

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of facilities and Certificate Nos. 603-W and 519-S in Polk County from New River Ranch, L.C. d/b/a River Ranch to River Ranch Water Management, LLC.

DOCKET NO. 020382-WS

In re: Initiation of show cause proceedings against New River Ranch L.C. d/b/a River Ranch in Polk County for violation of Rule 25-30.110(3), F.A.C., Annual Report, and Rule 25-30.120, F.A.C., Regulatory Assessment Fees.

DOCKET NO. 010812-WS
ORDER NO. PSC-03-0518-FOF-WS
ISSUED: April 18, 2003

The following Commissioners participated in the disposition of this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

ORDER APPROVING TRANSFER OF FACILITIES AND CERTIFICATES
IN POLK COUNTY FROM NEW RIVER RANCH, L.C. D/B/A RIVER RANCH
TO RIVER RANCH WATER MANAGEMENT, LLC., DECLINING TO INITIATE SHOW
CAUSE PROCEEDINGS, AND CLOSING THE DOCKET

BY THE COMMISSION:

BACKGROUND

River Ranch Resort is a development in Polk County. Located on that development is a Class C utility providing service to the resort, which has approximately 703 water and wastewater customers. The utility is in the South Florida Water Management District and is not located in a water use caution area. According to the

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utility's 2000 annual report, it has been providing service since 1973. The annual report for 2000 shows that gross revenues were \$46,173 and \$46,173 and the net operating income and loss were \$1,801 and (\$27,900), for the water and wastewater systems respectively.

The utility serves the River Ranch Resort which includes a variety of housing and commercial areas, including a recreational vehicle (RV) park consisting of 367 units, a condominium village with 192 units, two residential areas (Long Hammock with 119 homes and, outside the park area, River Ranch Shores/Countryside with about 40 homes), and the resort community itself which includes restaurants, a golf course, marina, offices, and shops.

The resort property, along with the utility, has changed ownership several times in the past number of years. The documentation surrounding the history of this utility is very limited, but we have attempted to piece together the history of the transfers through correspondence and the existing records related to the utility.

On May 14, 1996, Polk County transferred jurisdiction of the privately-owned water and wastewater facilities in the county to us. On January 14, 1997, a group of ten property owners in the utility's service area joined together to form New River Ranch, L.C. d/b/a River Ranch (NRR), to acquire the entire resort and utility out of bankruptcy. NRR is the entity that applied for and was granted Certificate Nos. 603-W and 519-S subsequent to Polk County transferring its jurisdiction of the privately-owned water and wastewater facilities to us in Docket No. 971185-WS, Order No. PSC-99-0254-FOF-WS, issued February 9, 1999.

At some point after applying for its certificate, it appears that NRR entered into a contract to sell the entire resort property, which included the utility, to another corporation, River Ranch American Resort, Inc. (River Ranch American). River Ranch American acquired the utility's facilities from NRR on December 1, 1997. The circumstances surrounding the transfer are unclear, but some time after the December 1, 1997 sale, our staff was made aware that Brian Sparks, the President of River Ranch American, was in control of the River Ranch resort and utility. River Ranch American apparently owned and controlled the resort and utility for

approximately two years until December of 1999, when Ocwen Federal Bank, FSB (Ocwen or Bank), who had a first mortgage and security interest in the property, filed a foreclosure action against River Ranch American. Pursuant to its foreclosure action, Ocwen succeeded in having a receiver appointed to control and manage the resort beginning February 28, 2000, effectively ending River Ranch American's control over the property.

The foreclosure proceeding was stayed due to River Ranch American filing for bankruptcy. However, once the foreclosure action was complete, Westgate Resorts, Ltd. (Westgate) bought the entire resort, along with the utility facilities from Ocwen Bank in a foreclosure sale. Westgate then conveyed the utility over to its affiliate, River Ranch Water Management, LLC (RRWM or buyer), through a quit claim deed. On April 29, 2002, RRWM, filed an application on behalf of NRR for approval of the transfer of the utility's facilities and Certificate Nos. 603-W and 519-S to RRWM from NRR.

APPARENT VIOLATION OF COMMISSION STATUTES AND RULES

Transfer Prior to Commission Approval

Section 367.071(1), Florida Statutes, states that:

No utility shall sell, assign, or transfer its certificate of authorization, facilities or any portion thereof . . . without determination and approval of the commission that the proposed sale, assignment, or transfer is in the public interest

As indicated previously, at some point after applying for its certificate with the Commission, NRR entered into a contract to sell the entire resort property, which included the utility, to another corporation, River Ranch American, effective December 1, 1997. However, NRR failed to obtain our approval prior to transferring its facilities to River Ranch American. Accordingly, NRR is in apparent violation of Section 367.071(1), Florida Statutes.

River Ranch American came into possession of the utility's facilities pursuant to the contract for sale with NRR. River Ranch

American apparently owned and controlled the resort and utility for approximately two years until December of 1999, when Ocwen Bank filed a foreclosure action against River Ranch American, and appointed a receiver to manage the property. Since this action by the bank ended River Ranch American's control over the property, and transferred control to Ocwen, River Ranch American is also in apparent violation of Section 367.071(1), Florida Statutes, for failure to obtain our approval prior to the transfer to Ocwen.

The receiver appointed by Ocwen Bank controlled and managed the resort including the utility, for the period of March 1, 2000 through November 14, 2001, when the property was purchased by the current owners, pursuant to a foreclosure sale. Accordingly, Ocwen is also in apparent violation of Section 367.071(1), Florida Statutes, for failure to obtain our approval prior to transferring the facilities to the current owners.

Failure to Submit Regulatory Assessment Fees (RAFs)

Pursuant to Sections 350.113(3)(e) and 367.145, Florida Statutes, and Rule 25-30.120(1), Florida Administrative Code, each utility shall remit annually RAFs in the amount of 4.5 percent of its gross operating revenue. Pursuant to Rule 25-30.120(2), Florida Administrative Code, "[t]he obligation to remit the [RAFs] for any year shall apply to any utility which is subject to [the] Commission's jurisdiction on or before December 31 of that year or for any part of that year, whether or not the utility has actually applied for or been issued a certificate."

Further, pursuant to Section 350.113(4), Florida Statutes, and Rule 25-30.120(7), Florida Administrative Code, a statutory penalty plus interest shall be assessed against any utility that fails to timely pay its RAFs, in the following manner:

1. 5 percent of the fee if the failure is for not more than 30 days, with an additional 5 percent for each additional 30 days or fraction thereof during the time in which failure continues, not to exceed a total penalty of 25 percent.

2. The amount of interest to be charged is 1% for each 30 days or fraction thereof, not to exceed a total of 12% per annum.

According to the available information, this utility has outstanding RAFs for the years January 1, 1998 through November 14, 2001. We believe that River Ranch American controlled the utility from December 1, 1997 through February of 2000. Once Ocwen Bank initiated its foreclosure proceedings and had a receiver appointed to manage the resort and utility, it effectively took control of the resort and utility. Therefore, Ocwen controlled the resort and utility for the time period of March of 2000, when the receiver took over, through November 14, 2001, the date of the foreclosure sale.

Accordingly, River Ranch American is responsible for RAFs for the time period of 1998, 1999, and January through February of 2000. In failing to remit the RAFs for these years, River Ranch American is in apparent violation of the above-referenced statutes and rules. Similarly, Ocwen is responsible for RAFs for the time period of March of 2000 through November 14, 2001, and in failing to remit RAFs for this time period, is also in apparent violation of the above-referenced statutes and rules.

The calculation of RAFs, plus penalties and interest owed by River Ranch American is set out below. As of April 1, 2003, the amounts due are as follows:

Time Period	RAFs	Penalty	Interest	Total
1998	\$3,320.32	\$830.05	\$1,626.91	\$5,777.28
1999	\$3,360.39	\$840.01	\$1,243.34	\$5,443.74
January- February 2000	\$692.60	\$173.15	\$173.15	\$1,038.90
			TOTAL DUE:	\$12,259.92

The calculation of the RAFs, plus penalties and interest owed by Ocwen Bank is set out below. As of April 1, 2003, the amounts due are as follows:

Time Period	RAFs	Penalty	Interest	Total
March- December 2000	\$2,787.98	\$697.00	\$697.00	\$4,181.97
January- November 2001	\$3,565.68	\$891.42	\$463.54	\$4,920.64
			TOTAL DUE:	\$9,102.61

Failure to Submit Annual Reports

Rule 25-30.110(3), Florida Administrative Code, requires utilities subject to our jurisdiction as of December 31 of each year to file an annual report on or before March 31 of the following year. Annual reports are considered filed on the day they are postmarked or received. According to our records, this utility failed to file an annual report for the years 1998 and 1999. As stated previously, we believe that River Ranch American had ownership and control over this utility for the period of December, 1997 through February, 2000. Accordingly, River Ranch American was responsible for filing the annual reports for the years 1998 and 1999, and because it failed to do so, is in apparent violation of Rule 25-30.110(3), Florida Administrative Code.

Pursuant to Rule 25-30.110(6)(c), Florida Administrative Code, any utility that fails to file a timely, complete annual report is subject to penalties, absent demonstration of good cause for noncompliance. The penalty set out in Rule 25-30.110(7), Florida Administrative Code, for Class C utilities is \$3 per day, based on the number of calendar days elapsed from March 31, or from an approved extended filing date. Using this \$3 figure and multiplying it by the number of days from the time the annual reports were due through our April 1, 2003 Agenda Conference, the total penalty for the outstanding 1998 and 1999 annual reports is set out below.

YEAR	CALCULATION	AMOUNT
1998	1,397 x \$3/day	\$4,191
1999	1,096 x \$3/day	\$3,288
	TOTAL DUE	\$7,479

These penalties, if assessed, would continue to accrue until such time as River Ranch American files its annual reports for the respective years. Further, pursuant to Rule 25-30.110(6)(c), Florida Administrative Code, we may, in our discretion, impose greater or lesser penalties for such noncompliance.

Analysis

As stated previously, NRR is in apparent violation of Section 367.071(1), Florida Statutes, for transferring the utility prior to obtaining Commission approval. River Ranch American is also in apparent violation of Section 367.071(1), Florida Statutes, for transferring the utility prior to obtaining Commission approval, and in addition, is in apparent violation of Sections 350.113(3)(e) and 367.145, Florida Statutes, and Rule 25-30.120(1), Florida Administrative Code for failure to submit RAFs, and Rule 25-30.110(3), Florida Administrative Code for failure to file its annual reports. Ocwen Bank is also in apparent violation of Section 367.071(1), Florida Statutes, for transferring the utility prior to obtaining Commission approval, and Sections 350.113(3)(e) and 367.145, Florida Statutes, and Rule 25-30.120(1), Florida Administrative Code, for failure to submit RAFs.

Utilities are charged with the knowledge of the Commission's rules and statutes. 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). Section 367.161(1), 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 to have willfully violated, any provision of Chapter 367, Florida Statutes. By transferring its facilities prior to our approval, failing to remit RAFs, and failing to file its annual reports, the utility's acts were "willful" in the sense intended by Section 367.161, Florida Statutes. In Commission 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., we 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 that this is distinct from an intent to violate a statute or rule."

In this case, NRR failed to obtain our approval prior to transferring its facilities to River Ranch American. However, the circumstances surrounding this transfer are very unclear, and the location of the original property owners is also unclear. We do not believe that the apparent violation of Section 367.071, Florida Statutes, rises in this circumstance to the level which warrants the initiation of a show cause proceeding. Therefore, we shall decline to order NRR to show cause why it should not be fined for failing to obtain our approval prior to transferring its facilities to River Ranch American.

With respect to the transfer by River Ranch American to Ocwen Bank prior to our approval, we also find that the circumstances do not rise to the level of warranting a show cause proceeding. Primarily this is because although River Ranch American was directly responsible for not meeting its financial obligations to Ocwen Bank, it did not voluntarily enter into foreclosure proceedings. In fact, from what little documentation we were able to obtain relating to the foreclosure action, it appears that River Ranch American attempted to stay the foreclosure proceedings by filing for bankruptcy, but was eventually unsuccessful. Therefore, we shall decline to order River Ranch American to show cause for transferring its facilities prior to obtaining our approval.

With respect to River Ranch American's failure to remit RAFs and file its annual reports, and with respect to the penalties and interest incurred for both, we also find that the circumstances in this case are such that show cause proceedings shall not be initiated. Numerous attempts to contact Brian Sparks, who was the president of River Ranch American, have been made by our staff via certified mail. However, all mail that was sent to the last-known address, was returned as undeliverable. As stated before, the history of this utility has been pieced together based on

correspondence, and we believe that further collection efforts would not be cost effective. We also believe that any further attempts to collect would be futile, because in this situation, it is not clear whether this corporate entity still exists, and it would be very difficult to locate the former president of River Ranch American. For these same reasons, we believe that it would be futile to continue efforts to obtain the outstanding annual reports of this utility. As previously mentioned, the former president of River Ranch American's whereabouts are unknown, and we are unaware of whether the former president would be in possession of any records for the utility.

Accordingly, we hereby find that show cause proceedings shall not be initiated against River Ranch American for its apparent violation of the aforementioned statutes and Commission rules. Further, we shall refer the utility's unpaid RAFs and associated penalties and interest to the Department of Financial Services for permission to write off the accounts as uncollectible. We shall also exercise our discretion as stated in Rule 25-30.110(7), Florida Administrative Code, and not assess the penalties set forth in Rule 25-30.110(7), Florida Administrative Code, for outstanding annual reports, because further collection efforts would be futile. Finally, we find that River Ranch American shall not be required to file the annual reports for the years designated.

With respect to the transfer by Ocwen Bank to the current owners prior to our approval, we believe that the circumstances do not rise to the level of warranting a show cause proceeding. Ocwen initiated foreclosure proceedings against River Ranch American for its failure to meet its financial obligations. Ocwen then succeeded in having a receiver appointed to run and manage the property, upon which the utility is located. The receiver was in place from March 2000 through November 14, 2001, the date of the foreclosure sale. As soon as the foreclosure was processed, the court ordered the sale of the property. Westgate then purchased the entire resort, along with the utility facilities, pursuant to the foreclosure sale. Because of the circumstances surrounding the sale of the property and utility, we do not believe that this situation rises to the level of warranting a show cause proceeding.

With respect to Ocwen's failure to remit RAFs and the penalties and interest incurred, we also believe that the

circumstances in this case are such that show cause proceedings shall not be initiated. When Ocwen foreclosed on the property, it appears that there were very few records and documentation available to the receiver. Furthermore, the receiver was appointed to manage the entire resort property, and apparently had very little knowledge of managing a water and wastewater facility. However, according to copies of correspondence related to this utility, the receiver and the attorney for Ocwen bank contacted our staff to receive some guidance with respect to the obligations of the utility. In addition, at some point it appears that our staff was also working with the receiver in order to facilitate a staff assisted rate case. The receiver was able to piece together what little information he had, and submitted an annual report for the year 2000. In addition, it appears that some amount of RAFs were paid as well. We believe that the receiver expended a lot of resources attempting to operate and repair the systems, because, unfortunately, the previous owners had allowed the development to deteriorate significantly. The receiver was cooperative with our staff and to the extent possible, attempted to operate the facility to the best of his abilities. Our staff has sent several letters to the former receiver regarding the outstanding RAFs, but has received no response. We believe that further attempts at collection of outstanding RAFs, penalties, and interest would not be cost effective.

For these reasons, we find that show cause proceedings shall not be initiated against Ocwen for its apparent violation of the aforementioned statutes and rules. Additionally, the utility's unpaid RAFs and associated penalties and interest shall be referred to the Department of Financial Services for permission to write off the accounts as uncollectible.

APPLICATION

On April 29, 2002, RRWM filed an application for transfer of Certificate Nos. 603-W and 519-S from NRR to RRWM. RRWM submitted additional information to complete the filing requirements on August 19, 2002. The application is in substantial compliance with the governing statute, Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for transfer. The application contains two checks for \$1,500, which is the correct filing fee pursuant to Rule 25-30.020,

Florida Administrative Code. According to the application, the utility's certificates could not be located. Instead, in accordance with Rule 25-30.037(2)(t), Florida Administrative Code, an explanation was provided of the steps taken to locate the certificates.

The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, including notice to the customers of the utility to be transferred. No objections to the transfer of the utility or the notice of application were received, and the time for filing such has expired.

The application contains documentation to comply with Rule 25-30.037(2)(g), (h), (i), (k) and (q), Florida Administrative Code, regarding terms of the sale and financing of the purchase. Instead of a sales contract, the application contained a Court Order which indicates that Westgate Resorts Ltd. purchased the New River Ranch Resort and the utility for \$5,151,000 at the foreclosure sale. The sale was a cash transaction; therefore, no outside financing was required. The acquired utility was then assigned to RRWM with a quit claim deed from Westgate Resorts, Ltd.

RRWM will own and operate the utility system. According to its application, RRWM is a wholly-owned subsidiary of Central Florida Investments, Inc., a successful resort developer. The application states that Central Florida Investments, Inc. is one of the largest privately held corporations in the central Florida area with over \$400 million in annual sales. The company was founded in 1970 and employs over 5000 employees. The affiliate company, Westgate Resorts, is one of the largest timeshare companies in the world. The River Ranch development will provide financial stability to the utility system since there is a vested interest in providing utility services to the development. The buyer also indicated that it intends to fulfill all the commitments, obligations and representations of the seller with respect to utility matters. According to the application, pursuant to Rule 25-30.037(2)(j), Florida Administrative Code, the transfer is in the public interest because Central Florida Investments, Inc. will facilitate the reversal of several years of decline in the utility due to the prior owners' neglect and financial difficulties. With regard to the buyer's financial ability, our staff was provided an

opportunity to review the financial statements of the parent company which indicated that it has the financial ability to ensure consistent compliance with Florida Department of Environmental Protection (DEP) regulations.

With regard to the buyer's technical ability, it has hired and put together a team of consultants with the expertise needed to manage the utility. It has also hired operating staff with the proper licenses as required by the DEP. The application states that the buyer has retained a consulting firm to assist it in attaining compliance with DEP regulations and has resolved the outstanding issues that were addressed in the prior consent orders. There were some repairs and replacement of items needed for the water and wastewater systems. The utility has indicated that these repairs have been made.

The utility has a six-inch well and a twelve-inch well that pump water into two ground storage tanks and a third elevated storage tank. After storage, the water pressure is increased by three high service pumps and a hydropneumatic tank before entering into the water distribution system. The Environmental Engineering Section of the Polk County Health Department (PCH) was contacted regarding the utility's water system. According to the PCH, the utility is in compliance with all directives. Also, according to the DEP there are no outstanding violations against NRR at this time, although there were occasional problems with sewage overflows during peak occupancy periods and extremely wet conditions. Since that time, the utility's lift stations have been overhauled to correct the overflow problems; however, rehabilitative work for the wastewater collection system is still needed in the single family home subdivision known as Countryside. DEP also indicated that the wastewater plant's operation has improved since the system was overhauled. Further, a new wastewater treatment plant went on-line in August, 2002, and extensive refurbishing of the water treatment plant has been completed.

Rule 25-30.037(2)(q), Florida Administrative Code, requires a utility to provide proof that it owns or has continued use of the land upon which its facilities are located. RRWM acquired the system on November 14, 2001, through a foreclosure sale. As evidence of ownership and continued use of the land where the facilities are located, RRWM provided a copy of the decision of the

Circuit Court of the Eighteenth Judicial Circuit of Florida in Brevard County awarding Westgate Resorts, Ltd., the Certificate of Title to the land. In addition, the applicant has provided evidence of ownership of the land in the form of a recorded quit claim deed in the name of RRWM, and a copy of its title insurance. We find that this is sufficient to meet the requirements of Rule 25-30.037(2)(q), Florida Administrative Code.

According to the existing tariff and the transfer application, guaranteed revenue contracts, developer agreements, customer advances, and leases did not exist under the prior owner. Therefore, the disposition of such is not an issue for this transfer.

As mentioned previously, according to our records, the utility has outstanding RAFs for the years 1998 through 2000, and a portion of the year 2001, a matter which has been addressed above. RRWM filed an annual report for the time period of November 14, 2001 through December 31, 2001, and has paid its share of the RAFs for that period. RRWM shall also be responsible for payment of the 2002 RAFs and filing the 2002 annual report by March 31, 2003.

Based on the above, we find that it is in the public interest to approve RRWM's application for transfer of the facilities and Certificate Nos. 603-W and 519-S from NRR. Accordingly, RRWM shall be granted Certificate Nos. 603-W and 519-S to serve the territory described in Attachment A, attached hereto and incorporated herein.

RATES AND CHARGES

Rate base and acquisition adjustment issues are typically addressed in transfer proceedings; however, these issues are not included in the analysis for this transfer because on October 22, 2002, the utility filed an application for a staff assisted rate case (SARC) in Docket No. 021067-WS. The issues to be addressed in the SARC will include the establishment of rate base and whether an acquisition adjustment should be approved. The SARC docket is currently scheduled for a decision on final rates and charges at our June 3, 2003 agenda conference.

The utility's current rates and service availability charges were effective February 18, 1999, pursuant to Order No. PSC-99-

0254-FOF-WS, issued February 9, 1999, in Docket No. 971185-WS. The utility's approved rates and charges are as follows:

Monthly Water Service Rates

General Service

Minimum Monthly Charge:

Meter Size:

5/8" x 3/4"	\$	6.00
1"	\$	9.40
1 1/2"	\$	18.10
2"	\$	22.60
3"	\$	38.80

Gallonage Charge

First 4,000 Gallons or less	\$	6.00
Next 6,000 Gallons (per 1,000 gal)	\$	0.85
Next 40,000 Gallons (per 1,000 gal)	\$	0.50
Next 50,000 Gallons (per 1,000 gal)	\$	0.35

Monthly Water Service Rates

Multiple Dwelling Service

Minimum Monthly Charge:

Long Hammock	\$	6.00
River Ranch RV Resort	\$	6.00
River Ranch Inn and Cottages	\$	4.00

Multiple Dwelling Service

Quarterly Charge:

River Ranch Shores (One Bath)	\$ 20.25
River Ranch Shores (Other)	\$ 22.80

Monthly Wastewater Service Rates

Residential and General Service

Meter Size:

Flat Rate	\$ 6.00
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Multiple Dwelling Service

Minimum Monthly Charge:

Long Hammock	\$ 4.50
River Ranch RV Resort	\$ 4.50
River Ranch Inn and Cottages	\$ 3.00

Quarterly Service Rates

Multiple Dwelling Service

Quarterly Charge:

River Ranch Shores (One Bath)	\$ 20.25
River Ranch Shores (Other)	\$ 22.80

Miscellaneous Service Charges

	Water	Wastewater
Initial Connection Fee ,	\$ 15.00	\$ 15.00
Normal Reconnection Fee	\$ 15.00	\$ 15.00

Violation Reconnection Fee	\$ 15.00	\$ 15.00
Premises Visit Fee (in Lieu of disconnection)	\$ 10.00	\$ 10.00

Customer Deposits

The amount of the initial deposit shall be the greater of \$15.00 or an amount necessary to cover charges for service for three billing periods.

Service Availability Fees and Charges

	Water	Wastewater
Tapping Fees		
5/8" x 3/4"	\$ 60.00	
1"	\$110.00	
Per Customer		\$ 40.00
Main Extension Charge		\$ 650.00

Rule 25-9.044(1), Florida Administrative Code, provides that:

In case[s] of change of ownership or control of a utility which places the operation under a different or new utility . . . the company which will thereafter operate the utility business must adopt and use the rates, classification and regulations of the former operating company (unless authorized to change by the Commission)

. . . .

RRWM has not requested a change in the rates and charges of the utility in this docket; this matter will be addressed in RRWM's SARC proceeding. Therefore, the utility shall continue its operations under the existing tariff and apply the approved rates and charges until we authorize a change in a subsequent proceeding. The utility has filed a revised tariff reflecting the change in

issuing officer due to the transfer of control. The tariff filing shall be effective for services rendered or connections made on or after the stamped approval date.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application for transfer of the facilities and Certificate Nos. 603-W and 519-S from New River Ranch, L.C. d/b/a River Ranch to River Ranch Water Management, L.L.C. is approved. RRWM shall be granted Certificate Nos. 603-W and 519-S to serve the territory described in Attachment A, attached hereto and incorporated herein. It is further

ORDERED that River Ranch Water Management, L.L.C. shall continue charging the rates and charges approved for this utility system until authorized to change in a subsequent proceeding. The tariff reflecting the change in ownership shall be effective for services provided or connections made on or after the stamped approval date on the tariff sheets. 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 a show cause proceeding shall not be initiated against New River Ranch, L.C. d/b/a River Ranch, for its violation of Section 367.071(1), Florida Statutes. It is further

ORDERED that a show cause proceeding shall not be initiated against River Ranch American Resort, Inc. for its violation of Sections 367.071(1) and 367.145, Florida Statutes, and Rules 25-30.120 and 25-30.110(3), Florida Administrative Code. It is further

ORDERED that the penalties set against River Ranch American Resort, Inc., pursuant to Rule 25-30.110(6), Florida Administrative Code, for outstanding annual reports, shall not be assessed. It is further

ORDERED that River Ranch American Resort, Inc. shall not be required to file the annual reports for the years 1998 and 1999. It is further

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DOCKETS NOS. 020382-WS, 010812-WS
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ORDERED that a show cause proceedings shall not be initiated against Ocwen Federal Bank, FSB, for its violation of Sections 367.071(1) and 367.145, Florida Statutes, and Rules 25-30.120, Florida Administrative Code. It is further

ORDERED that the delinquent regulatory assessment fees and associated penalties and interest as set forth in the body of this Order shall be referred to the Florida Department of Financial Services, for permission to write off the accounts as uncollectible. It is further

ORDERED that because no further action is required, Docket Nos. 010812-WS and 020382-WS shall be closed.

By ORDER of the Florida Public Service Commission this 18th day of April, 2003.

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

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

LAH

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 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.

RIVER RANCH WATER MANAGEMENT, LLC
Territory Description
Polk County

ATTACHMENT A

All of Sections 10, 15, 22, 23, and East 1/2 of Section 26, that part of Sections 11, 14, 24, 25, 36, lying West of proposed Kissimmee Canal 38, all being in Township 31 South, Range 31 East.

That part of Section 31, Township 31 South, Range 32 East lying West of proposed Kissimmee Canal 38.

The East 1/2 of Section 1, Township 32 South, Range 31 East.

That part of Section 6, Township 32 South, Range 32 East lying West of proposed Kissimmee Canal 38.

All of Section 7, Township 32 South, Range 32 East, lying West of proposed Kissimmee Canal 38, less the Southwest 1/4.

That part of Section 8, Township 32 South, Range 32 East lying west of proposed Kissimmee Canal 38.

The Northeast 1/4 of Section 18, Township 32 South, Range 32 East.

That part of Sections 17, 20, 28, 29, 33, lying West of proposed Kissimmee Canal 38, all of Sections 30, 31, 32, all being in Township 32 South, Range 32 East.