

ORIGINAL



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July 12, 2004

Blanca S. Bayo, Director
Division of Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Building, Room 110
Tallahassee, Florida 32399-0850

Via Hand Delivery

RECEIVED-FPSC
04 JUL 12 PM 1:19
COMMISSION
CLERK

Re: Docket No. 980876-WS: Application for Certificate to Operate a Water and Wastewater Utility in Marion County by Ocala Springs Utilities Inc.

Dear Ms. Bayo:

This letter is in response to the request of Katherine Fleming for a status and time schedule update relating to the Amended Second Motion for Extension of Time of Ocala Springs Utilities Inc. ("the Motion") which was filed in this docket on March 25, 2004.

At the time the Motion was filed, the State of Florida (the "State") and Avatar Properties Inc. ("API") were in active negotiations regarding the State's possible purchase of the Ocala Springs property for preservation and conservation pursuant to the Florida Forever Program. The State and API were unable to reach agreement as to the sale and purchase of the property. Since the property is not being sold to the State, API, as alleged in the Motion, is now planning to develop the property as a primary residential community and/or active adult community.

The current estimated time frame for Ocala Springs Utilities Inc. ("OSUP") permitting, construction, and subsequent development of the community has not changed from the time schedule set forth in the Motion which was identified as that which would be followed in the event that the sale to the State did not occur; as follows:

MP
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Final decision as to type of development
(active adult vs. traditional residential)

October 2004

Commencement of replanning and replatting
of development with Marion County

December 2004

Consumptive use permit application submitted
to Water Management District

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

February 2005

TAL:49450:1

RUDEN, McCLOSKEY, SMITH, SCHUSTER & RUSSELL, P.A.

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DOCUMENT NUMBER-DATE
07558 JUL 12 04
FPSC-COMMISSION CLERK

Construction permit application for water and wastewater facilities submitted to DEP	February 2005
Submit to PSC copies of detailed system maps and evidence of ownership of plant sites	April 2005
File with PSC application to establish initial water and wastewater rates	April 2005
Major advertising effort begins for the Ocala Springs development	May 2005
Construction to begin on water and wastewater facilities	July 2005

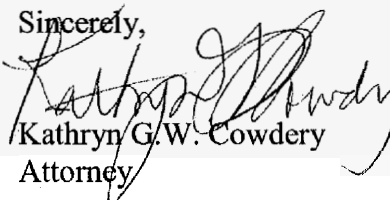
The timeframe for permitting and construction is approximately one year and 4 months later than was anticipated prior to commencement of negotiations for sale of the property to the State.

OSUI continues to believe that Staff should not recommend that certificate revocation proceedings should be initiated because API and OSUI are proceeding in good faith regarding the ultimate development of the Ocala Springs property, and because there is no alternative water and wastewater utility service provider available to serve the property. The reasons why the PSC granted OSUI's request for extension of time in Order PSC-02-0180-PCO-WS, and the reasons set forth in the Motion remain valid reasons for granting the requested extension.

It continues to be the case that there is no water and wastewater utility service provider available to Ocala Springs except OSUI. API continues to own in fee simple the property encompassed within Ocala Springs. Granting of the Motion would be in the public interest because it allows a certificated utility to remain in existence to be ready to serve a proposed development where there is no other utility provider in existence. The continued certification of OSUI as service provider for Ocala Springs remains important to an orderly development, regulatory and permitting process.

Please let me know if you have any questions.

Sincerely,



Kathryn G.W. Cowdery
Attorney

Cc (via hand delivery): Katherine Fleming, Esq
Patti Daniel
Pat Brady

TAL:49450:1

RUDEN, McCLOSKEY, SMITH, SCHUSTER & RUSSELL, P.A.