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

Public Service Commission

March 1, 2005

Charles R. Freed
Zachary Taylor Camping and Lodge, Inc.
2995 Highway 441 SE
Okeechobee, FL 34974

Re: Docket No. 040793-SU, Application for certificate to operate a wastewater utility in Okeechobee County by Zachary Taylor Camping and Lodge, Inc.

Dear Mr. Freed:

With the receipt of your proposed legal description and territory/system map on February 21, 2005, your above referenced application is almost complete. This letter is to remind you of the remaining filing requirements as well as advise you of two important regulatory matters.

REMAINING FILING REQUIREMENTS

1. Corporate Officers Rule 25-30.035(3), Florida Administrative Code, requires a list of the names and addresses of all corporate officers, directors, or partners, or any other person(s) owning an interest in the utility. While the application listed the officers, the addresses were to be provided on a separate sheet. However, no such sheet was attached to the filing.

Please provide a late-filed exhibit which lists the names and addresses for all corporate officers.

2. Proof of Ownership Rule 25-30.035(6), Florida Administrative Code, requires evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99 year lease.

You should be able to obtain a recorded copy of your warranty deed for the land from the County Court House.

3. Territory Description Rule 25-30.035(9), Florida Administrative Code, requires a legal description of the territory the utility is serving, using township, range, and section references or a metes and bounds description. Based on the information provided on February 21, 2005, the staff engineer faxed a revised territory description on February 23, 2005.

You need to contact the staff engineer at the numbers provided below to confirm the revised legal description and answer any further questions he may have.

Please try to complete the above referenced requirements on or before March 25th. Ensure that "Docket No. 040793-SU" appears on the first page of any filing and that all filings are sent directly to the:

Director, Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

If you have any questions, or need any assistance with these requirements, please feel free to contact members of my staff. The staff analyst assigned to your filing is Patricia Brady at (850) 413-6686 or pbrady@psc.state.fl.us and the staff engineer assigned is Richard Redemann at (850) 413-6999 or rredeman@psc.state.fl.us. Should you have any legal questions, please contact Jennifer Rodan, Esq., at (850) 413-6189 or jrodan@psc.state.fl.us.

CERTIFICATION MATTERS

In addition to completing the filing requirements for your grandfather certificate, it is important for you to understand and comply with the following regulatory requirements with respect to record keeping and regulatory assessment fees.

1. Books and Records. The National Association of Regulatory Utility Commissioners (NARUC) has established a uniform system of accounts for water and wastewater utilities. When your certificate of authorization is issued, you will be provided with a booklet that contains the account numbers for wastewater systems. Once certificated, the utility's books must be maintained using the NARUC uniform system of accounts and kept separately from any other business enterprises you may have under Zachary Taylor Camping and Lodge, Inc.
2. Regulatory Assessment Fees (RAFs). As a regulated utility, you will be required to file an annual report and to pay annual RAFs to the Commission equivalent to 4.5% of the utility's gross revenues. Since the jurisdictional date for utilities in Okeechobee County was May 13, 2004, you will be required to file a 2004 annual report and pay RAFs on revenues collected from May 13, 2004 through December 31, 2004. While annual reports and RAFs are normally due March 31st of the following year, as a new grandfather utility, you will be given additional time to complete these requirements. Instructions on filing your 2004 annual report and RAFs will be included in the order granting your certificates.

However, since you know you will be required to pay RAFs, you may wish to file for a pass-through rate adjustment for recovery of RAFs. The forms are available on the Commission's website at www.psc.fl.us. Click on the Water and Wastewater icon in the

Charles R. Freed
Page 3
March 1, 2005

right hand margin, then "Order Establishing 2004 Price Index for Water and Wastewater Utilities."

For additional assistance in filing for a pass-through rate adjustment, please contact Troy Rendell in the Bureau of Rate Filings and Surveillance at (850) 413-6934 or trendell@psc.state.fl.us.

Sincerely,

A handwritten signature in cursive script that reads "Patti Daniel". The signature is written in black ink on a light-colored background.

Patti Daniel
Supervisor of Certification

cc: Division of Economic Regulation (Brady, Redemann, Rendell)
Office of the General Counsel (Rodan)
Division of the Commission Clerk and Administrative Services