vice President - 863-647-1919.

Attorney handling the closing for us will be Brian Kuehner, 4721 South Fork Drive, Lakeland,
Florida 33813, 863-646-5728.

EXHIBIT 4A

Buyers are only borrowing 60% of contract amount and have sufficient cash to close.

EXHIBIT 5

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: application for staff-
assisted rate case in Polk County
by ABCA, Inc.

DOCKET NO. 990937-SU
ORDER NO. PSC-00-1297-CO-SU
ISSUED: July 18, 2000

CONSUMMATING ORDER

BY THE COMMISSION:

By Order No. PSC-00-1163-PAA-SU, issued June 26, 2000, 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-00-1163-PAA-SU has become effective and final. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 18th day of JULY, 2000.

/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)

JKF

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

ORDER NO. PSC-00-1297-CO-SU
DOCKET NO. 990937-SU
PAGE 2

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.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-
assisted rate case in Polk
County by ABCA, Inc.

DOCKET NO. 990937-SU
ORDER NO. PSC-00-1163-PAA-SU
ISSUED: June 26, 2000

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman
J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.
LILA A. JABER

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DOCUMENT NUMBER-DATE

07738 JUN 26 8

FPCD-REG-1080-11-15-11-11

ATTACHMENT A 37
ATTACHMENT B 38

ORDER GRANTING TEMPORARY RATES IN THE EVENT OF PROTEST
AND DENYING TO INITIATE SHOW CAUSE PROCEEDINGS
AND NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING INCREASED WASTEWATER RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the actions discussed herein, except for the decision not to initiate show cause proceedings, and the granting of temporary rates in the event of protest, 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

ABCA, Inc. (ABCA or utility) is a Class C wastewater utility located in Polk County. The utility provides wastewater service to approximately 262 residential customers and two general service customers. The utility, previously known as Village Lakeland, has been providing service to customers in Polk County since 1972. On January 9, 1990, the Polk County Commission granted a franchise to Ameribanc Investors Group (Ameribanc) for a system known as Village Lakeland. Later, Ameribanc's wastewater system was acquired by First Union Corporation (First Union) through merger and foreclosure procedures. ABCA, which is the current name of the utility, is a wholly-owned subsidiary of First Union. Polk County came under our jurisdiction on July 11, 1996. By Order No. PSC-98-0752-FOF-SU, issued June 1, 1998, in Docket No. 971531-SU, we granted the utility its grandfather Certificate No. 515-S for wastewater.

ABCA is located in a water use caution area (WUCA). The Southwest Florida Water Management District (SWFWMD) declared portions of Polk and Highlands Counties a WUCA in 1989. All of ABCA's wastewater customers receive their water service from the City of Lakeland.

On July 19, 1999, the utility filed an application for a staff assisted rate case (SARC) and paid the appropriate filing fee. We selected a historical test year ended June 30, 1999. We have

audited the utility's records for compliance with Commission rules and orders and determined the components necessary for rate setting. Our staff engineer has also conducted a field investigation of the utility's plant and service area. A review of the utility's operation expenses, maps, files and rate application was also performed to obtain information about the physical plant operating costs. On October 19, 1999, the utility requested a 90-day extension of the statutory 15-month limitation on the SARC to allow additional time to compile financial information necessary for the rate case and deliver it from out of state.

On April 19, 2000, a customer meeting was held near the utility's service area to allow customers the opportunity to address the utility's application for a rate increase. Thirty-four customers attended the meeting. Two representatives from the utility were also present. The major concerns from the customers were the utility's billing practice and the collection of past due amounts. Some customers also expressed that the proposed percentage increase is too high.

QUALITY OF SERVICE

The quality of service issues are derived from an evaluation of three separate components of wastewater utility operations:

- (1) Quality of Utility's Product (compliance with standards)
- (2) Operational Conditions of Utility's Plant or Facility
- (3) Customer Satisfaction with services rendered

Quality of Utility's Product: In Polk County, the wastewater program is regulated by the Southwest Florida District of the Florida Department of Environmental Protection (DEP or the Department). The product of a wastewater treatment plant is determined by the results of required testing and analysis of the wastewater. According to the DEP, the utility currently is up to date with all of its testing requirements, and the results of those tests are satisfactory. By all indications the utility is properly treating its effluent and the quality of the product is satisfactory.

Operational Conditions at the Plant: The quality of the utility's plant-in-service is generally reflected in lab tests of the effluent. In this case, the DEP finds the quality of the utility's effluent being discharged as satisfactory, and there are no outstanding citations against the utility for plant-in-service violations. DEP has indicated the utility maintains the plant in

compliance with DEP standards and responds quickly when deficiencies are found.

Customer Satisfaction: A customer meeting was held April 19, 2000 at 6:00 P.M. in the Lakeland City Commission Chamber. The meeting was attended by thirty-four customers and lasted approximately an hour. There were no service related complaints. There were concerns and complaints as to the company's billing practices and the collection of past due amounts.

One customer also expressed that the club house has a swimming pool. Since the water from the swimming pool does not go into the wastewater system, the club house should not be charged for the water used for the swimming pool. We contacted the City of Lakeland which provides the water service. The City of Lakeland said that the club house can request to install a separate meter for the swimming pool to separate the water usage for the swimming pool from the water usage for the club house.

USED AND USEFUL

Wastewater Treatment Plant: The capacity of the wastewater treatment plant is permitted at 70,000 gallons per day using the three month average daily flow method (TMADF). The average daily flow for the months of January 1999, February 1999, and March 1999 exceeded the plant's capacity. It is believed that the primary causes of these excess flows are infiltration and inflow.

By the approved formula method, used as an indicator of used and useful plant, the utility is considered 100% used and useful as indicated by Attachment A. Therefore, we find that the wastewater treatment plant be considered 100% used and useful.

Wastewater Collection System: Collection mains in the ABCA service area are available to 333 platted lots, by count. The average number of connections for the test year was 256 connections. The formula approach indicates the collection system is 87% used and useful as indicated by Attachment B. Therefore, we find that the collection system be considered 87% used and useful.

Excessive Inflow And Infiltration (I&I): ABCA has an infiltration and inflow that is within acceptable amounts on an annual average basis. The short periods of excessive infiltration and inflow are caused by the water level in Pelican Lake, and its close proximity to two lift stations. The infiltration and inflow, although large at times, is short in duration. Therefore, no adjustments in

purchased power or chemicals are necessary.

RATE BASE

Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

On July 19, 1999, the utility filed the application for this SARC. Rate base has never been established for this utility by this Commission. The appropriate components of ABCA's rate base include depreciable utility plant-in-service, land, non-used and useful plant, contributions in aid of construction (CIAC), accumulated depreciation, accumulated amortization of CIAC, accumulated amortization of non-used and useful plant, and a working capital allowance.

Utility Plant in Service (UPIS): Following our practice, an original cost study was conducted to determine the plant value for this rate case. The plant value determined by the original cost study was \$212,779 as of December 31, 1972. From 1973 to June 30, 1999, the utility had additions in plant value of \$21,678. Therefore, the plant value as of June 30, 1999, is \$234,457.

The utility requested an allowance for pro forma plant improvement costs. The average pro forma plant improvement costs are: \$1,600 for elevating manholes, \$3,600 for rebuilding the main lift station, \$250 for replacing tank cover, and \$772 for relining spray field, for a total of \$6,222. Therefore, UPIS shall be increased by \$6,222. However, UPIS shall be decreased by \$1,268 to reflect the averaging adjustment. The test year balance for this account is \$239,411.

Land: Based on Polk County's record, the utility owns the land on which its assets are located. Based on the warranty deed dated February 21, 1972, when the land was first devoted to public service, the land value was \$58,137. An original cost study was performed using available maps, records on file, and visible facility noted in the field investigation. The original cost study determined that the utility has additional land of \$356 and polishing ponds of \$1,234. The utility did not record any land value on its books. This account has been increased by \$59,727 to reflect land value as determined by the original cost study.

Non-Used and Useful Plant (Net of Accumulated Depreciation): As

discussed above, the utility's wastewater treatment plant is 100% used and useful; the utility's collection system is 87% used and useful. The utility did not record any non-used and useful plant on its books. Therefore, an adjustment of \$15,460 is made to utility plant to reflect the average non-used and useful plant.

The utility did not record any accumulated depreciation for the non-used and useful plant on its books. We calculated average accumulated depreciation for non-used and useful plant of \$10,697 as of June 30, 1999. This account has been adjusted by a total of \$10,697 to reflect average accumulated depreciation for non-used and useful plant as of the end of the test year.

Therefore, non-used and useful plant (net of accumulated depreciation) for the test year is \$4,763.

Contributions in Aid of Construction (CIAC): The utility did not record any CIAC on its books. On June 26, 1990, Polk County approved a residential and commercial sewer connection fee of \$880 for each equivalent residential connection (ERC) as of May 29, 1990. Records indicated that prior to that date, the utility was collecting \$600 per ERC. Audit Exception No. 4 states that the utility collected service availability charges totaling \$163,400 as of June 30, 1999. An averaging adjustment of \$6,160 has been made to reflect average CIAC of \$157,240 as of the end of the test year.

Accumulated Depreciation: The utility did not record any accumulated depreciation on its books. We calculated depreciation using the prescribed rates in Rule 25-30.140, Florida Administrative Code. Calculated accumulated depreciation is \$187,967 as of June 30, 1999. Accumulated depreciation on pro forma plant is \$342. The averaging adjustment is \$2,583. The calculated accumulated depreciation is \$185,726 as of the end of the test year.

Accumulated Amortization of CIAC: The utility did not record any accumulated amortization of CIAC on its books. Amortization of CIAC has been calculated using the composite depreciation rate. The calculated amortization of CIAC is \$75,265 as of June 30, 1999. The averaging adjustment is \$1,523. The average accumulated amortization of CIAC is \$73,742 as of the end of the test year.

Working Capital Allowance: Consistent with Rule 25-30.433(2), Florida Administrative Code, the one-eighth of operation and maintenance expense formula approach shall be used for calculating working capital allowance. Applying that formula, a working

capital allowance of \$6,241 (based on O&M of \$49,925), is appropriate.

Rate Base Summary: Based on the foregoing, the appropriate average test year rate base for the utility shall be \$31,392. Rate base is shown on Schedule No. 1, and adjustments are shown on Schedule No. 1-A.

COST OF CAPITAL

Based on the audit, the utility has no debt nor customer deposits associated with the operation. Therefore, the utility's capital structure is considered 100% equity. The amount of the utility's capital can not be determined. Therefore, the utility's capital balance is reconciled directly with the approved rate base. Using the current leverage formula approved by Order No. PSC-99-1224-PAA-WS, issued June 21, 1999, in Docket No. 990006-WS, the rate of return on common equity is 8.93% with a range of 7.93% - 9.93%.

Since the utility's capital structure is 100% equity, applying the weighted average method to the total capital structure yields an overall rate of return of 8.93% with a range of 7.93% - 9.93%, which is the same as the return on equity. The company's test year capital structure balance has been adjusted to match the total of the approved rate base.

The utility's return on equity and overall rate of return are shown on Schedule No. 2.

NET OPERATING INCOME

During the test year, the utility recorded revenues of \$48,974 for its wastewater operations. This amount included money received for new customer connections and streetlight service. The new customer connection fees were improperly placed in the revenue account. The new customer connection fees shall be classified as CIAC. The revenues from streetlights are non-utility related revenues, and shall be excluded from the utility's wastewater operation revenues.

The utility's tariff currently authorizes flat rates of \$10.25 per month for its wastewater services. At the end of the test year, the utility's customer base included approximately 262 residential customers. Per Audit Exception No. 5, our staff auditors examined the billing registers and calculated the actual

test year revenues from residential customers to be \$31,498. Therefore, the test revenue is decreased by \$17,475.

The utility also has two general service customers, which are two club houses located in the service area. The utility did not bill these two general service customers for the wastewater services for the test year. We calculated the annualized revenues from the two general service customers based on a flat rate of \$10.25 per month, which results in \$246 annually. Therefore, test year revenue is increased by \$246 to reflect the proper annualized revenues from all customers for the test year.

Our calculated total test year revenues are \$31,744.

Test year revenues are shown on Schedule No. 3 and adjustments are shown on Schedule No. 3-A.

ADJUSTMENTS TO O&M EXPENSES

The utility recorded operating expenses of \$37,048 for the test year. The utility's recorded expenses include operation and maintenance (O&M) expense only. We adjusted operating expenses to include the appropriate annual amounts for O&M expenses, depreciation expense (net of related amortization of CIAC and non-used and useful plant), and taxes other than income. The utility's test year operating expenses have been reviewed, and invoices and other supporting documentation have been examined. Adjustments have been made to reflect unrecorded test year expenses and to reflect allowances for plant operations on a going forward basis.

Operation and Maintenance Expenses (O & M): The utility recorded \$37,048 to O & M expenses during the test year. A summary of adjustments that were made to the utility's recorded expenses follows:

(701) Salaries and Wages - Employees - The utility recorded employee salaries and wages of \$7,200 in the test year for the utility's manager. This position is contracted by the utility at \$600 per month to manage the facilitates. The duties include: cooperate with all state agencies regarding regulation; hire personnel for regular, special and emergency maintenance of the system; perform connections and disconnections; and be on call 24 hours a day, 7 days a week for emergencies. Since the utility does not pay any employer's portion of the FICA taxes, this person shall be treated as an independent contractor, instead of an utility employee. Therefore, this account is reduced to zero, and the

\$7,200 is reclassified into Account No. 736 - Contractual Services-Other.

(711) Sludge Removal - The utility recorded sludge removal expense of \$1,500 for the test year. Our staff engineer estimated that this plant requires sludge removal from the digester on a monthly cycle and each lift station on a yearly cycle. The utility has three lift stations. At a cost of \$300 for each digester clean out and \$200 for each lift station clean out, we find \$4,200 per year (\$300 x 12 mos. + \$200 x 3 Lift Station) to be reasonable. We made an adjustment of \$2,700 to reflect the proper annual allowance for sludge removal for a utility of this size. A sludge removal expense of \$4,200 for the test year is appropriate.

(715) Purchased Power - The utility recorded purchased power expense of \$13,088 during the test year. We made an adjustment of (\$2,028) to remove the non-utility related purchased power expense, a positive adjustment of \$3,215 to reflect the proper annual allowance for purchased power expense for a utility of this size. A purchased power expense of \$14,275 for the test year is appropriate.

(718) Chemicals - The utility recorded chemical expenses of \$750 for the test year. We increased the expense by \$90 to reflect the proper annual allowance for chemical expense for a utility of this size. A chemical expense of \$840 for the test year based on the records of the utility is appropriate.

(720) Materials and Supplies - The utility recorded materials and supplies expenses of \$82 for the test year. We made an adjustment of \$113 to reclassify the expense of purchasing belts for blowers, a negative adjustment of (\$12) to reclassify P.O. Box rental fee to Account No. 775 - Miscellaneous Expense, a negative adjustment of (\$70) to reclassify computer entry expense to Account No. 731 - Contractual Services-Professional. We find that a materials and supplies expense of \$113 for the test year is appropriate.

(730) Contractual Services-Billing - In the process of this rate case application, we became aware that the utility was not billing the customers according to the Commission's rules. Currently the utility is authorized to charge a flat rate of \$10.25 per month for the wastewater services provided. This charge is stated in the community handbook and in the new customer welcome letter. The utility did not send out monthly bills. Pursuant to Rule 25-30.335(1), Florida Administrative Code

a utility shall render bills to customers at regular intervals, and each bill shall indicate: the billing period covered; the applicable rate schedule; beginning and ending meter reading; the amount of the bill; the delinquent date or the date after which the bill becomes past due; and the authorized late payment charge.

The utility has begun to bill its customers on a monthly basis since January, 2000.

We are approving a base facility and gallonage charge rate structure. The utility only provides wastewater service. The water service is provided to the customers by the City of Lakeland. In the customer meeting held April 19, 2000, the customers expressed that they would prefer the City of Lakeland do the monthly billing, so that they receive only one bill for both water and wastewater services. We also received written comments from the customers after the customer meeting in support of the option that the City of Lakeland provide billing service.

Based on the written proposal between the utility and the City of Lakeland, the City of Lakeland will charge the utility a \$500 initial set-up fee and a \$0.85 per customer per month handling fee for the billing service. The \$500 non-recurring initial set-up fee is amortized over five years pursuant to Rule 25-30.433(8), Florida Administrative Code. The handling fee is \$2,693 annually. Therefore, a billing expense of \$2,793 for the test year is appropriate.

(731) Contractual Services-Professional - The utility did not record any expense in this account for the test year. We made an adjustment of \$70 to reclassify computer entry expense from Account No. 720 - Material and Supplies, an adjustment of \$5,400 to reclassify engineering cost from Account No. 736 - Contractual Service-Other, an adjustment of \$1,775 to reflect annual accounting expense for the services provided by an outside CPA firm. We find a Contractual Services-Professional expense of \$7,245 for the test year is appropriate.

(735) Contractual Services-Other - The utility recorded \$6,642 in this account. This account has been decreased by: \$5,400 to reclassify the engineering cost to Account No. 731 - Contractual Services-Professional, \$491 to Account No. 186 to reclassify non-recurring repair expense that is amortized over five years, \$750 to remove non-utility expense.

ORDER NO.: PSC-00-1163-PAA-SU

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The utility recorded \$2,329 of repairs performed by a contracted person in Account No. 775 - Miscellaneous Expense. This amount is reclassified into this account. This account is also increased by: \$212 to reflect amortization of the non-recurring repair cost over five years in accordance with Rule 25-30.433(8), Florida Administrative Code; \$140 to reflect other contractual service expense for repairing blower motor that was not recorded by the utility.

The utility recorded \$7,200 in the Employee Salaries and Wages account for the contracted utility manager position. As addressed earlier, we find that the amount is reasonable for the duties. However, this position shall be considered an independent contractor. Therefore, Contractual Service Other account has been increased by \$7,200 to reclassify the amount from Account No. 701 - Employee Salaries and Wages.

The utility originally requested an allowance of \$9,360 (\$12 x 65 hours/month x 12 months) for the office manager position. The duties included: mailing bills, posting bills to customer accounts, making deposit of monthly service fee and CIAC money to bank account, entering data into register and bank reconciliation, making any correspondence with customers, vendors, or agencies, paying vendors, filing, and general office duties. The allowance that the utility requested is \$12 per hour at 65 hours per month.

Since some of the billing duties of the office manager will be eliminated when the City of Lakeland provides the billing services, the utility requested to reduce the allowance for the office manager to \$5,400. We find that the amount is reasonable for the duties, and the position shall be considered an independent contractor since the utility is not responsible for social security and Medicare taxes. Therefore, Contractual Services Other account is increased by \$5,400 to reflect the allowance for this position.

The utility requested \$6,300 for implementing a TV and grouting program to reduce inflow and infiltration, and \$4,500 for locating unmapped lines. These are non-recurring O&M activities that are going to be performed by contracted personnel. Therefore, in accordance with Rule 25-30.433(8), Florida Administrative Code, this account is increased by \$2,160 for the non-recurring pro forma costs amortized over five years.

The total adjustment in this account is \$10,801. The Contractual Services-Other for the test year is \$17,443.

(750) Transportation Expense - The utility did not record any transportation expense for the test year. The utility's manager uses his personal vehicle for utility business. It is estimated that 1,000 miles annually is a reasonable travel allowance. The standard reimbursement of 29 cents per mile used by the State of Florida is considered prudent. This expense has been increased by \$290 (1,000 miles x \$0.29) to reflect the allowance. An annual transportation expense of \$290 for the test year is appropriate.

(765) Regulatory Commission Expense - The utility recorded no regulatory commission expense for the test year. This expense has been increased by \$250 to reflect the SARC filing fee of \$1,000 amortized over four years as required by Section 367.0816, Florida Statutes.

(775) Miscellaneous Expense - The utility recorded \$6,598 in this account. This account has been decreased by: (\$113) to reclassify the expense of purchasing belts for the blowers to Account No. 720 - Materials and Supplies; (\$2,329) to reclassify other contractual services expense to Account No. 736 - Contractual Services-Other; (\$800) to amortize the DEP operating permit fee over five years; (\$2,536) to capitalize plant improvement cost to Account No. 361 - Collection Sewers; (\$360) to remove non-utility related expense.

The utility's manager uses a cellular phone that allows him to be on call 24 hours a day. The basic service charge is \$60 per month. The monthly bill for the phone calls averaged \$8. The total monthly cost is approximately \$68 for the cellular phone. This account has been increased by \$816 to reflect an annual allowance for the cellular phone.

This account is also increased by \$12 to reclassify P.O. Box rental fee from Account No. 720 - Materials and Supplies.

The total adjustment in this account is a decrease of (\$5,311). The approved miscellaneous expense in the test year is \$1,287.

Operation and Maintenance Expenses(O & M) Summary: Total O&M adjustments are an increase of \$12,876. We hereby approve O&M expenses of \$49,925. O&M expenses are shown on Schedule No. 3-B.

Depreciation Expense (Net of Amortization of CIAC and Non-used and Useful): The utility recorded no depreciation expense on its books for the test year. We calculated test year depreciation expense using the rates prescribed in Rule 25-30.140, Florida

Administrative Code. Test year depreciation expense is \$5,225. Test year amortization of CIAC is \$3,046. Test year non-used and useful depreciation is \$436. Therefore, net depreciation expense is \$1,743.

Taxes Other Than Income Taxes: The utility recorded no taxes other than income for the test year. We made adjustments of: \$3,252 to reflect unrecorded property taxes; and \$1,428 to reflect unrecorded regulatory assessment fees. The total adjustment is an increase of \$4,681.

Operating Revenues: Revenues have been increased by \$28,699 to \$60,443 to reflect the increase in revenue required to cover expenses and allow the utility the opportunity to earn the approved rate of return on investment.

Taxes Other Than Income Taxes: This expense has been increased by \$1,291 to reflect our regulatory assessment fee of 4.5% on the approved increase in revenue.

Income Taxes: ABCA is wholly owned by First Union, which files a consolidated tax return. Based on our calculation, the utility had an operating loss of \$24,604 for the test year. Based on the utility's loss carryforward position, the utility will not incur any income tax liabilities. Therefore, no income tax expense for the utility is appropriate.

Operating Expenses Summary: The application of our adjustments to the utility's test year operating expenses results in operating expenses of \$57,640.

Operating expenses are shown on Schedule No. 3. Adjustments are shown on Schedule No. 3-A.

REVENUE REQUIREMENT

The utility shall be allowed an annual increase in revenue of \$28,699 (90.41%). This will allow the utility the opportunity to recover its expenses and earn 8.93% return on its investment. The calculations are as follows:

	<u>Wastewater</u>
Adjusted Rate Base	\$ 31,392
Rate of Return	<u>x .0893</u>
Return on Investment	\$ 2,803
Adjusted Operation Expenses	49,925
Depreciation Expense (Net)	1,743
Taxes Other Than Income Taxes	<u>5,972</u>
Revenue Requirement	<u>\$ 60,443</u>
Annual Revenue Increase	\$ 28,699
Percentage Increase/(Decrease)	<u>90.41%</u>

The revenue requirement and resulting annual increase are shown on Schedule No. 3.

RATES AND RATE STRUCTURE

During the test year ending June 30, 1999, ABCA provided wastewater service to approximately 262 residential and two general service customers. The utility's facilities consist of one wastewater treatment plant and one wastewater collection system. ABCA is located in a water use caution area (WUCA). SWFWMD declared portions of Polk and Highlands Counties a WUCA in 1989.

Under the current rate structure, residential and general service customers are charged a flat rate of \$10.25 for wastewater service. The utility's current rate structure for wastewater service was originally established by Polk County and subsequently approved by us under grandfather provisions in Docket No. 971531-SU.

Our practice has been that whenever possible, water and wastewater utilities with a flat rate structure be converted to a base facility/gallage charge rate structure to promote state conservation goals and to eliminate subsidization of customers who use excessive amounts of water by those who do not. Our analysis of the utility's test year billing determinants revealed that approximately 90% of the residential customers consume less than 8,000 gallons per month, accounting for approximately 67% of total water usage. To encourage continued low-to-average consumption and to eliminate subsidization, the utility's rate structure shall be changed.

In addition, the City of Lakeland currently provides water service to ABCA's wastewater service customers. ABCA and the City of Lakeland have entered into a contractual agreement whereby the City of Lakeland will provide wastewater billing service to ABCA. In support of the utility's decision, during the April 19, 2000, customer meeting and through subsequent written comments, customers expressed that they would prefer the City of Lakeland perform the monthly billing so they can receive one bill for both water and wastewater services. The City of Lakeland uses the base facility/uniform gallonage charge rate structure for wastewater service billing purposes. As a result, the implementation of this rate structure by ABCA should help facilitate customer billing.

Therefore, the utility's rate structure shall be changed from the current flat rate structure to the base facility/uniform gallonage charge rate structure.

Generally, we set residential wastewater gallonage caps of 6,000 gallons, 8,000 gallons, or 10,000 gallons per month. There is no cap on usage for general service wastewater bills. ABCA serves a majority of retired residents. The utility's billing analysis indicates that approximately 90% of the total residential bills were for usage not exceeding 8,000 gallons per month and accounted for 67% of total water usage.

Considering the above factors, the residential wastewater gallonage cap shall be set at 8,000 gallons per month. Setting a lower cap would raise the gallonage charge and may result in low users subsidizing high users. Therefore, the appropriate level for the residential wastewater gallonage cap is 8,000 gallons per month. If usage patterns change, this gallonage cap will be re-examined in the next rate case.

As discussed previously, the revenue requirement increase is \$28,699 (90.41%) for the wastewater system, which represents a monthly increase of \$9.01 per ERC. In an attempt to quantify the relationship between revenue increases and consumption impacts, we have created a database of all water utilities that were granted rate increases or decreases (excluding indexes and pass-throughs) between January 1, 1990 and December 31, 1995. This database contains utility-specific information from the applicable orders, tariff pages and the utilities' annual reports for the years 1989 - 1995. Because the database specifically targeted water utilities, there is little information in the database regarding the impact of a wastewater rate increase on water consumption for a wastewater only utility. There is some evidence that a wastewater increase of

the level seen in this case will cause a decrease in water consumption. However, there are no utilities in the database which match this utility's rate increase and change in rate structure closely enough to provide a reasonable estimate of whether or not repression will occur in this case.

We have made repression adjustments in a limited number of cases to date, and, as such, we have no established, previously-approved methodology to calculate an appropriate adjustment. Until we have approved methodologies in place, it is appropriate to err on the side of caution when considering the magnitude of our adjustments. Consequently, a repression adjustment is not appropriate in this case. However, it will be beneficial in future cases to monitor the effects of this rate increase on consumption. Therefore, the utility shall file, on a quarterly basis, reports detailing the number of bills rendered, the number of gallons billed and the total revenues billed for each month during the quarter, with the totals shown separately for the residential and general service classes of service. These reports shall be filed for a period of two years, beginning the first quarter after the revised rates go into effect.

The utility's customers of record at the end of the test year included approximately 262 residential customers with 5/8" meters, and two general service customers with 1" meters.

Rates have been calculated using the projected total number of bills from both residential and general customers, and the number of gallons of water used adjusted for 8,000 gallon cap for wastewater billing.

A schedule of the utility's current rates and the approved rates follows:

Monthly Wastewater Rates

Residential

	<u>Current Rate</u>	<u>Commission Approved Rates</u>
Flat Rate	\$ 10.25	N/A
<u>Base Facility Charge</u>		
All meter sizes	N/A	\$ 9.15

Gallongage Charge
 Per 1,000 gallons N/A \$ 3.03
 (8,000 gals. max)

General Service

	<u>Current Rate</u>	<u>Commission Approved Rates</u>
<u>Base Facility Charge</u>		
Meter Size	N/A	
5/8" x 3/4"		\$ 9.15
3/4"		13.72
1"		22.87
1 1/2"		45.74
2"		73.18
3"		146.36
4"		228.68
6"		457.36

Gallongage Charge
 Per 1,000 gallons N/A \$ 3.63

The average gallons of wastewater treated for a residential customer with a 5/8" x 3/4" meter is 3,614 gallons per month. A schedule of average bills using current rates and approved rates follows:

Average bill using approved rates	\$ 9.15
	<u>+(3,614 x 3.03)</u>
	\$ 20.10
Average bill using current flat rates	<u>\$ 10.25</u>
Increase in bill	\$ 9.85
Percentage increase in bill	96.10% (\$9.85/10.25)

The percentage increase in the bill is not in line with the percentage increase in revenue due to the change from a flat rate structure to a base facility gallonage charge rate structure. Low usage customers may experience an increase in the bill lower than the increase in revenue. High usage customers may experience an increase in the bill higher than the increase in revenue. The higher the usage is, the higher the increase in the bill is.

The approved rates are designed to produce revenue of \$60,443. The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to

Rule 25-30.475(1), Florida Administrative Code, provided customers have received notice. The rates may not be implemented until proper notice has been received by the customers. The utility shall provide proof of the date notice was given within 10 days after the date of the notice.

Customer Deposits

The utility's existing tariff does not provide Commission approved customer deposits. Rule 25-30.311, Florida Administrative Code, provides guidelines for collecting, administering and refunding customer deposits. The rule also authorizes customer deposits to be calculated using an average monthly bill for a 2-month period. We have calculated customer deposits based on approved rates and an average monthly bill for a 2-month period. A schedule of approved preliminary deposits follows:

Wastewater

Residential

<u>Meter Size</u>	<u>Commission Approved Deposits</u>
5/8" x 3/4"	\$40.00

General Service

<u>Meter Size</u>	<u>Commission Approved Deposits</u>
5/8" x 3/4"	\$40.00
All over 5/8" x 3/4"	(2 x average bill)

After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the customer's deposit pursuant to Rule 25-30.311(5), Florida Administrative Code. The utility shall pay interest on customer deposits pursuant to Rule 25-30.311(4), Florida Administrative Code.

The utility shall file revised tariff sheets which are consistent with the Commission's vote. Our staff has administrative authority to approve the revised tariff sheets upon their verification that the tariffs are consistent with the our decision. If revised tariff sheets are filed and approved, the customer deposits shall become effective for connections made on or

after the stamped approval date of the revised tariff sheets.

On June 26, 1990, Polk County approved a residential and commercial sewer connection fee of \$880 for each ERC as of May 29, 1990. This charge was grandfathered in when we obtained jurisdiction. Therefore, the utility's existing service availability charge is a lump sum charge of \$880, which includes both a plant capacity charge and a main extension charge.

The utility is presently 69.69% contributed. Since this amount is less than the maximum 75% of CIAC prescribed by Rule 25-30.580(1)(a), Florida Administrative Code, the utility shall continue collecting service availability charges.

A system capacity charge includes a portion of the cost of the plant, as well as a portion of the cost of the lines. Current Commission practice is to separate system capacity charges into a plant capacity charge and a main extension charge when calculating service availability charges. As of the end of the test year, 48.74% of the utility's plant is treatment plant, and 51.26% is collection plant. Therefore, 48.74% shall be allocated to the plant capacity charge, resulting in \$430; and 52.26% shall be allocated to the main extension charge, resulting in \$450.

The utility shall file revised tariff sheets which are consistent with this Order. Our staff has administrative authority to approve the revised tariff sheets upon their verification that the tariffs are consistent with this Order. If revised tariff sheets are filed and approved, the revised service availability charges shall become effective for connections made on or after the stamped approval date of the revised tariff sheets.

Conformance with NARUC Uniform System of Accounts

During the audit, our auditors discovered that although the utility's books are well kept and thorough, the utility did not maintain its accounts and records in conformance with the NARUC USOA. Despite the state of the utility's books and records, our staff was able to perform the audit. The errors determined by our auditors constitute an apparent violation of Rule 25-30.115, Florida Administrative Code, "Uniform System of Accounts for Water and Wastewater Utilities," which provides:

Water and wastewater utilities shall, effective January 1, 1998, maintain their accounts and records in conformity with the 1996 NARUC Uniform System of Accounts

adopted by the National Association of Regulatory Utility Commissioners.

Section 367.161, Florida Statutes, authorizes us 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 have willfully violated any Commission rule, order, or provision of Chapter 367, Florida Statutes. In failing to maintain its books and records in conformance with the NARUC USOA, 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." Additionally, "[i]t is a common maxim, familiar to all minds that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833).

Although the utility's failure to keep its books and records in conformance with the NARUC USOA is an apparent violation of Rule 25-30.115, Florida Administrative Code, a show cause proceeding is not warranted and shall not be initiated at this time. The utility has been operating at a loss and the existing rates do not provide an allowance for accounting services. Therefore, the utility shall be given time and an accounting allowance for setting up the utility's books to conform with the NARUC USOA and to reconcile the utility's books with this Order.

An annual allowance of \$1,775 for accounting and \$9,360 for bookkeeping and other general office duties is appropriate. This will provide funds to set up the utility's books to conform with NARUC USOA, will allow services for reconciliation with this Order, and will provide for all other accounting services.

Based on the foregoing, we find that the apparent violation of Rule 25-30.115, Florida Administrative Code, does not rise, in these circumstances, to the level that warrants the initiation of a show cause proceeding. Therefore, the utility shall not be ordered to show cause for failing to keep its books and records in conformance with the NARUC USOA. However, the utility shall be ordered to maintain its books and records in conformance with the

1996 NARUC USOA and submit a statement from its accountant that its books are in conformance with the NARUC USOA and have been reconciled with this Order. In addition, the utility is on notice that if the books are not in conformance by March 31, 2001, a show cause proceeding may be initiated.

Temporary Rates in Event of Protest

This Order approves an increase in wastewater rates. A timely protest might delay what may be a justified rate increase resulting in an unrecoverable loss of revenue to the utility. Therefore, in the event of a protest filed by a party other than the utility, we order that the approved rates be issued as temporary rates. The approved temporary rates collected by the utility shall be subject to the refund provisions discussed below.

Pursuant to Section 367.0814(7), Florida Statutes, the utility shall be authorized to collect the temporary rates upon the approval of an appropriate security for both the potential refund and a copy of the proposed customer notice. The security shall be in the form of a bond or letter of credit in the amount of \$19,914. Alternatively, the utility could establish an escrow agreement with an independent financial institution.

If the utility chooses a bond as security, the bond shall contain wording to the effect that it will be terminated only under the following conditions:

- 1) The Commission approves the rate increase; or
- 2) If the Commission denies the increase, the utility shall refund the amount collected that is attributable to the increase.

If the utility chooses a letter of credit as a security, it shall contain the following conditions:

- 1) The letter of credit is irrevocable for the period it is in effect.
- 2) The letter of credit will be in effect until final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions shall be part of the agreement:

- 1) No refunds in the escrow account may be withdrawn by the utility without the express approval of the Commission.
- 2) The escrow account shall be an interest bearing account.
- 3) If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
- 4) If a refund to the customers is not required, the interest earned by the escrow account shall revert to the utility.
- 5) All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
- 6) The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
- 7) This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to Cosentino v. Elson, 263 So.2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
- 8) The Director of Records and Reporting must be a signatory to the escrow agreement.

In no instance shall the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and shall be borne by, the utility. Irrespective of the form of security chosen by the utility, an account of all monies received as a result of the rate increase shall be maintained by the utility. This account must specify by whom and on whose behalf such monies were paid. If a refund is ultimately required, it shall be paid with interest calculated pursuant to Rule 25-30.360(4), Florida Administrative Code. The utility shall maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall file reports no

later than 20 days after each monthly billing. These reports shall indicate the amount of revenue collected under the increased rates.

Customer Billing

In the process of this rate case, we received several customers' complaints regarding the utility's billing practice. Some customers have past due accounts, because they stated that they had no knowledge of the utility's charges.

We contacted the utility and discussed the utility's billing procedure. The utility is authorized to charge a flat rate of \$10.25 per month for the wastewater services provided. This charge is stated in the welcome letter that is delivered to the customer when the customer first moves into the service area. However, at the customer meeting, many customers stated that they did not receive the letter. The utility stated that the reason that some customers did not receive the letter is probably that the letter is only delivered to new connections. If the customer purchases the house from a re-seller, the customer may not receive the letter.

The utility also stated that the service charge is stated in the Resident Handbook published yearly. We have received copies of the Handbooks from 1994 to 1998 to verify. The amount of the service charge, the payment address, the contact person, and telephone number are listed in the front page of the handbook. At the back of the Handbook for year 1994, 1995, and 1996, there were rules for homeowners. Rule number 8 stated that:

No well or septic tank shall be constructed in the Property without the prior written approval of the Declarant. Lot Owners will be assessed a reasonable charge for sewage service and garbage collection. Billing will be on a monthly basis.

Some customers stated that most of them did not want the utility to send out monthly bills because of the expense to the utility and to the customer.

However, Rule 25-30.335, Florida Administrative Code, provides in part:

(1) Except as provided in this rule, a utility shall render bills to customers at regular intervals, and each bill shall indicate: the billing period covered; the applicable rate schedule; beginning and ending meter

reading; the amount of the bill; the delinquent date or the date after which the bill becomes past due; and the authorized late payment charge.

Although the utility's failure to render bills at regular intervals was an apparent violation of Rule 25-30.335(1), Florida Administrative Code, we find that a show cause proceeding is not warranted and shall not be initiated at this time. The customers were made aware of the wastewater charge through the welcome letter and resident handbook given to new customers when they moved into the park. In addition, the utility, in January 2000, began billing monthly.

Based on the foregoing, we find that the apparent violation of Rule 25-30.335(1), Florida Administrative Code, does not rise, under these circumstances, to the level that warrants the initiation of a show cause proceeding. Therefore, the utility shall not be ordered to show cause for failing to render bills at regular intervals.

Billing Procedures and Format

We believe that after converting to a base facility uniform gallonage rate structure, the amount of monthly bill will vary depend on the usage. Therefore, it is necessary to bill regularly. Further, Rule 25-30.335(1), Florida Administrative Code, states that:

Except as provided in this rule, a utility shall render bills to customers at regular intervals, and each bill shall indicate: the billing period covered; the applicable rate schedule; beginning and ending meter reading; the amount of the bill; the delinquent date or the date after which the bill becomes past due; and the authorized late payment charge.

The utility shall follow the guidelines of Rule 25-30.335(1), Florida Administrative Code, for billing procedure. The utility shall bill its customers of record on a regular basis. The bill shall have the utility's name, and list the charges for utility services separately from the streetlight charges.

Collection of Past Due Accounts

According to the utility, as of February 14, 2000, out of 262 customers, there are 21 past due accounts. The majority of the

customers are aware of the charge and pay the bills on time.

We received several letters from customers after the customer meeting demanding that the utility collect the past due amounts. These letters indicated that not to collect the past due amounts is unfair to customers who have faithfully paid the charges. The letters also expressed concerns that those who are paying the bills are subsidizing those who do not pay the bills.

Based on the above, we believe that the customers knew or should have known about the service charge, and therefore the utility shall be allowed to collect past due amounts from July 11, 1996, when we obtained jurisdiction. The utility has made payment arrangements with most of the delinquent customers. A few customers, however, have still refused to pay even after becoming aware of the wastewater service fee and their past due amount. The utility is still trying to make arrangements with these customers. However, the utility may discontinue service for non-payment of bills if there has been a diligent attempt to have the customers comply, including at least five working days written notice to the customers pursuant to Rule 25-30.320(2)(g), Florida Administrative Code.

DOCKET CLOSURE

If no timely protest is received upon the expiration of the protest period, this Order will become final and effective upon the issuance of a Consummating Order. However, this docket shall remain open for at least 12 months to allow the utility to complete pro forma plant improvements and provide our staff with verification that all improvements have been made. After our staff has verified that all improvements have been completed, this docket shall be closed administratively. If a protest is filed within 21 days of the issuance of this Order, the temporary rates approved herein shall become effective pending resolution of the protest.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that ABCA, Inc.'s application for increased wastewater rates and charges is approved as set forth in the body of this order. 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 schedules attached

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hereto are incorporated herein by reference. It is further

ORDERED that ABCA, Inc. is authorized to charge the new rates and charges as set forth in the body of this order. It is further

ORDERED that, the rates and charges approved herein shall be effective for service rendered on or after the stamped approval date of the revised tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided customers have received notice. It is further

Done
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ORDERED that ABCA, Inc. shall provide proof of the date notice was given within 10 days after the date of the notice. It is further

ORDERED that in the event of a protest by any substantially affected person other than the utility, ABCA, Inc. is authorized to collect the rates approved on a temporary basis, subject to refund in accordance with Rule 25-30.360, Florida Administrative Code, provided that ABCA, Inc. first furnishes and has approved by Commission staff, adequate security for any potential refund and a proposed customer notice. It is further

ORDERED that in the event of a protest prior to its implementation of the rates and charges on a temporary basis approved herein, ABCA, Inc. shall submit and have approved a bond or letter of credit in the amount of \$4,384 as a guarantee of any potential refund of revenues collected on a temporary basis. Alternatively, the utility may establish an escrow account with an independent financial institution. It is further

ORDERED that in the event of a protest, ABCA, Inc. shall submit monthly reports no later than 20 days after each monthly billing which shall indicate the amount of revenue collected on a temporary basis subject to refund. It is further

ORDERED that the utility shall file, on a quarterly basis, reports detailing the number of bills rendered, the number of gallons billed and the total revenues billed for each month during the quarter, with the totals shown separately for the residential and general service classes of service. These reports shall be filed for a period of two years, beginning the first quarter after the revised rates go into effect. It is further

ORDERED that ABCA, Inc. shall not be ordered to show cause in writing for its apparent violation of Rule 25-30.335(1), Florida

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Administrative Code, for its failure to render bills to customers at regular intervals. It is further

ORDERED that ABCA, Inc. shall follow the guidelines of Rule 25-30.335, Florida Administrative Code, for billing procedures. ABCA, Inc. shall bill its customers of record on a monthly basis. The bill shall have the utility's name, and list the charges for utility services separately from the streetlight charges. It is further

ORDERED that ABCA, Inc. shall not be ordered to show cause in writing for violation of Rule 25-30.115, Florida Administrative Code and Section 367.091(4), Florida Statutes. It is further

ORDERED that ABCA, Inc. shall maintain its books and records in conformance with the 1996 NARUC Uniform System of Accounts and submit a statement from its accountant by March 31, 2001, along with its 2000 annual report, stating that its books are in conformance with the NARUC Uniform System of Accounts and have been reconciled with this Order. It is further

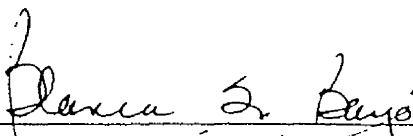
ORDERED that the provisions of this Order, except for the decision not to initiate show cause proceedings, and the granting of temporary rates in the event of protest, are issued as proposed agency action and shall become final and effective upon the issuance of a Consummating Order unless an appropriate 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 if no timely protest is received to the proposed agency actions, no further action will be necessary and, upon the expiration of the protest period, this Order shall become final and effective upon the issuance of a Consummating Order. However, this docket shall remain open for at least 12 months to allow the utility to complete the pro forma plant improvements and provide our staff with verification that all improvements have been made.

ORDERED that after our staff has verified that all improvements have been completed, this docket shall be closed administratively.

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By ORDER of the Florida Public Service Commission this 26th
day of June, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

JKF

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, except for the decision not to initiate show cause proceedings, and the granting of temporary rates in the event of protest, 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 July 17, 2000. 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.

ORDER NO. PSC-00-1163-PAA-SU
DOCKET NO. 990937-SU
PAGE 29

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 25-23.060, 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.

ABCA, INC.
SCHEDULE OF WASTEWATER RATE BASE
TEST YEAR ENDED JUNE 30, 1999

SCHEDULE NO. 1
DOCKET NO. 990937-SU

	BALANCE PER UTIL. BOOKS	COMM. ADJUST. TO UTIL. BAL.	BALANCE PER COMM.
UTILITY PLANT IN SERVICE	\$ 0	\$ 239,411 A	\$ 239,411
LAND/NON-DEPRECIABLE ASSETS	0	59,727 B	59,727
NON-USED AND USEFUL PLANT	0	(4,763) C	(4,763)
CIAC	0	(157,240) D	(157,240)
ACCUMULATED DEPRECIATION	0	(185,726) E	(185,726)
ACCUM. AMORTIZATION OF CIAC	0	73,742 F	73,742
WORKING CAPITAL ALLOWANCE	0	6,241 G	6,241
WASTEWATER RATE BASE	\$ 0	\$ 31,392	\$ 31,392

ABCA, INC.
 ADJUSTMENTS TO RATE BASE
 TEST YEAR ENDED JUNE 30, 1999

SCHEDULE NO 1A
 DOCKET NO 990937-SU

		<u>WASTEWATER</u>
A	<u>UTILITY PLANT IN SERVICE</u>	
	1 To reflect plant value from 1972 to 6/30/1999 based on the original cost study.	\$ 234,457
	2. To reflect average pro forma plant cost of elevating manholes	1,600
	3. To reflect average pro forma plant cost of rebuilding main lift station.	3,600
	4. To reflect average pro forma plant cost of replacing tank cover.	250
	5 To reflect average pro forma plant cost of relining spray field.	772
	6. To reflect averaging adjustment	(1,268)
		<u>\$ 239,411</u>
B	<u>LAND</u>	
	1 To reflect land value as determined by the original cost study	\$ <u>59,727</u>
C	<u>NON-USED AND USEFUL PLANT</u>	
	1 To reflect average non-used and useful plant value.	\$ (15,460)
	2. To reflect accum depreciation of non-used&useful as of 6/30/99.	10,697
		<u>\$ (4,763)</u>
D	<u>CONTRIBUTIONS IN AID OF CONSTRUCTION(CIAC)</u>	
	1 To reflect year end CIAC	\$ (163,400)
	2 To reflect averaging adjustment	6,160
		<u>\$ (157,240)</u>
E	<u>ACCUMULATED DEPRECIATION</u>	
	1. To reflect accumulated depreciation as of 6/30/99.	\$ (187,967)
	2. To reflect averaging adjustment	2,583
	3. To reflect accumulated depreciation on pro forma plant.	(342)
		<u>\$ (185,726)</u>
F	<u>ACCUM. AMORTIZATION OF CIAC</u>	
	1. To reflect year end accum amortization of CIAC.	\$ 75,265
	2. To reflect averaging adjustment	(1,523)
		<u>\$ 73,742</u>
G	<u>WORKING CAPITAL ALLOWANCE</u>	
	1 To reflect 1/8 of operation and maintenance expense.	\$ <u>6,241</u>

ORDER NO. PSC-00-1163-PAA-SU
 DOCKET NO. 990937-SU
 PAGE 32

ABCA, INC
 SCHEDULE OF CAPITAL STRUCTURE
 TEST YEAR ENDED JUNE 30, 1999

SCHEDULE NO 2
 DOCKET NO 990937-SU

	PER UTILITY	COMM. ADJ TO UTIL. BAL.	ADJUSTED BALANCE PER COMM.	PRO RATA ADJUST. PER COMM.	RECONCIL- IATION TO RATE BASE	PERCENT OF TOTAL	COST	WEIGHTED COST
COMMON EQUITY	\$ 0	\$ 31,392	\$ 31,392	\$ 0	31,392	100.00%	8.93%	8.93%
LONG-TERM DEBT	0	0	0	0	0	0.00%	0.00%	0.00%
CUSTOMER DEPOSIT	0	0	0	0	0	0.00%	0.00%	0.00%
TOTAL	\$ 0	\$ 31,392	\$ 31,392	\$ 0	31,392	100.00%		8.93%

<u>RANGE OF REASONABLENESS</u>	<u>LOW</u>	<u>HIGH</u>
RETURN ON EQUITY	7.93%	9.93%
OVERALL RATE OF RETURN	7.93%	9.93%

ORDER NO. PSC-00-1163-PAA-SU
 DOCKET NO. 990937-SU
 PAGE 33

ABCA, INC.
 SCHEDULE OF WASTEWATER OPERATING INCOME
 TEST YEAR ENDED JUNE 30, 1999

SCHEDULE NO. 3
 DOCKET NO. 990937-SU

	<u>TEST YEAR PER UTILITY</u>	<u>COMM. ADJ. TO UTILITY</u>	<u>COMM. ADJUSTED TEST YEAR</u>	<u>ADJUST. FOR INCREASE</u>	<u>TOTAL PER COMM.</u>
OPERATING REVENUES	\$ <u>48,974</u>	\$ <u>(17,229)</u> A	\$ <u>31,744</u>	\$ <u>28,699</u> E	\$ <u>60,443</u>
				90.41%	
OPERATING EXPENSES:					
OPERATION AND MAINTENANCE	\$ 37,048	\$ 12,876 B	\$ 49,925		49,925
DEPRECIATION (NET)	0	1,743 C	1,743		1,743
TAXES OTHER THAN INCOME	0	4,681 D	4,681	1,291 F	5,972
INCOME TAXES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL OPERATING EXPENSES	\$ <u>37,048</u>	\$ <u>19,300</u>	\$ <u>56,349</u>	\$ <u>1,291</u>	\$ <u>57,640</u>
OPERATING INCOME/(LOSS)	\$ <u>11,925</u>		\$ <u>(24,604)</u>		\$ <u>2,803</u>
WASTEWATER RATE BASE	\$ 0		\$ 31,392		\$ 31,392
RATE OF RETURN			<u>-78.38%</u>		<u>8.93%</u>

<u>A. OPERATING REVENUES</u>	<u>WASTEWATER</u>
1. To remove the amount collected for tap fees and streetlights.	\$ (17,475)
2. To reflect annualized revenue from the general service customers	246
	<u>\$ (17,229)</u>
<u>B. OPERATION AND MAINTENANCE EXPENSES</u>	
1. <u>Salaries and Wages - Employees</u>	
a. To reclassify other contractual service expense to Account No. 736.	\$ <u>(7,200)</u>
2. <u>Sludge Hauling</u>	
a. To reflect annual sludge hauling expense.	\$ <u>2,700</u>
3. <u>Purchased Power</u>	
a. To remove non-utility related purchased power expense.	\$ (2,028)
b. To allow purchased power expense recommended by staff engineer.	<u>3,215</u>
	<u>\$ 1,187</u>
4. <u>Chemicals</u>	
a. To reflect annual chemicals expense.	\$ <u>90</u>
5. <u>Materials and Supplies</u>	
a. To reclassify the expense of purchasing belts from Account No. 775	\$ 113
b. To reclassify P.O. box rental fee to Account No. 775.	(12)
c. To reclassify computer entry expense to Account No. 731.	<u>(70)</u>
	<u>\$ 31</u>
6. <u>Contractual Service - Billing</u>	
a. To amortize over five years the non-recurring initial set-up fee charged by the City of Lakeland for providing billing service.	\$ 100
b. To reflect the fees charged by the City for billing services.	<u>2,693</u>
	<u>\$ 2,793</u>
6. <u>Contractual Services - Professional</u>	
a. To reclassify computer entry expense from Account No. 720.	\$ 70
b. To reclassify engineering cost from Account No. 736.	5,400
c. To reflect annual accounting allowance.	<u>1,775</u>
	<u>\$ 7,245</u>
7. <u>Contractual Services - Other</u>	
a. To reclassify other contractual services expense from Account No. 775.	\$ 2,329
b. To reclassify other contractual service expense from Account No. 701.	7,200
c. To reclassify the engineering cost to Account No. 731.	(5,400)
d. To reclassify non-recurring repair expense to Account No. 186.	(491)
e. To reflect amortization of the repairing cost over 5 years.	212
f. To remove non-utility expense.	(750)
g. To reflect other contractual service expense for repairing blower motor.	140
h. To reflect the annual cost associated with general office duties	5,400
i. To reflect the pro forma repairing cost amortized over 5 years.	<u>2,160</u>
	<u>\$ 10,801</u>
8. <u>Transportation Expense</u>	
a. To reflect annual transportation expense.	\$ <u>290</u>

ABCA, INC.
ADJUSTMENTS TO OPERATING INCOME
TEST YEAR ENDED JUNE 30, 1999

SCHEDULE NO. 3A
PAGE 2 OF 2
DOCKET NO. 990937-SU

9. Regulatory Commission Expense

a. To reflect rate case expense amortized over 4 years \$ 250

10 Miscellaneous Expense

a. To reclassify the expense of purchasing belts to Account No 720 - materials and Supplies. \$ (113)
b. To reclassify other contractual services expense to Account No. 736 - Contractual Services Other. (2,329)
c. To amortize DEP operation permit fee over five years. (800)
d. To reclassify plant improvement cost to Account No. 361. (2,536)
e. To remove non-utility related expense. (360)
f. To reflect annual allowance for cellular phone service. 816
g. To reclassify P.O. box rental fee from Account No 720. 12
\$ (5,311)

TOTAL O & M ADJUSTMENTS \$ 12,876

C. DEPRECIATION EXPENSE

1. Test year depreciation expense \$ 5,225
2. Test year amortization of CIAC (3,046)
3. Test year non-used&useful depreciation expense (436)
\$ 1,743

D. TAXES OTHER THAN INCOME

1. To reflect unrecorded property taxes \$ 3,252
2. To reflect unrecorded regulatory assessment fees 1,428
\$ 4,681

E. OPERATING REVENUES

1. To reflect increase in revenue required to cover expenses and allow approved rate of return \$ 28,699

F. TAXES OTHER THAN INCOME

1. To reflect regulatory assessment fee at 4.5% on increase in revenue \$ 1,291

ABCA, INC.
ANALYSIS OF WASTEWATER OPERATION
MAINTENANCE EXPENSE
TEST YEAR ENDED JUNE 30, 1999

SCHEDULE NO. 3B
DOCKET NO. 990937-

	<u>TOTAL PER COMM.</u>	<u>COMM. ADJUST.</u>	<u>TOTAL PER COMM.</u>
#701 SALARIES AND WAGES - EMPLOYEES	\$ 7,200	\$ (7,200)	\$ 0
#703 SALARIES AND WAGES - OFFICERS	0	0	0
#711 SLUDGE REMOVAL	1,500	2,700	4,200
#715 PURCHASED POWER	13,088	1,187	14,275
#716 FUEL FOR POWER PRODUCTION	0	0	0
#718 CHEMICALS	750	90	840
#720 MATERIALS AND SUPPLIES	82	31	113
#730 CONTRACTUAL SERVICES (BILLING)	0	2,793	2,793
#731 CONTRACTUAL SERVICES	0	7,245	7,245
#735 CONTRACTUAL SERVICES (TESTING)	1,188	0	1,188
#736 CONTRACTUAL SERVICES (OTHER)	6,642	10,801	17,443
#740 RENTS	0	0	0
#750 TRANSPORTATION EXPENSE	0	290	290
#755 INSURANCE EXPENSE	0	0	0
#765 REGULATORY COMMISSION EXPENSE	0	250	250
#770 BAD DEBT EXPENSE	0	0	0
#775 MISCELLANEOUS EXPENSES	<u>6,598</u>	<u>(5,311)</u>	<u>\$ 1,287</u>
	\$ 37,048	\$ 12,876	\$ 49,925

ATTACHMENT A

WASTEWATER TREATMENT PLANT

*1) Capacity of Plant = 70,000 GPD (Three Month Average per DEP Permit)

*2) Three Month Average (January, February & March 1998) = 76,000 GPD

*3) Average Daily Flow = 42,000 GPD

4) Growth:

a) Average Yearly Customer Growth for most Recent 5 Years = 7

b) Construction Time for Additional Capacity = 5.0 Years

c) Growth 280 GPD X 5 = 1,400 GPD

5) Excessive Infiltration - see note **

Reasonable Infiltration = 250 to 500 GPD/in. diameter/mi. X 15.4 in./mi.

= 7,500 GPD

PERCENT USED AND USEFUL FORMULA

$$\left[\frac{2 + 4 - 5}{1} \right] = \underline{\quad 100 \quad} \% \text{ Used and Useful}$$

* This system serves a modular home complex with very seasonal residents. Annual average flows are very misleading, therefore the plant is permitted using a three month average. The maximum three month average wastewater flow was 76000 gallons per day which also included high infiltration and inflow (I&I) from a lake adjacent to two lift stations.

** Reasonable I&I based upon EPA standards would be approximately 7500 GPD however the lake flowing into the two lift stations caused short periods of excessive I&I. On an annual basis, however, I&I was not considered excessive therefore no adjustments in purchased power or chemicals are required.

ORDER NO. PSC-00-1163-PAA-SU
DOCKET NO. 990937-SU
PAGE 38

ATTACHMENT B

WASTEWATER COLLECTION SYSTEM

Docket No. 990937-SU Utility ABCA

- 1) Capacity 333 Connections
- 2) Number of TEST YEAR Connections 256
 - a) Begin Test Year 248 Connections
 - b) End Test Year 264 Connections
 - c) Average Test Year 256 Connections
- 3) Growth
 - a) Customer Growth (Average) for 5 Years Including Test Year 7 Connections
 - b) Statutory Growth period 5 Years
 - (a) x (b) = 35 Connections

PERCENT USED AND USEFUL FORMULA

$$\frac{(2 + 3)}{1} = \underline{87} \% \text{ Used and Useful}$$

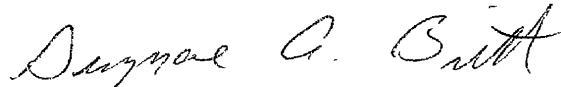
EXHIBIT 6

To: ABCA, Inc.
C/O Douglas A. Carson, Vice President
First Union National Bank, 7th Floor-VA-1954
McLean, Virginia 22102

From: West Lakeland Utilities
Suzzane Averett Britt, President
2901 Brooks Street
Lakeland, FL 33803

In accordance with the Public Service Commission's application requirements this letter is a request for the books and records of ABCA, Inc. Wastewater Treatment Plant.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne A. Britt".

Suzzane Averett Britt, President
West Lakeland Utilities, Inc.

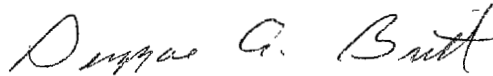
EXHIBIT 7

To: ABCA, Inc.
C/o Douglas A. Carson, Vice President
First Union National Bank, 7th Floor-VA-1954
McLean, Virginia 22102

From: Suzzane Averett Britt, President
West Lakeland Utilities, Inc.
2901 Brooks Street
Lakeland, FL 33803

In accordance with the Public Service Commission's "application for sale, Assignment or transfer of certificate or facilities," please accept this letter as a request for all federal income tax returns for the ABCA, Inc. Wastewater Treatment facility.

Sincerely,



Suzzane Averett Britt, President
West Lakeland Utilities

EXHIBIT 8

Preliminary investigation of ABCA, Inc wastewater treatment facilities appear to be in satisfactory condition. West Lakeland Utilities, Inc. contract engineers will confirm that all equipment & procedures are in compliance with the Department of Environmental Protection. Directives.

EXHIBIT 9

This may be a late filed exhibit.

EXHIBIT 10

This may be a late filed exhibit.

EXHIBIT 11

AFFIDAVIT OF PUBLICATION

TO BE LATE-FILED

EXHIBIT 12

Prepared By and Return to:
Leo Stuart Smith, Esq.
MOLLAND & KENT
P. O. Box 1826
Orlando, FL 32802-1826
(407) 424-8600

DEPT 115 10.00
DEPT 291 1.50
DEPT 251 3090.50
7053 H
CHECKS 3102.00

12/28/95

7939A

R/E

95DEC29 PM 4:13

152887

SPECIAL WARRANTY DEED

The Grantor, FIRST UNION CORPORATION OF VIRGINIA, as successor in interest by merger with Ameribanc Investors Group, a Maryland business trust, f/k/a MIW Investors of Washington, an unincorporated business trust, f/k/a, Mortgage Investors of Washington, a Maryland business trust, in consideration of Ten Dollars (\$10.00) and other valuable consideration received from the Grantee, hereby grants and conveys to the Grantee ABCA, Inc., a Florida corporation, whose mailing address is Special Assets Division, Post Office Box 1000, Mail Code FL-2202 Orlando, Florida 32802, and whose Taxpayer ID# is _____, the lands in Polk County, Florida, described on attached Exhibit A (Tax Parcel ID# see Exhibit A).

This conveyance is subject to encumbrances, assessments and restrictions of record and to the lien of real estate taxes.

The Grantor hereby covenants that the lands are free of all encumbrances, except as stated herein, that lawful seisin of and good right to convey the lands are vested in the Grantor, and the Grantor hereby warrants the title to the lands and will defend the same against the lawful claims of anyone claiming by, through or under the Grantor.

Dated this 29 day of December, 1995.

signed in the presence of:

FIRST UNION CORPORATION OF VIRGINIA

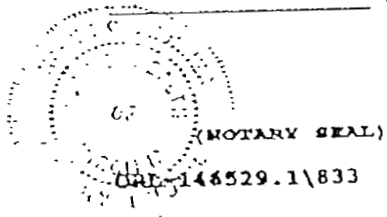
Michael W. Stewer
Name: Michael W. Stewer
Mary Jane Collins
Name: Mary Jane Collins

By: James E. Druffel
Name: JAMES E. DRUFFEL
as its VICE president

STATE OF VIRGINIA
CITY
COUNTY OF BOANOCK

The foregoing instrument was acknowledged before me this 27th day of December, 1995, by James E. Griffith as vice president of FIRST UNION CORPORATION OF VIRGINIA, a successor in interest by merger with Ameribanc Investors Group, a Maryland business trust, f/k/a MIW Investors of Washington, an unincorporated business trust, f/k/a, Mortgage Investors of Washington, a Maryland business trust, on behalf of the corporation, who is personally known to me (or has produced as identification).

3,090.50



Karen C. Beckner
NOTARY PUBLIC
Name: Karen C. Beckner
Commission No.:
My commission expires: June 30, 1997

Documentary Tax Pd. \$ 3090.50
Intangible Tax Pd. \$ _____
E.D. "Bud" Dixon, Clerk, Polk Co.
By: [Signature] Deputy Clerk

10/31/95
11/10/95
A/C

Legibility of Writing, Typing or Printing Un satisfactory in this document when received.

EXHIBIT "A"

Legal Description

PARCEL III

Utility Site of THE VILLAGE-LAKELAND, UNIT NUMBER THREE, according to the map or plat thereof recorded in Plat Book 62, page 14, of the public records of Polk County, Florida. (Parcel I.D. #232824-242220--001640)

PARCEL IV

The Northeast 1/4 of the Northwest 1/4 of Section 23, Township 28 South, Range 24 East, Polk County, Florida, LESS AND EXCEPT the PLAT OF THE VILLAGE-LAKELAND, UNIT NUMBER THREE, according to the map or plat thereof recorded in Plat Book 62, page 14, of the public records of Polk County, Florida; and LESS AND EXCEPT the following described parcel: Beginning 1622 feet East of the Northwest corner of said Section 23; run thence South 0°01'00" East, 100.37 feet; thence South 89°55'30" East, 130 feet; thence North 0°01'00" West, 100.16 feet; thence North 89°55'30" West, 130 feet to the Point of Beginning. (Parcel I.D. #232824-000000-031010)

PARCEL V

The Southeast 1/4 of the Northwest 1/4 of Section 23, Township 28 South, Range 24 East, Polk County, Florida. (Parcel I.D. #232824-000000-032010)

PARCEL VI

The West 1/4 of the Southeast 1/4 of Section 23, Township 28 South, Range 24 East, Polk County, Florida. (Parcel I.D. #232824-000000-23010)

PARCEL VII

The North 300 feet of the East 1/2 of the Southwest 1/4; the East 300 feet of the South 500 feet of the North 800 feet of the East 1/2 of the Southwest 1/4; the East 320 feet of the South 600 feet of the North 1400 feet of the East 1/2 of the Southwest 1/4; and the East 220 feet of the East 1/2 of the Southwest 1/4; LESS AND EXCEPT the North 1400 feet thereof, all being in Section 23, Township 28 South, Range 24 East, Polk County, Florida. (Parcel I.D. #232824-000000-041020)

PARCEL VIII

The South 1/2 of the Southeast 1/4 of the Southwest 1/4 of Section 14, Township 28 South, Range 24 East, Polk County, Florida, LESS AND EXCEPT the following described parcel:

Commencing at the Southwest corner of said Section 14; thence South 89°55'30" East, along the South boundary thereof 1325.00 feet to the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of said Section 14 and the Point of Beginning; continue thence South 89°55'30" East, 427.00 feet; thence North 0°01'00" West 339.84 feet; thence North 89°55'30" West, 427.00 feet, more or less, to the East boundary of said Southwest 1/4 of the Southwest 1/4; thence Southerly along said East boundary 319 feet, more or less, to the Point of Beginning.

ALSO LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

Beginning at the Northwest corner of Lot 1 of the PLAT OF THE VILLAGE-LAKELAND, UNIT NUMBER THREE, according to the map or plat thereof recorded in Plat Book 62, page 14, of the public records of Polk County, Florida; thence run Northerly along an extension of said West boundary of said Lot 1 thereof to the water's edge of lake; thence meandering Southeasterly along said water's edge to the Northeast corner of said Lot 1; thence Southwesterly along the Northerly boundary of said Lot 1 to the Point of Beginning. (Parcel I.D. #142824-000000-042010)

Legibility of Writing, Typing
or Printing Unsatisfactory in
This Document when Received.

Prepared by and Return to:
Lee Stuart Smith, Esq.
McCLAREN A KILGORE
P. O. Box 1824
Orlando, FL 32803-1824
(407) 426-8500

DEPT 115 9.00
DEPT 291 1.50
DEPT 251 634.90
TOTAL 645.40
CASH 1.00
CHECKS 644.40

12/28/95

7940A

95DEC28 PM 4:14

152888

SPECIAL WARRANTY DEED

The Grantor, AMERIBANC SERVICE CORPORATION, a Virginia corporation, in consideration of Ten Dollars (\$10.00) and other valuable consideration received from the Grantee, hereby grants and conveys to the Grantee ABCA, Inc., a Florida corporation, whose mailing address is Special Assets Division, Post Office Box 1000, Mail Code FL-2262 Orlando, Florida 32802, and whose Taxpayer ID# is _____, the lands in Polk County, Florida, described on attached Exhibit A (Tax Parcel ID# see Exhibit A).

This conveyance is subject to encumbrances, easements and restrictions of record and to the lien of real estate taxes.

The Grantor hereby covenants that the lands are free of all encumbrances, except as stated herein, that lawful seisin of and good right to convey the lands are vested in the Grantor, and the Grantor hereby warrants the title to the lands and will defend the same against the lawful claims of anyone claiming by, through or under the Grantor.

Dated this 27 day of December, 1995.

Signed in the presence of:

AMERIBANC SERVICE CORPORATION
a Virginia corporation

Michael W. Shaver
Name: Michael W. Shaver

Mary Jane Collins
Name: Mary Jane Collins

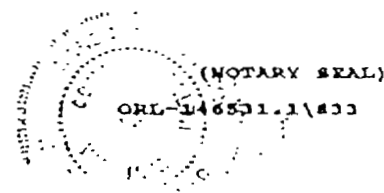
BY: James E Griffith
Name: JAMES E GRIFFITH
as its VICE president

STATE OF VIRGINIA
CITY
COUNTY OF POUNCE

The foregoing instrument was acknowledged before me this 27th day of December, 1995, by James E Griffith, as vice president of AMERIBANC SERVICE CORPORATION, a Virginia corporation, who is personally known to me (or has produced _____ as identification).

654 10

Karen C Beckner
NOTARY PUBLIC
Name: Karen C Beckner
Commission No.: _____
My commission expires: JUN 2, 1997



Documentary Tax Pd. \$ 654.10
Intangible Tax Pd. \$ _____
E.D. "Bud" Dixon, Clerk, Polk Co.
By: _____ Deputy Clerk

9.22
158
10.50
A/D

Priority of Writing, Typing
or Printing Unenforceable in
this Document when Received.

EXHIBIT "A"

Legal Description

PARCEL XXXI

The North 1/4 of the Southwest 1/4 of the Northwest 1/4 of Section 21, Township 24 South, Range 24 East, Polk County, Florida, LESS AND EXCEPT the South 70 feet of the West 180 feet; and LESS AND EXCEPT the North 100 feet of the West 435.6 feet; and LESS AND EXCEPT right-of-way for Reynolds Road. (Parcel I.D. #232824-000000-034030)

Polk County, Florida
Clerk of the Court
1-15-19

EXHIBIT 13

WASTEWATER TARIFF

WEST LAKELAND UTILITIES, INC.
NAME OF COMPANY

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL SHEET NO. 1.0

WASTEWATER TARIFF

WEST LAKELAND UTILITIES, INC.
NAME OF COMPANY

2901 Brooks Street
Lakeland, Florida 33803
(Address of Company)

(863) 665-1748
(863) 581-7514
(863) 619-7506
(Business & Emergency Telephone Numbers)

FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION ORIGINAL SHEET NO. 3.0

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

TERRITORY AUTHORITY

CERTIFICATE NUMBER 515-S

COUNTY Polk

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
---------------------	--------------------	----------------------	--------------------

(Continued to Sheet No. 3.1)

ORIGINAL SHEET NO. 3.1

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

Polk County, Florida
Wastewater Service Only

Township 28 South, Range 24 East
Sections 14 and 23

Beginning at the Southwest corner of Section 14, Township 28 South, Range 24 East, run thence East along the South boundary of said Section 14 to the Southeast corner of the S.W. ¼ of the S.W. ¼ of said Section 14, thence North to the Northwest corner of the South ½ of the S.E. ¼ of the S.W. ¼ of said Section 14, thence East to the Northeast corner of said South ½ of the S.E. ¼ of the S.W. ¼, thence South along the East boundary of the West ½ of said Section 14 and the East boundary of the West ½ of Section 23 of said Township and Range to the Southeast corner of the N.W. ¼ of said Section 23, thence East to the Northeast corner of the West ¼ of the S.E. ¼ of said Section 23, thence South to the Southeast corner of said West ¼ of the S.E. ¼, thence West along the South boundary of said Section 23 to a point 220 feet West of the Southeast corner of the S.W. ¼ of said Section 23, thence 1247.05 feet, West 100 feet, North 600 feet, West 180 feet, North 500 feet, West to the West boundary of the East ½ of the S.W. ¼ of said Section 23, thence North along said West boundary of said East ½ of said S.W. ¼ and along the West boundary of the S.E. of the N.W. ¼ of said Section 23 to the Northwest corner of said S.E. ¼ of the N.W. ¼, thence West along the South boundary of the N.W. ¼ of the N.W. ¼ of said Section 23 to the West boundary of said Section 23, thence North along said West boundary to the point of beginning, all in Sections 14 and 23, Township 28 South, Range 24 East.

ORIGINAL SHEET NO. 4.0

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

COMMUNITIES SERVED LISTED

<u>County Name No.</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheet</u>
Polk 13.0	Village Lakeland	GS, RS	12.0,

ORIGINAL SHEET NO. 5.0
Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive wastewater service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is West Lakeland Utilities, Inc.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to received wastewater service from the Company and who is liable for the payment of that wastewater service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for disposing of wastewater located on the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey wastewater service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for wastewater service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, "Service" shall be construed to include, in addition to all wastewater service required by the Customer, the readiness and ability on the part of the Company to furnish wastewater service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

(Continued from Sheet No. 5.0)

- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Access to Premises	9.0	14.0
Adjustment of Bills	10.0	20.0
Application	7.0	3.0
Applications by Agents	7.0	4.0
Change of Customer's Installation	8.0	11.0
Continuity of Service	8.0	9.0
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Evidence of Consumption	10.0	22.0
Filing of Contracts	10.0	21.0
General Information	7.0	1.0
Inspection of Customer's Installation	9.0	13.0
Limitation of Use	8.0	10.0
Payment of Water and Wastewater Service Bills Concurrently	10.0	18.0

(Continued to Sheet No. 6.1)

Suzanne Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

(Continued from Sheet NO. 6.0)

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Policy Dispute	7.0	2.0
Protection of Company's Property	8.0	12.0
Refusal or Discontinuance of Service	7.0	5.0
Right-of-way or Easements	9.0	15.0
Termination of Service	9.0	17.0
Type and Maintenance	7.0	7.0
Unauthorized Connections - Wastewater	10.0	19.0

Suzanne Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

RULES AND REGULATIONS

1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders wastewater service.

The Company shall provide wastewater service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.

2.0 POLICY DISPUTE - Any dispute between the Company and the customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.

3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service," prepared by the Florida Public Service Commission.

4.0 APPLICATIONS BY AGENTS - Applications for wastewater service requested by firms, partnership, associations, corporations, and others shall be rendered only by duly authorized parties or agents.

5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue wastewater service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.

6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.

7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the wastewater service. The Company reserves the right to discontinue or withhold, wastewater service to such apparatus or device.

8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, wastewater service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

(Continued from Sheet No. 7.0)

9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous wastewater service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous wastewater service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

10.0 LIMITATION OF USE - Wastewater service purchased from the Company shall be used by the Customer only for the purposes specified in the application for wastewater service. Wastewater service shall be rendered to the Customer for the customer's own use and shall be collected directly into the Company's main wastewater lines.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish wastewater service to the adjacent property even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's wastewater service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payments is made to the Company for wastewater service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from remetering.)

11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer

(Continued on Sheet No. 9.0)

Suzzane averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

(Continued from Sheet No. 8.0)

- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's wastewater service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render wastewater service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering wastewater service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of wastewater.

- 16.0 CUSTOMER BILLING - Bills for wastewater service will be rendered monthly as stated in the rate schedule.

In accordance with Rule 25-30.355, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

- 17.0 TERMINATION OF SERVICE - When a customer wishes to terminate service on any premises where wastewater service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

Suzanne Averett Britt
ISSUING OFFICER

President

TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any wastewater service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any water service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WASTEWATER - Any unauthorized connections to the Customer wastewater service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule or, if wastewater service is measured by water consumption and a meter error is determined, the amount may be credited or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 21.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.
- 22.0 EVIDENCE OF CONSUMPTION - The initiation or continuation or resumption of water service to the Customer's premises shall be the initial or continuation or resumption of wastewater service to the Customer's premises regardless of occupancy.

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

INDEX OF RATES AND CHARGES SCHEDULES

	<u>Sheet Number</u>
Customer Deposits	14.0
General Service, GS	12.0
Miscellaneous Service Charges	15.0
Residential Service, RS	13.0
Service Availability Fees and Charges	16.0

Suzanne Averett Britt

ISSUING OFFICER

President

TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

GENERAL SERVICE

RATE SCHEDULES

AVAILABILITY - Available throughout the area served by the Company

APPLICABILITY - For water service to all Customers for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE - Base Facility Charges

<u>Meter Size</u>	<u>Charge</u>
5/8" x 3/4"	\$ 9.15
3/4"	13.72
1"	22.87
1 1/2"	45.74
2"	73.18
3"	146.36
4"	228.68
6"	457.36

Gallonge Charge \$3.63 per 1,000 gallons

MINIMUM CHARGE - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING -

Suzzane Averett Britt
ISSUING OFFICER
 President

 TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULES

- AVAILABILITY - Available throughout the area served by the Company
- APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE - Base Facility Charges
- | | | |
|---------------------------------|----|------|
| All Meter Sizes | \$ | 9.15 |
| Gallage Charge | \$ | 3.03 |
| Per 1,000 gallons | | |
| 8,000 gallons maximum per month | | |
- MINIMUM CHARGE - Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.
- EFFECTIVE DATE -
- TYPE OF FILING -

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential General Service</u>	
5/8" x 3/4"	\$ 40.00	\$ 40.00
over 5/8" x 3/4"	NA	2 x average bill

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The Company will pay or credit accrued interest to the Customers account during the month of _____ each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has met the requirements of Rule 25-30.311(5), Florida Administrative Code. The Company may hold the deposit of a non-residential Customer after a continuous service period of 23 months and shall pay interest on the non-residential Customer's deposit pursuant to Rules 25-30.311(4) and (5), Florida Administrative Code.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE -

TYPE OF FILING -

Suzanne Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

Schedule of Miscellaneous Service Charges

Initial Connection Fee	\$ 15.00
Normal Reconnection Fee	\$ 15.00
Violation Reconnection Fee	\$ Actual Cost (1)
Premises Visit Fee (in lieu of disconnection)	\$ 10.00

(1) Actual Cost is equal to the total cost incurred for services.

EFFECTIVE DATE -

TYPE OF FILING -

Suzanne Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

SERVICE AVAILABILITY FEES AND CHARGES

Policy Description	Refer to Service Availability Amount	Sheet No./Rule No
<u>Back-Flow Preventor Installation Fee</u>		
5/8" x 3/4"	\$	
1"	\$	
1 1/2"	\$	
2"	\$	
Over 2"	\$	
<u>Customer Connection (Tap-in) Charge</u>		
5/8" x 3/4"	\$	
1"	\$	
1 1/2"	\$	
2"	\$	
Over 2"	\$	
<u>Guaranteed Revenue Charge</u>		
With Prepayment of Service Availability Charges:		
Residential-per ERC/month (___ GPD)	\$	
All others-per gallon/month	\$	
Without Prepayment of Service Availability Charged:		
Residential-per ERC/month (___ GPD)	\$	
All others-per gallon/month	\$	
<u>Inspection Fee</u>		
<u>Main Extension Charge</u>		
Residential-per ERC (___ GPD)	\$	450.00
All others-per gallon	\$	
Or		
Residential-per lot (___ foot frontage)	\$	
All others-per front foot	\$	
<u>Meter Installation Fee</u>		
5/8" x 3/4"	\$	
1"	\$	
1 1/2"	\$	
2"	\$	
Over 2"	\$	
<u>Plan Review Charge</u>		
<u>Plant Capacity Charge</u>		
Residential-per ERC (___ GPD)	\$	430.00
All others-per gallon	\$	
<u>System Capacity Charge</u>		
Residential-per ERC (___ GPD)	\$	
All others-per gallon	\$	

EFFECTIVE DATE -

TYPE OF FILING -

Suzzane Averett Britt
 ISSUING OFFICER
President
 TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

INDEX OF STANDARD FORMS

<u>Description</u>	<u>Sheet No.</u>
APPLICATION FOR WATER SERVICE	19.0
COPY OF CUSTOMER'S BILL	20.00
CUSTOMER'S GUARANTEE DEPOSIT RECEIPT	18.0

Suzzane AVerett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

Suzzane Averett Britt

ISSUING OFFICER

President

TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

Application for Wastewater Service

Name _____ Telephone Number _____

Billing Address _____

City _____ State _____ Zip _____

Service Address _____

City _____ State _____ Zip _____

Date service should begin _____

Service requested:

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service; the Company reserves the right to discontinue or withhold wastewater service to such apparatus or device.
2. The Company may refuse or discontinue wastewater service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. Any unauthorized connections to the Customer's wastewater service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff. In addition, the Customer has received from the Company a copy of the brochure "Your Water and Wastewater Service" produced by the Florida Public Service Commission.
4. Bills for wastewater service will be rendered monthly as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.
5. When a Customer wishes to terminate service on any premises where water and/or wastewater service is supplied by the Company, the Company may require ([choose one] oral, written) notice with _____ days prior to the date the Customer desires to terminate service.

Signature

Date

Suzanne Averett Britt
ISSUING OFFICER
President

TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

COPY OF CUSTOMER'S BILL

MUST PROVIDE A COPY
OF A BILL
CAN BE REDUCED TO FIT ON PAGE

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

INDEX OF SERVICE AVAILABILITY

<u>Description</u>	<u>Sheet Number</u>
Schedule of Fees and Charges	Go to Sheet No 16.0
Service Availability Policy	22.0

Suzzane Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

SERVICE AVAILABILITY POLICY

The Village Lakeland Wastewater System serves only one development, a mobile home subdivision called Village Lakeland. To date, approximately a third of the lots have been developed. The remainder of the property within the Service Area is conceptually planned for approximately a total of 927 units within the Service Area.

The 1/3 lots which have been constructed have roads, stormwater management, and water and sewer infrastructure included. The wastewater treatment plan and effluent disposal area are permitted for a total of 70,000 gpd, and are expected to serve the existing units and the unoccupied, constructed lots.

No expansions to the existing system are anticipated until the remainder of the property is developed. At which time the Florida Department of Environmental Protection may require that the wastewater system be constructed as part of the development of the remainder of the subdivision.

Currently, the utility charges a one-time \$430 plant capacity fee per ERD for all customers and a \$450 main extension fee per ERC for all customers when a new unit is constructed and connected into the system. No meters are set, but deposit may be required. No other fees are charged at this time.

Suzanne Averett Britt
ISSUING OFFICER
President
TITLE

NAME OF COMPANY: West Lakeland Utilities, Inc.

WASTEWATER TARIFF

WASTEWATER TARIFF

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Rates and Charges Schedules	11.0
Rules and Regulations	6.0
Service Availability Policy	22.0
Standard Forms	17.0
Technical Terms and Abbreviations	5.0
Territory Authority	3.1

Suzzane AVerett Britt
ISSUING OFFICER
President
TITLE

EXHIBIT 14

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number
515 - S

Upon consideration of the record it is hereby ORDERED
that authority be and is hereby granted to:

ABCA, INC.

Whose principal address is:

214 North Hogan Street, Sixth Floor
Jacksonville, FL 32202 (Polk County)

to provide wastewater service in accordance with the
provision of Chapter 367, Florida Statutes, the Rules,
Regulations and Orders of this Commission in the
territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until
suspended, cancelled or revoked by Orders of this
Commission.

ORDER	PSC-98-0752-FOF-SU	DOCKET	971531-SU
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Laura S. Bayo
Director
Division of Records and Reporting

