

STATE OF FLORIDA

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TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

ORIGINAL

Public Service Commission

September 13, 2002

Martin S. Friedman, Esquire
Rose, Sundstrom, and Bentley
650 S. North Lake Boulevard, Suite 420
Altamonte Springs, FL 32701

Re: Docket No. 010859-WS, Application for original certificates to operate a water and/or wastewater utility in Sumter County by North Sumter Utility Company, L.L.C.

Dear Mr. Friedman:

Enclosed please find Certificates Nos. 618-W and 532-S which have been issued to North Sumter Utility Company, L. L. C. These certificates should be retained in the utility's office. The certificates will have to be returned to the Commission along with any application the utility may file in the future requesting an amendment of certificated territory, transfer of ownership, or change in name of the utility. The utility's tariffs will be sent under separate cover.

Be advised that Section 367.161, F.S., provides that violation of any Commission rule, statute, or order could result in penalties of up to \$5,000 per day. Therefore, it is important that your client is aware of the responsibilities as a regulated utility. Rule 25-30.135, F.A.C., requires all utilities to maintain for customer inspection in the utility office a current copy of Chapters 25-9, 25-22 and 25-30, Florida Administrative Code, and Chapter 367, Florida Statutes, as well as a current copy of the utility's tariffs and developer agreements.

From time to time, the rules and statutes will change. Your client needs to be aware of these changes in order to stay current on your responsibilities and to maintain a current copy of the rules and statutes in the utility office. When the Commission proposes to revise any of its existing rules affecting the water and wastewater industry (Chapters 25-9, 25-22 and 25-30, F.A.C.), a notice of proposed rulemaking will be sent to the utility. After rulemaking is completed, a final Commission order adopting the new or revised rule will also be sent to the utility. This new or revised rule should be incorporated into the utility's copy of the Commission rules. The Commission does not furnish utilities with changes enacted by the Florida Legislature relating to Chapter 367, F.S. However, changes to the Florida Statutes are published annually and copies may be obtained by

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visiting your local public library. You may also obtain the latest copy of the rules and statutes on-line at the Commission web site, www.psc.state.fl.us.

In addition to the above, periodically the Commission will be sending copies of Commission orders which relate to the water and wastewater industry, in general, and notices of hearings in dockets of related utilities. These are sent for the utility's information. If there are questions concerning material received from the Commission, please contact the Division of Economic Regulation - Rate Filings Bureau and/or the Certification, Economics and Tariffs Bureau at (850) 413-6900.

We would like to direct you to certain areas within the rules and statute which will affect the utility's day to day operations:

1. As you should be aware, certain specific territory was granted in the certificate process just completed. It is a violation of Section 367.045, F.S., for a utility to serve outside this territory. If, in the future, the utility wants to serve additional territory, an application for amendment of certificated territory must be filed. See Rule 25-30.036, F.A.C., for the current filing requirements for an application for amendment.
2. The utility's approved rates and charges and service availability policy are contained in its approved tariff. Please note that the approved tariff will be sent under a separate cover letter. When this document is received, it should also be placed in a binder and retained in the utility office for referral and review by utility personnel and customers. A utility may not charge customers any rates or charges not included in its approved tariff. If any rates or charges need revision, the utility should refer to Part V of Chapter 25-30, F.A.C., which contains the necessary steps for rate adjustment changes. Part VI of Chapter 25-30, F.A.C., contains the steps necessary to change service availability charges or policies. In addition, the utility may contact the Division of Economic Regulation for guidance related to tariffs.
3. To help keep up with inflation and to avoid the costly expense of filing a full rate case, the Commission establishes a price index for major categories of operating costs on or before March 31 each year and utilities are allowed to increase rates using this price index mechanism. In addition, utilities are allowed to increase rates as a result of increases in certain expenses, such as purchased power and property tax using a pass through mechanism. Rules 25-30.420 and 25-30.425, F.A.C., contain the criterion for water and wastewater utilities to follow in order to increase rates based upon the application of the price index or pass through rate adjustments. **The Commission strongly encourages all regulated water and wastewater utilities under its jurisdiction to utilize these options which are available to them.**

4. We would encourage the utility to review carefully Part IV of Chapter 25-30, F.A.C. This part of the water and wastewater rules describes the utility's responsibilities to its customers. These rules include customer deposits, termination of service, customer billing, refusal or discontinuance of service, backbilling, complaints, and refunds.
5. Each utility shall maintain its records in accordance with the National Association of Regulatory Utility Commissioners' (NARUC) uniform system of accounts (see Rule 25-30.110, F.A.C.). Most utilities begin as Class C utilities. However, should the utility become a Class A or B or should additional copies be needed, please contact NARUC, Post Office Box 684, Washington, D.C. 20044. For further information or telephone orders, please call (202) 898-2200 in Washington, D.C.
6. Regulated water and wastewater utilities are also required to file two related reports with the Commission on an annual basis:
 - A. **Annual Report.** Each utility is required to submit an annual report which contains certain financial and operational data relating to the utility. (See Rule 25-30.110, F.A.C.)
 - B. **Regulatory Assessment Fee form.** Each utility is required to remit an annual regulatory assessment fee (RAF). RAFs are currently 4-1/2% of gross operating revenue and are designed to cover the Commission's costs of regulating water and wastewater utilities. (See Rule 25-30.120, F.A.C.)

The annual report and RAF forms, as well as the payment for RAFs, are due to the Commission by March 31st of each year for the previous calendar year. For the utility's convenience, the Commission will send the two report forms by January 15th of each year. However, failure to receive the forms does not abrogate the utility of its responsibility to timely file an annual report and remit the appropriate amount of RAFs.

There is one technical division within the Commission that is primarily responsible for matters pertaining to water and wastewater utilities:

The **Division of Economic Regulation - Bureau of Certification, Economics and Tariffs**, as you already know, is responsible for the certification of water and wastewater utilities, as well as any amendments or transfers thereof. Any questions relating to your certificated territory or the possible sale of the utility should be directed to Patti Daniel, Supervisor, Bureau of Certification, Economics and Tariffs.

The **Division of Economic Regulation - Bureau of Rate Filings** is responsible for accounting, engineering and rates concerns for all filings involving file and suspend rate cases (MFR's), staff assisted rate cases (SARC's), limited proceedings, allowance for funds prudently

invested and service availability. Any questions concerning the filing of a rate case, a staff assisted rate case, limited proceeding, tariff or engineering related matters, should be directed to Marshall Willis, Bureau Chief, Bureau of Rate Filings.

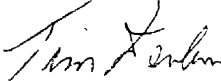
The **Division of Economic Regulation - Bureau of Surveillance/Finance** is responsible for Annual Report review, RAF compliance, and processing of index and pass through applications. Any questions relating to Annual Reports, RAF's, or index or pass through applications should be directed to Dale Mailhot, Bureau Chief, Bureau of Surveillance/Finance.

We welcome and encourage regulated water and wastewater utilities under the Commission's jurisdiction to contact our staff and maintain working liaisons with us. This accomplishes better relations between the Commission staff and utilities, and provides for faster and more efficient completion of regulatory requirements.

With the goal of accessibility and efficiency, the Commission now has application packages as well as model tariffs available on-line at the Commission web site, www.psc.state.fl.us. The packages available include: amendment, original utility in existence, grandfather, true original, transfer, transfer to a governmental authority, and transfer of majority organizational control. Just click on the Water and Wastewater icon shown on the home page, then click on the Water and Wastewater Application Packages line, then the various packages will appear on a list of available documents.

If we can be of any assistance to you and your utility, please do not hesitate to contact Tom Walden at (850) 413-6950.

Sincerely,


Timothy Devlin
Director

TD/tjw

cc: Division of Economic Regulation (Daniel, Mailhot, Walden)
Office of the General Counsel (Harris)
Division of Commission Clerk and Administrative Services (Knight, Docket File, Security File)

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

618 - W

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

North Sumter Utility Company, L.L.C.

Whose principal address is:

1100 Main Street
The Villages, FL 32159-7719 (Sumter County)

to provide water 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-02-0179-FOF-WS	DOCKET	010859-WS
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BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Blanca S. Bayo

Commission Clerk and Administrative Services Director



FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

532 - S

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

North Sumter Utility Company, L.L.C.

Whose principal address is:

1100 Main Street
The Villages, FL 32159-7719 (Sumter 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-02-0179-FOF-WS	DOCKET	010859-WS
ORDER		DOCKET	
ORDER		DOCKET	
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ORDER		DOCKET	

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Blanca S. Bayo

Commission Clerk and Administrative Services Director

