

State of Florida



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Public Service Commission

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-M-E-M-O-R-A-N-D-U-M-

DATE: September 17, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Brady, Redemann) Office of the General Counsel (Klancke)

Handwritten initials: RRR, pb, P, J, 198, R, CMK, JSB

RE: Docket No. 080079-SU – Application for certificate to provide wastewater service in Highlands County by Utility Corporation of Florida, Inc. County: Highlands

AGENDA: 09/29/08 – Regular Agenda – Proposed Agency Action for Issues 4 and 5 -- Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Skop

CRITICAL DATES: September 30, 2008 (Statutory Deadline for original certificate pursuant to Section 367.031, Florida Statutes)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080079.RCM.DOC

Case Background

On February 4, 2008, an application was filed on behalf of Utility Corporation of Florida, Inc. (Utility Corp. or utility) for an original certificate to provide wastewater service in Highlands County. Currently, the utility serves 313 residential units and a clubhouse. Most of the residential units are villas used as vacation rentals. It is projected that the utility may serve approximately 900 residential units at buildout. Water service is provided by the Spring Lake Improvement District. The utility is located in the Southern Water Use Caution Area of the South Florida Water Management District, where irrigation is restricted to once a week.

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The utility facilities have been in existence with service provided to the public for compensation since September of 1988. According to the application, there are no other wastewater treatment facilities in the Spring Lake area, and most single family homes are equipped with septic tanks. However, the facility was built to accommodate high density, multi-family developments. As such, the utility's proposed service area consists of a number of homeowner and condominium associations distributed throughout the area. The utility came to the Commission's attention in October of 2007 when its customers were noticed of an increase in rates from a monthly flat rate of \$22.00 to \$32.00, effective January 1, 2008. At that time, the utility facilities were owned by Utility Corp.'s parent, Spring Lake Club, Inc. (SLCI). Upon being informed that it was jurisdictional, SLCI immediately began working on an application for certificate, including the formation of a utility subsidiary, Utility Corp., effective January 1, 2008. The \$10.00 rate increase also went into effect January 1, 2008, as originally noticed. The application for certificate was filed shortly thereafter on February 4, 2008. Having been informed by Commission staff that the rate increase had not been approved by the Commission, Utility Corp. did not mandate that the increase be paid by customers and held any funds collected from the increase subject to refund in an escrow account.

Pursuant to Section 367.031, Florida Statutes (F.S.), the Commission shall grant or deny an application for a certificate of authorization within 90 days after the official filing date of the completed application. Utility Corp.'s application was deemed complete on July 3, 2008, making September 30, 2008, the date its request for certificates must be ruled upon. This recommendation addresses the apparent violations of Sections 367.031 and 367.091, F.S., the request for an original wastewater certificate, appropriate rates and charges, and refunds. The Commission has jurisdiction pursuant to Sections 367.031, 367.045, and 367.091, F.S.

Discussion of Issues

Issue 1: Should Utility Corporation of Florida, Inc. be ordered to show cause, in writing within 21 days, as to why they should not be fined for providing wastewater service to the public for compensation without first obtaining a certificate of authorization from the Commission in apparent violation of Sections 367.031 and 367.045, F.S., and Rule 25-30.034, Florida Administrative Code (F.A.C)?

Recommendation: No. Show cause proceedings should not be initiated. (Klancke)

Staff Analysis: As noted, the facilities currently owned by Utility Corp. have been providing wastewater service to the public for compensation since September of 1988 in apparent violation of Sections 367.031 and 367.045, F.S. According to information provided in the application, the wastewater treatment plant was built by Utility Corp.'s parent company, SLCI, to serve the first high density development in Spring Lake, which was built by Golf Course Associates, Inc. Though the two companies were separate legal entities, they were jointly owned. The information provided in the application further indicates that the original developer was unaware that a certificate of authorization from the Commission was necessary, as the system was subsidized by the developer and not operated for profit. Upon being notified by the Commission that it was jurisdictional, SLCI separated its utility operations from its other business operations by forming Utility Corp, effective January 1, 2008. Both SLCI and Utility Corp. have been responsive in filing this application and providing all subsequent information required by staff.

Section 367.031, F.S., provides that "each utility subject to the jurisdiction of the commission must obtain from the commission a certificate of authorization to provide water or wastewater service." Moreover, Section 356.161(1), F.S., authorizes the Commission 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, F.S. Utilities are charged with the knowledge of the Commission's statutes and rules. Thus, any intentional act, such as Utility Corp. providing wastewater service to the public for compensation since September of 1988 without first obtaining a certificate of authorization from the Commission, would meet the standard for a "willful violation" of Section 367.161(1), F.S. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, 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., having found that the company had not intended to violate the rule, the Commission nevertheless found it appropriate to order the utility to show cause why it should not be fined, stating that "[i]n our view, 'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule."

Although Utility Corp.'s failure to obtain a certificate of authorization from the Commission prior to charging the public for service is an apparent violation of Sections 367.031 and 367.045, F.S., and Rule 25-30.034, F.A.C., there are circumstances which appear to mitigate the apparent violations. SLCI mistakenly believed that it did not need to be regulated if it was providing services to its own development without profit. When SLCI became aware that it was subject to the jurisdiction of the Commission, it immediately took the steps necessary to file for a certificate of authorization, including the formation of a utility subsidiary. In addition, Utility

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Corp. has been extremely responsive to staff's requests for information during the pendency of this application. Since, after initial discussions with staff, the utility fully cooperated in filing this application for a certificate of authorization, staff does not believe that the apparent violations of Sections 367.031, 367.045, F.S., and Rule 25-30.045, F.A.C., rise to the level of warranting a show cause order. Therefore, staff recommends that Utility Corp. should not be fined for providing wastewater service to the public for compensation without first obtaining a certificate of authorization from the Commission in apparent violation of Section 367.031, 367.045, F.S., and Rule 25-30.034, F.A.C.

Issue 2: Should Utility Corporation of Florida, Inc. be ordered to show cause, in writing within 21 days, as to why it should not be fined for initiating an unauthorized rate increase on January 1, 2008, in apparent violation of Sections 367.081(1) and 367.091(3), F.S., and Rule 25-30.135, F.A.C.?

Recommendation: No. Show cause proceedings should not be initiated. (Klancke)

Staff Analysis: As stated in the case background, Utility Corp. placed a \$10.00 increase in monthly rates from \$22.00 to \$32.00 into effect on January 1, 2008. Utility Corp. had notified its customers regarding the rate increase prior to the Commission becoming aware the utility was in existence and charging rates without a certificate of authorization. After being notified that the utility was subject to the jurisdiction of the Commission and that rates and charges needed to be approved by the Commission, the utility subsequently notified its customers that it would not require that the rate increase be paid prior to Commission approval. In addition, the utility placed any funds collected as a result of the rate increase in an escrow account so that it could be refunded, if necessary. As of September 1, 2008, the utility's escrow account had accrued \$2,110.

Section 367.081(1), F.S., provides that a utility may only charge rates and charges that have been approved by the Commission. Section 367.091(3), F.S., requires that each utility's rates, charges, and customer service policies be contained in a tariff approved by and on file with the Commission. Rule 25-30.135(1) and (2), F.A.C. requires utilities to file tariffs and prohibits utilities from modifying or revising their rules, regulations, or schedules of rates and charges until they file and receive approval from the Commission for any such modification or revision. By increasing its rates in January 2008 without Commission approval, Utility Corp. is in apparent violation of the above-identified provisions of Chapter 367, F.S., and Commission rule.

Section 367.161(1), F.S., authorizes the Commission 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, F.S. By increasing its rates January 1, 2008, without prior Commission approval, the utility's act was "willful" in the sense intended by Section 367.161, F.S. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, 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., having found that the company had not intended to violate the rule, the Commission nevertheless found it appropriate to order the utility to show cause why it should not be fined, stating that "[i]n our view, 'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule."

However, staff doesn't believe that a show cause proceeding is appropriate within these factual circumstances. Although Utility Corp.'s failure to obtain Commission approval prior to increasing its rates on January 1, 2008, is an apparent violation of Sections 367.081(1) and 367.091(3), F.S., and Rule 25-30.135, F.A.C., there are circumstances which appear to mitigate the utility's apparent violation. As noted, the increase in rates was a scheduled increase that was noticed prior to the Commission becoming aware of the utility's existence and prior to the utility filing an application for certificate of authorization. In addition, the utility made payment of the rate increase both an option to its customers, and subject to refund. Since the utility did not

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require that its customers pay the increase prior to Commission approval, and the utility made provisions for the possible refund of the monies obtained from the rate increase, staff believes that any possible harm to the customers has been mitigated. Therefore, staff does not believe that the apparent violations of Sections 367.081(1) and 367.091(3), F.S., and Rule 25-30.135, F.A.C., rise to the level that would warrant the initiation of a show cause proceeding in these circumstances.

Issue 3: Should Utility Corporation of Florida, Inc.'s application for wastewater certificate be granted?

Recommendation: Yes. The utility should be granted Certificate No. 550-S to serve the territory described in Attachment A effective the date of the Commission's vote. The resultant order should serve as the utility's wastewater certificate and should be retained by the utility. (Brady, Redemann, Klancke)

Staff Analysis: As stated in the case background, Utility Corp. filed an application for an original wastewater certificate on February 4, 2008. As completed on July 3, 2008, the application is in compliance with the governing statute, Section 367.045, F.S., and other pertinent statutes and administrative rules concerning an application for original certificate.

The application contains evidence that notice of the application was given pursuant to Rule 25-30.030, F.A.C. No objections to the notice have been filed with the Commission and the time for filing objections has expired. The application also contains a description of the territory to be served, a detailed system map, and an adequate territory map as prescribed by Rule 25-30.034(1)(h), (i) and (j), Florida Administrative Code (F.A.C.). A description of the territory requested by the applicant is appended to this memorandum as Attachment A. Pursuant to Rule 25-30.034(1)(e), F.A.C., the application contains a 99-year Commercial Lease Agreement between SLCI and Utility Corp. entered into on January 1, 2008.

The applicant has the financial and technical ability to provide wastewater service to the area. In preparation for regulation, Utility Corp. was incorporated by SLCI as of January 1, 2008, to separate utility and non-utility functions and assets. As a consequence, Utility Corp. has not been in existence long enough to establish a financial record on its own. Instead, the application contains a copy of SLCI's financial statements, as well as a pledge by SLCI to continue to provide financial support for Utility Corp. until it becomes profitable or is sold to a third party. From SLCI's financial statements, it appears that Utility Corp. will have sufficient access to equity to continue to provide safe, reliable, and efficient wastewater services. In addition, the application indicates that Utility Corp. has the experienced personnel and licensed operators necessary to ensure that its facilities will be properly operated and maintained.

At the time the application was filed, staff verified with the Florida Department of Environmental Protection (DEP) that Utility Corp. was currently in compliance with all of that agency's standards and rules. At that time, reuse water was permitted for discharge into a sealed stormwater runoff pond. Prior to this season's tropical storms, Utility Corp. diverted all reuse water to irrigation for SLCI's golf course facilities. During Hurricane Fay, SLCI removed the sand plug on the pond so that excess stormwater runoff could discharge directly into an existing, adjacent canal. This was done to avoid a backup of storm water into customers' septic tanks, but was also done prior to having the pond re-permitted exclusively for stormwater. According to information provided by DEP and Utility Corp., the utility's engineering firm is coordinating with DEP on the re-permit process and on contingencies for possible storms in the interim.

Finally, staff has verified that the utility's books and records have been converted to the National Association of Regulatory Utility Commissioners' Uniform System of Accounts. Staff

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has also confirmed that utility management understands the need to keep the utility's records separate from those of the parent on a going-forward basis.

Based on the above information, staff recommends that it is in the public interest to grant Utility Corp. Certificate No. 550-S to serve the territory described in Attachment A effective the date of the Commission's vote. The resultant order should serve as Utility Corp.'s water and wastewater certificate and should be retained by the utility.

Issue 4: What are the appropriate rates and charges for Utility Corporation of Florida, Inc.?

Recommendation: A monthly service rate of \$32.00 per unit for wastewater treatment services should be approved. In addition, a usage charge of \$0.50 per thousand gallons of treated effluent should be approved. Utility Corp. should be required to charge these approved rates until authorized to change them by this Commission in a subsequent proceeding. Utility Corp. should file a proposed customer notice and tariff sheets reflecting the Commission-approved rates for staff approval. Once the notice and tariff sheets have been approved, rates should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The utility should distribute the approved notice to customers no later than with the first bill containing the rates. Proof of the date the notice was given should be filed within ten days after the date of the notice. (Brady, Redemann)

Staff Analysis: Since there are no water meters to measure individual usage in the wastewater treatment system and since it serves a largely homogenous group, customers are charged a monthly flat rate. The utility's proposed monthly flat rate is \$32.00 per unit for residential and general service customers, which includes a few single family homes, a triplex, and several homeowners and condominium associations. The clubhouse is billed at a rate of 4 times \$32.00, based on historical water usage. The utility does not propose any miscellaneous service charges or customer deposits. While the utility is not built out, it does not propose any service availability charges; requiring, instead, that new lines be donated by the developer. This is consistent with Rule 25-30.580, F.A.C.

As previously discussed, the Commission became aware of the existence of the utility when it noticed its customers of a \$10.00 increase in rates from \$22.00 to \$32.00, effective January 1, 2008. As part of the application, Utility Corp. provided documentation in support of a monthly rate of \$32.00 per unit. Collecting \$32.00 per unit per month for 317 units will result in revenues of \$121,728 per year. The utility provided a schedule showing historical operating and maintenance (O&M) costs for 2007 and projected O&M costs for 2008. Of primary concern to the utility in proposing the \$10.00 rate increase was the additional operator hours required by DEP. At the time of the application, the utility had one operator which worked a regular 40 hour week. Because the utility provides effluent treated to public access standards, DEP required the utility to have operators monitoring its wastewater treatment system 24 hours a day, seven days a week. During the pendency of the application, DEP modified its prior requirement to that of having an operator available 8 hours a day, seven days a week, which is the equivalent of one full-time and one part-time operator.

In addition to employee salary, wages, and payroll taxes, Utility Corp.'s O&M expenses include professional fees for accounting and management, contractual services, rent, purchased power, sludge removal, chemicals, materials and supplies, insurance, miscellaneous expenses, and regulatory assessment fees totaling approximately \$168,026, which exceed the utility's proposed revenues. Staff has reviewed the utility's expenses and believes that they are reasonable for purposes of determining whether the utility's proposed monthly service rate of \$32.00 per unit is justified.

In addition to providing wastewater treatment services, the utility has reclaimed water facilities. The treated effluent is used to provide irrigation to SLCI's golf course facilities. In order to ensure that the provision of irrigation services to SLCI is not cross subsidized by the utility's other customers, staff recommends that a usage charge of \$0.50 per thousand gallons of treated effluent be approved. The utility has a meter which registers the amount of treated effluent leaving the weir, which is the final processing facility for the treated effluent. At an estimated annual usage of 4,470,000 gallons, the revenues would offset the utility's operating expenses by approximately \$2,235 while still not causing the utility to overearn.

Therefore, staff recommends that a monthly service rate of \$32.00 per unit for wastewater treatment services should be approved. In addition, a charge \$0.50 per thousand gallons of treated effluent should be approved. Utility Corp. should be required to charge these approved rates until authorized to change them by this Commission in a subsequent proceeding. Utility Corp. should file a proposed customer notice and tariff sheets reflecting the Commission-approved rates for staff approval. Once the notice and tariff sheets have been approved, rates should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The utility should distribute the approved notice to customers no later than with the first bill containing the rates. Proof of the date the notice was given should be filed within ten days after the date of the notice.

Issue 5: Should the utility be required to refund any increase in rates collected since January 1, 2008?

Recommendation: Yes. The utility should be required to refund all of the revenues collected from the unauthorized rate increase, with interest, within 90 days of the Consummating Order, pursuant to Rule 25-30.360, F.A.C. Interest should be calculated pursuant to Rule 25-30.360(4), F.A.C., with the average monthly interest rate calculated for each month of the refund period. Interest on the refunds should continue to accrue until the refunds are complete. The refunds should be credited to the accounts of the customers who paid the unauthorized rate increase (qualified customers) or mailed to each qualified customer's last known address. No maintenance or administrative costs associated with the refunds should be borne by the customers. The utility should provide monthly refund reports until the refunds are completed, as well as a final refund status report within 30 days from the date that the refunds are completed, as required by Rule 25-30.360(2) and (7), F.A.C, respectively. The utility should treat any unclaimed refunds in accordance with Rule 25-30.360(8), F.A.C. (Klancke, Brady)

Staff Analysis: As previously noted, the utility placed a \$10.00 rate increase into effect on January 1, 2008, after learning that the utility was subject to the jurisdiction of the Commission, but prior to the filing of its application for certificate on February 4, 2008. The utility did not make the rate increase mandatory and placed the revenues collected from the rate increase in an escrow account, which has accrued a balance of \$2,110 as of September 1, 2008. As previously discussed in Issue 2, staff does not recommend that the utility be required to show cause why it should not be fined for violation of Sections 367.081(1) and 367.091(3), F.S., and Rule 25-30.135, F.A.C. However, since the rate increase was not approved by the Commission in violation of Section 367.081, F.S., staff recommends that all revenues from the unauthorized rate increase should be refunded to qualified customers with interest.

Therefore, staff recommends that Utility Corp. should be required to refund all of the revenues collected from the unauthorized rate increase, with interest, within 90 days of the Consummating Order, pursuant to Rule 25-30.360, F.A.C. Interest should be calculated pursuant to Rule 25-30.360(4), F.A.C., with the average monthly interest rate calculated for each month of the refund period. The interest on the refunds should continue to accrue until the refunds are complete. The refunds should be credited to the accounts of the qualified customers or mailed to each qualified customer's last known address. No maintenance or administrative costs associated with the refunds should be borne by the customers. The utility should provide monthly refund reports until the refunds are completed, as well as a final refund status report within 30 days from the date that the refunds are completed, as required by Rule 25-30.360(2) and(7), F.A.C, respectively. The utility should treat any unclaimed refunds in accordance with Rule 25-30.360(8), F.A.C.

Issue 6: Should this docket be closed?

Recommendation: No. Upon expiration of the protest period, if a timely protest is not filed by a substantially affected person to the proposed agency action issues, the Order should become final and effective upon the issuance of a Consummating Order. The docket should be held open pending verification that noticing to customers of the Commission-approved rates has been given and that refunds to customers have been made after which staff should be granted administrative authority to close the docket. (Klancke)

Staff Analysis: Upon expiration of the protest period, if a timely protest is not filed by a substantially affected person to the proposed agency action issues, the Order should become final and effective upon the issuance of a Consummating Order. The docket should be held open pending verification that noticing to customers of the Commission-approved rates has been given and that refunds to customers have been made after which staff should be granted administrative authority to close the docket.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory
Highlands County**

Parcel A

**Township 35 South, Range 30 East
Section 16**

(Parcel A) Country Club Villas Phase I, Plat Book 15, Page 74, Public Records of Highlands County, Florida, Country Club Villas Phase II, Plat Book 15, Page 111, Public Records of Highlands County, Florida, and Country Club Villas Phase III, Plat Book 15, Page 139, Public Records of Highlands County, Florida, lying in Section 16, Township 35 South, Range 30 East and being more particularly described as follows:

From the Northeast corner of said Section 16 $S00^{\circ}26'13''W$ along the East line of said Section 16 a distance of 1,476.91 feet; thence $N66^{\circ}57'26''W$ a distance of 121.04 feet; thence $S82^{\circ}57'50''W$ a distance of 419.52 feet; thence $S78^{\circ}53'21''W$ a distance of 230.00 feet to the West right-of-way line of Duane Palmer Boulevard and the point of curvature of a curve concave to the left having a radius of 1,325.38 feet, a central angle of $18^{\circ}32'02''$, and a chord bearing of $S20^{\circ}22'40''E$, also being the Point of Beginning of the herein described parcel; thence Southeasterly along said right-of-way line and curve an arc distance of 428.73 feet; thence $S38^{\circ}25'43''W$ a distance of 120.35 feet; thence $S72^{\circ}03'49''W$ a distance of 120.00 feet; thence $S02^{\circ}00'00''E$ a distance of 920.00 feet to a point on a curve concave to the left having a radius of 965.34 feet, central angle of $2^{\circ}22'27''$, and a chord bearing of $N87^{\circ}42'01''W$; thence Northwesterly along said curve an arc distance of 40.00 feet to the point of tangency of said curve; thence $N88^{\circ}53'15''W$ a distance of 467.98 feet to the point of curvature of a curve concave to the right having a radius of 378.28 feet, a central angle of $73^{\circ}07'00''$; thence Northwesterly along said curve an arc distance of 482.73 feet to the terminus of said curve; thence $N06^{\circ}51'06''W$ a distance of 64.50 feet; thence $N15^{\circ}46'15''W$ a distance of 765.00 feet to a point on a curve concave to the left having a radius of 200.00 feet, central angle of $90^{\circ}00'00''$, and a chord bearing of $S60^{\circ}46'15''E$; thence Southeasterly along said curve an arc distance of 314.16 feet to the point of tangency of said curve; thence $N74^{\circ}13'45''E$ a distance of 615.93 feet to the point of curvature of a curve concave to the left having a radius of 200.00 feet and a central angle of $85^{\circ}20'24''$; thence Northeasterly along said curve an arc distance of 297.89 feet; thence $N11^{\circ}06'39''W$ a distance of 95.00 feet; thence $N78^{\circ}53'21''E$ a distance of 125.00 feet to the said West right-of-way line of Duane Palmer Boulevard; thence $S11^{\circ}06'39''E$ along said right-of-way line a distance of 13.37 feet to the Point of Beginning. Contains 22.99 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel B

**Township 35 South, Range 30 East
Sections 15 and 16**

(Parcel B) Waterway Patio Homes Official Records Book 1496, Page 1310 and Records Book 1698, Page 1869 Public Records of Highlands County, Florida, lying in Sections 15 and 16, Township 35 South, Range 30 East and being more particularly described as follows:

From the Northwest corner of said Section 15 S00°26'13"W along the West line of said Section 15 also being the East line of said Section 16 a distance of 1,476.91 feet to the Point of Beginning of the herein described parcel; thence S66°57'26"E a distance of 230.26 feet; thence S52°23'43"E a distance of 177.88 feet to a point on a curve concave to the right having a radius of 1,608.06 feet, a central angle of 31°04'05", and a chord bearing of S51°54'05"W; thence Northeasterly along said curve an arc distance of 871.95 feet to a point of reverse curvature of a curve concave to the left having a radius of 490.00 feet, a central angle of 37°05'57", and a chord bearing of N48°53'08"E; thence Northeasterly along said curve an arc distance of 317.28 feet to the point of reverse curvature of a curve concave to the right having a radius of 279.00 feet, central angle of 63°39'32", and a chord bearing of N62°09'56"E; thence Northeasterly along said curve an arc distance of 309.98 feet; to the terminus of said curve; thence S12°12'19"E a distance of 219.39 feet; thence S64°01'18"W a distance of 638.59 feet to the point of curvature of a curve concave to the left having a radius of 1483.06 feet, a central angle of 38°43'07", and a chord bearing of S44°39'45"W; thence Southwesterly along said curve an arc distance of 1,002.20 feet; thence S25°18'12"W a distance of 533.79 feet to the North right-of-way line of Duane Palmer Boulevard and a point on a curve concave to the right having a radius of 1491.46 feet, central angle of 4°49'11", and a chord bearing of N59°58'52"W; thence Northwesterly along said right-of-way line and along said curve an arc distance of 125.46 feet; thence N25°18'12"E a distance of 151.30 feet to a point on a curve concave to the right having a radius of 1,341.46 feet, central angle of 19°23'04", and a chord bearing of N47°04'39"W; thence Northwesterly along said curve an arc distance of 453.84 feet to the point of tangency of said curve; thence N37°23'07"W a distance of 44.99 feet to the point of curvature of a curve concave to the right having a radius of 1,095.38 feet, central angle of 26°16'28" chord bearing of N24°14'53"W; thence Northwesterly along said curve an arc distance of 502.31 feet; thence N82°57'50"E a distance of 419.52 feet; thence S66°57'26"E a distance of 121.04 feet to the Point of Beginning. Contains 16.98 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel BA

**Township 35 South, Range 30 East
Section 15**

(Parcel BA) The East 275 feet more or less of Parcel F, Fairway Lakes, Plat Book 12, Page 43, Public Records of Highlands County, Florida, lying in Section 15, Township 35 South, Range 30 East and being more particularly described as follows:

From the Northwest corner of said Section 15 S00°26'13"W along the West line of said Section 15 a distance of 1,476.91 feet; thence S66°57'26"E a distance of 230.26 feet; thence S52°23'43"E a distance of 177.88 feet to a point on a curve concave to the right having a radius of 1,608.06 feet, a central angle of 31°04'05", and a chord bearing of S51°54'05"W; thence Northeasterly along said curve an arc distance of 871.95 feet to a point of reverse curvature of a curve concave to the left having a radius of 490.00 feet, a central angle of 37°05'57", and a chord bearing of N48°53'08"E; thence Northeasterly along said curve an arc distance of 317.28 feet to the point of reverse curvature of a curve concave to the right having a radius of 279.00 feet, central angle of 63°39'32", and a chord bearing of N62°09'56"E; thence Northeasterly along said curve an arc distance of 309.98 feet to the terminus of said curve and the Point of Beginning of the herein described parcel; thence N12°12'19"W a distance of 335.79 feet to a point on a curve concave to the left having a radius of 1,669.64 feet, a central angle of 0°11'07", and a chord bearing of N77°51'51"E; thence Northeasterly along said curve an arc distance of 5.40 feet to the point of tangency of said curve; thence N77°47'41"E a distance of 269.60 feet; thence S12°12'19"E a distance of 487.76 feet; thence S64°01'18"W a distance of 283.14 feet; thence N12°12'19"E a distance of 219.39 feet to the Point of Beginning. Contains 3.29 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel BB

**Township 35 South, Range 30 East
Section 15**

(Parcel BB) A portion of the North 500 feet of the South 600 feet of the West 300 feet of the drainage and maintenance tract lying adjacent to the East line of Parcel F, Fairway Lakes, Plat Book 12, Page 43, Public Records of Highlands County, Florida, lying in Section 15, Township 35 South, Range 30 East and being more particularly described as follows:

From the Northwest corner of said Section 15 S00°26'13"W along the West line of said Section 15 a distance of 1476.91 feet; thence S66°57'26"E a distance of 230.26 feet; thence S52°23'43"E a distance of 177.88 feet to a point on a curve concave to the right having a radius of 1,608.06 feet, a central angle of 31°04'05", and a chord bearing of S51°54'05"W; thence Northeasterly along said curve an arc distance of 871.95 feet to a point of reverse curvature of a curve concave to the left having a radius of 490.00 feet, a central angle of 37°05'57", and a chord bearing of N48°53'08"E; thence Northeasterly along said curve an arc distance of 317.28 feet to the point of reverse curvature of a curve concave to the right having a radius of 279.00 feet, central angle of 63°39'32", and a chord bearing of N62°09'56"E; thence Northeasterly along said curve an arc distance of 309.98 feet to the terminus of said curve; thence N12°12'19"W a distance of 335.79 feet to a point on a curve concave to the left having a radius of 1669.64 feet, a central angle of 0°11'07", and a chord bearing of N77°51'51"E; thence Northeasterly along said curve an arc distance of 5.40 feet to the point of tangency of said curve; thence N77°47'41"E a distance of 269.60 feet to the Point of Beginning of the herein described parcel; thence continue N77°47'41"E a distance of 300.00 feet; thence S12°12'19"E a distance of 414.23 feet; thence S64°01'18"W a distance of 308.88 feet; thence N12°12'19"W a distance of 487.76 feet to the Point of Beginning. Contains 3.11 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel C

**Township 35 South, Range 30 East
Section 15**

(Parcel C) Parcel J, and J-1 Spring Lake Village VII Plat Book 11, Page 7 Public Records of Highlands County, Florida lying in Section 15, Township 35 South, Range 30 East and being more particularly described as follows:

From the Northwest corner of said Section 15 S00°26'13"W along the West line of said Section 15 a distance of 2,600.27 feet; thence S89°33'47"E a distance of 161.60 feet to the South right-of-way line of Duane Palmer Boulevard and the Point of Beginning of the herein described parcel; thence Southeasterly along said right-of-way line and along a curve concave to the left having a radius of 1,571.46 feet, a central angle of 37°47'44", and a chord bearing of S85°46'57"E an arc distance of 1,036.63 feet; thence S27°52'00"E a distance of 649.44 feet to a point on a curve concave to the right having a radius of 1,382.39 feet, a central angle of 26°56'07", and a chord bearing of S75°36'03"W; thence Southwesterly along said curve an arc distance of 649.87 feet; thence N08°54'42"W a distance of 361.31 feet to a point on a curve concave right having a radius of 1897.59 feet, a central angle of 25°09'17", and a chord bearing of N78°05'29"W; thence Northwesterly along said curve an arc distance of 833.11 feet to a point on a curve concave to the left having a radius of 1090.40 feet, a central angle of 14°06'57", and a chord bearing of N32°21'40"E; thence Northeasterly along said curve an arc distance of 268.64 feet; thence N25°18'12"E a distance of 61.15 feet to the Point of Beginning. Contains 13.69 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel D

**Township 35 South, Range 30 East
Sections 9 and 10**

(Parcel D) Blocks A-A, B-B, D, E, F, Y, and Z, Spring Lake Village VII, Plat Book 11, Page 7, Public Records of Highlands County, Florida, lying in Sections 9 and 10, Township 35 South, Range 30 East and being more particularly described as follows:

From the Southwest corner of said Section 10 N04°27'29"E along the West line of said Section 10 a distance of 272.27 feet to the Point of Beginning of the herein described parcel; thence N74°21'03"W a distance of 172.65 feet; thence N15°38'57"E a distance of 364.09 feet to the point of curvature of a curve concave to the left having a radius of 2249.05 feet and a central angle of 17°43'57"; thence Northerly along said curve an arc distance of 696.06 feet to the point of reverse curvature of a curve concave to the right having a radius of 200.00 feet and a central angle of 85°33'02"; thence Northeasterly along said curve an arc distance of 293.63 feet to the point of tangency of said curve; thence N83°28'02"E a distance of 107.36 feet to a point on a non-tangent curve concave to the left having a radius of 2549.05 feet, a central angle of 02°00'19", and a chord bearing of N07°45'37"W; thence Northerly along said curve an arc distance of 89.22 feet to the point of reverse curvature of a curve concave to the right having a radius of 50.00 feet and a central angle of 95°52'25"; thence Northeasterly along said curve an arc distance of 83.67 feet to the point of reverse curvature of a curve concave to the left having a radius of 964.94 feet and a central angle of 11°44'19"; thence Easterly along said curve an arc distance of 197.69 feet to the point of reverse curvature of a curve concave to the right having a radius of 50.00 feet and a central angle of 100°04'33"; thence Southeasterly along said curve an arc distance of 87.33 feet to the point of tangency of said curve; thence S04°33'09"E a distance of 206.05 feet to the point of curvature of a curve concave to the right having a radius of 2,849.05 feet and a central angle of 18°20'39"; thence Southerly along said curve an arc distance of 912.17 feet; thence N76°12'30"W a distance of 125.00 feet to a point on a curve concave to the right having a radius of 2724.05 feet, a central angle of 01°51'27", and a chord bearing of S14°43'14"W; thence Southerly along said curve an arc distance of 88.31 feet to the point of tangency of said curve; thence S15°38'57"W a distance of 289.09 feet to the point of curvature of a curve concave to the right having a radius of 75.00 feet and a central angle of 90°00'00"; thence Southwesterly along said curve an arc distance of 117.81 feet to the point of tangency of said curve; thence N74°21'03"W a distance of 227.35 feet to the Point of Beginning. Contains 18.22 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel E

**Township 35 South, Range 30 East
Section 10**

(Parcel E) Oak Leaf Subdivision, Plat Book 15, Page 115, Public Records of Highlands County, Florida, lying in Section 10, Township 35 South, Range 30 East and being more particularly described as follows:

From the Southeast corner of said Section 10 S89°40'25"W along the South line of said Section 10 a distance of 1284.22 feet; thence N65°38'00"E a distance of 5.83 feet to the Point of Beginning of the herein described parcel; thence N24°22'00"W a distance of 575.00 feet; thence N26°51'07"E a distance of 70.42 feet; thence N65°38'00"E a distance of 575.10 feet to the West right-of-way line of Duane Palmer Boulevard; thence S24°22'00"E along said West right-of-way line a distance of 619.11 feet; thence S65°38'00"W a distance of 630.00 feet to the Point of Beginning. Contains 8.93 acres more or less.

Parcel F

**Township 35 South, Range 30 East
Section 10**

(Parcel F) Parcel D, Spring Lake Village VII, Plat Book 11, Page 7, Public Records of Highlands County, Florida, lying in Section 10, Township 35 South, Range 30 East and being more particularly described as follows:

From the Southeast corner of said Section 10 S89°40'25"W along the South line of said Section 10 a distance of 1,284.22 feet; thence N65°38'00"E a distance of 5.83 feet; thence N65°38'00"E a distance of 710.00 feet to the East right-of-way line of Duane Palmer Boulevard and the Point of Beginning of the herein described parcel; thence N24°22'00"W along said East right-of-way line a distance of 732.32 feet to the point of curvature of a curve concave to the right having a radius of 1479.58 feet and a central angle of 06°44'35"; thence Northerly along said curve an arc distance of 174.13 feet; thence N74°42'01"E a distance of 58.79 feet to the point of curvature of a curve concave to the left having a radius of 1037.28 feet and a central angle of 10°04'30"; thence Easterly along said curve an arc distance of 182.40 feet; thence S24°22'00"E a distance of 854.43 feet to a point on a curve concave to the right having a radius of 475.34 feet and a central angle of 20°18'41"; thence Southwesterly along said curve an arc distance of 168.51 feet to the point of tangency of said curve; thence S65°38'00"W a distance of 85.00 feet to the Point of Beginning. Contains 5.07 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel G

**Township 35 South, Range 30 East
Section 10**

(Parcel G) Lots 1 thru 12, Block A Fairway Lakes, Plat Book 12, Page 43, Public Records of Highlands County, Florida, lying in Section 10, Township 35 South, Range 30 East and being more particularly described as follows:

From the Northwest corner of said Section 10 S89°59'15"E along the North line of said Section 10 a distance of 371.48 feet; thence S09°47'38"E a distance of 678.77 feet to the Point of Beginning of the herein described parcel; thence N00°43'40"E a distance of 237.77 feet to a non-tangent curve concave to the right having a radius of 175.00 feet, a central angle of 185°30'05", and a chord bearing of N41°42'41"E; thence Northeasterly along said curve an arc distance of 566.58 feet to the terminus of said curve; thence S34°23'40"E a distance of 28.61 feet to a point on a curve concave to the right having a radius of 500.00 feet, a central angle of 31°30'00", and a chord bearing of S74°15'46"W; thence Easterly along said curve an arc distance of 274.89 feet to the point of tangency of said curve; thence S89°59'14"E a distance of 895.17 feet to a point on a curve concave to the left having a radius of 250.00 feet, central angle of 41°17'52" and chord bearing of S27°31'41"E; thence Southerly along said curve an arc distance of 180.20 feet to the point of reverse curvature of a curve concave to the right having a radius of 530.00 feet and a central angle of 87°15'12"; thence Southerly along said curve an arc distance of 807.11 feet to the point of reverse curvature of a curve concave to the left having a radius of 400.00 feet and a central angle of 17°35'18"; thence Southerly along said curve an arc distance of 122.79 feet to the point of compound curvature of a curve concave to the left having a radius of 55.00 feet and a central angle of 107°13'10"; thence Southeasterly along said curve an arc distance of 102.92 feet to the point of reverse curvature of a curve concave to the right having a radius of 55.00 feet and a central angle of 96°40'44"; thence Southeasterly along said curve an arc distance of 92.81 feet to the point of tangency of said curve; thence S10°56'51"W a distance of 82.46 feet to a point on a curve concave to the left having a radius of 978.72 feet, central angle of 17°12'23", and a chord bearing of S88°48'33"W; thence Westerly along said curve an arc distance of 293.92 feet to the point of tangency of said curve; thence S80°12'22"W a distance of 1342.13 feet to the point of curvature of a curve concave to the right having a radius of 25.00 feet and a central angle of 90°00'00"; thence Northwesterly along said curve an arc distance of 39.27 feet to the point of tangency of said curve; thence N09°47'38"W a distance of 611.87 feet; thence N80°12'22"E a distance of 65.00 feet to the point of curvature of a curve concave to the left having a radius of 160.00 feet and a central angle of 90°00'00"; thence Northeasterly along said curve an arc distance of 251.33 feet to the point of tangency of said curve; thence N09°47'38"W a distance of 80.00 feet to the Point of Beginning. Contains 49.06 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel H

**Township 35 South, Range 30 East
Sections 9, 10, 15, and 16**

(Parcel H) Lots 1 thru 18, Block D and Lots 29 thru 36, Block B Fairway Lakes, Plat Book 12, Page 43, Public Records of Highlands County, Florida, lying in Sections 9, 10, 15, and 16 Township 35 South, Range 30 East and being more particularly described as follows:

From the Southwest corner of said Section 10 also being the Northwest corner of said Section 15 $S00^{\circ}26'13''E$ along the West line of said Section 15 a distance of 229.62 feet to the Point of Beginning of the herein described parcel; thence $N63^{\circ}25'48''W$ a distance of 211.41 feet to the point of curvature of a curve concave to the right having a radius of 96.46 feet and a central angle of $79^{\circ}04'45''$; thence Northwesterly along said curve an arc distance of 133.13 feet to the point of tangency of said curve; thence $N15^{\circ}38'57''E$ a distance of 354.00 feet; thence $S74^{\circ}21'03''E$ a distance of 400.00 feet to the point of curvature of a curve concave to the left having a radius of 75.00 feet and a central angle of $90^{\circ}00'00''$; thence along said curve an arc distance of 117.81 feet to the point of tangency said curve; thence $N15^{\circ}38'57''E$ a distance of 289.09 feet to the point of curvature of a curve concave to the left having a radius of 2,424.05 feet and a central angle of $01^{\circ}51'27''$; thence Northerly along said curve an arc distance of 88.31 feet; thence $S76^{\circ}12'30''E$ a distance of 125.00 feet to a point on a curve concave to the right having a radius of 2,849.05 feet a central angle of $00^{\circ}35'00''$ and a chord bearing of $S14^{\circ}05'00''W$; thence Southerly along said curve an arc distance of 29.01 feet; thence $S75^{\circ}37'30''E$ a distance of 270.00 feet to a point on a curve concave to the left having a radius of 3119.05 feet, a central angle of $00^{\circ}14'56''$, and a chord bearing of $N14^{\circ}15'02''E$; thence Northerly along said curve an arc distance of 13.54 feet; thence $S75^{\circ}52'24''E$ a distance of 230.01 feet to a point on a curve concave to the right having a radius of 3,349.05 feet and a central angle of $02^{\circ}23'22''$; thence Southerly along said curve an arc distance of 139.67 feet to the point of tangency of said curve; thence $S16^{\circ}30'58''W$ a distance of 734.02 feet to a point on a curve concave to the right having a radius of 1563.04 feet and a central angle of $04^{\circ}20'55''$; thence Northwesterly along said curve an arc distance of 118.63 feet to the point of tangency of said curve; thence $N74^{\circ}21'03''W$ a distance of 480.00 feet; thence $S88^{\circ}18'34''W$ a distance of 213.96 feet to the Point of Beginning. Contains 17.36 acres more or less.

**Utility Corporation of Florida, Inc.
Wastewater Service Territory, continued
Highlands County**

Parcel I

**Township 35 South, Range 30 East
Section 10**

(Parcel I) That portion of the North 230 feet of Parcel B lying East of Lot 24, Block B and West of Duane Palmer Boulevard, Fairway Lakes, Plat Book 12, Page 43, Public Records of Highlands County, Florida, Section 10, Township 35 South, Range 30 East and being more particularly described as follows:

From the Southeast corner of said Section 10 N00°16'00"E along the East line of said Section 10 a distance of 1,430.66 feet; thence N89°44'00"W a distance of 1,146.02 feet to the West right-of-way line of Duane Palmer Boulevard and the Point of Beginning of the herein described parcel; thence S87°58'09"W a distance of 96.46 feet to the point of curvature of a curve concave to the left having a radius of 1400.00 feet and a central angle of 26°00'00"; thence Westerly along said curve an arc distance of 635.30 feet; thence N28°01'51"W a distance of 230.00 feet to a point on a curve concave to the right having a radius of 1,630.00 feet and a central angle of 26°00'00"; thence Northeasterly along said curve an arc distance of 739.67 feet to the point of tangency of said curve; thence N87°58'09"E a distance of 75.00 feet to the point of curvature of a curve concave to the right having a radius of 25.00 feet and a central angle of 94°42'21"; thence Southeasterly along said curve an arc distance of 41.32 feet to the said West right-of-way line of Duane Palmer Boulevard and the point of compound curvature of a curve concave to the left having a radius of 1559.58 feet and a central angle of 07°27'44"; thence Southerly along said right-of-way line and curve an arc distance of 203.12 feet to the Point of Beginning. Contains 14.14 acres more or less.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes

Utility Corporation of Florida, Inc.
pursuant to
Certificate Number 550-S

to provide wastewater service in Highlands County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	080079-SU	Original Certificate

***Order Number and date to be provided at time of issuance.**