

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Notice of appointment of
Sumter County as receiver for
Magnolia Manor Water Works and
cancellation of Certificate No.
495-W.

DOCKET NO. 010359-WU
ORDER NO. PSC-01-1889-FOF-WU
ISSUED: September 24, 2001

The following Commissioners participated in the disposition of
this matter:

E. LEON JACOBS, JR., Chairman
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI

ORDER ACKNOWLEDGING WITHDRAWAL OF RECEIVER,
APPOINTMENT OF SUCCESSOR RECEIVER,
CANCELING CERTIFICATE NO. 495-W, AND CLOSING DOCKET

BY THE COMMISSION:

BACKGROUND

Magnolia Manor Water Works (Magnolia Manor or utility) is a
Class C utility providing service to approximately 40 water
customers in Sumter County (County). Pursuant to Order No. 18707,
issued January 19, 1988, in Docket No. 870889-WU, the utility was
issued grandfather Certificate No. 495-W. The utility's 1999
annual report shows total gross revenues of \$8,608 with a net
operating loss of \$3,510.

By Order No. 20874, issued March 10, 1989, in Docket No.
881417-WU, the Commission acknowledged the abandonment of the
utility by its owner, George Wilkins, and the appointment of USA
Utilities, Inc. (USA) as receiver. The appointment of USA as
receiver was also approved by the Fifth Judicial Circuit Court in
and for Sumter County (Circuit Court).

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The Commission approved the name change of USA to Crystal River Utilities, Inc. (CRU) by to Order No. PSC-93-1418-FOF-WS, issued September 29, 1993, in Docket No. 930614-WS. By Order No. PSC-99-0483-FOF-WS, issued March 8, 1999, in Docket No. 981508-WS, the Commission approved the transfer of majority organizational control of CRU to AquaSource, Inc. Each of these subsequent owners assumed the responsibilities of receiver for the utility.

However, during the receivership of CRU, the property taxes for the land upon which the utility was located went unpaid, and a tax deed for the property was sold by the County to Mr. David Mitchell in 1997. After the transfer of ownership of CRU to AquaSource, Inc., Mr. Mitchell attempted to negotiate a lease payment for the land with AquaSource, Inc. However, the parties could not reach an agreement on what would be considered a reasonable amount.

In April of 2000, AquaSource, Inc. petitioned the Circuit Court for relinquishment of its responsibilities as receiver and for the appointment of Mr. Mitchell as receiver. In May of 2000, Mr. Mitchell petitioned the Circuit Court for reconsideration of the Court's order appointing him as receiver because he was disabled and unable to run the system. On September 18, 2000, the Circuit Court issued an order appointing the County as receiver.

ACKNOWLEDGMENT OF CHANGE IN RECEIVERSHIP

As previously noted, the utility has been operating under receivership by several companies due to the succession of transfers of the original receiver. Each receiver has met the Commission's requirements regarding operation of the utility, filing of annual reports and payment of Regulatory Assessment Fees (RAFs). The utility is current on its annual reports and RAFs through September 18, 2000.

In early 2000, AquaSource, Inc., petitioned the Circuit Court to be relieved of the responsibility of receivership for the utility. Sumter County was appointed substitute receiver by the Circuit Court on September 18, 2000. Upon discussion with the County Attorney, we learned that in order to make the utility self sustaining, the County contacted each customer regarding the need

to increase the water rates. Since the County itself does not provide utility service, it has also contacted a nonprofit cooperative which owns a water utility within one mile of the Magnolia Manor system about the possibility of interconnecting with the Magnolia Manor system. The County anticipates that this interconnection will take place within the next year. Until that time, however, the County shall continue to act as receiver for the utility.

Pursuant to Section 367.022(2), Florida Statutes, systems owned, operated, managed, or controlled by governmental authorities are exempt from regulation by this Commission. Thus, the County is not subject to this Commission's regulation. Additionally, the nonprofit cooperative would also not be subject to our regulation pursuant to Section 367.022(7), Florida Statutes.

Based on the above, we acknowledge the withdrawal of AquaSource, Inc., as receiver for Magnolia Manor Water Works and the appointment of Sumter County as the successor receiver. Certificate No. 495-W shall be canceled effective September 18, 2000.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the withdrawal of AquaSource, Inc. as receiver for Magnolia Manor Works is hereby acknowledged. It is further

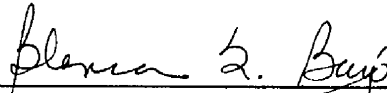
ORDERED that the appointment of Sumter County as the receiver for Magnolia Manor Water Works, effective September 18, 2000, is hereby acknowledged. It is further

ORDERED that Certificate No. 495-W, issued to Magnolia Manor Water Works, is hereby canceled as of September 18, 2000. It is further

ORDERED that this docket is hereby closed.

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By ORDER of the Florida Public Service Commission this 24th
day of September, 2001.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

LAE

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.

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 the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by

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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 the Commission Clerk and Administrative Services 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.