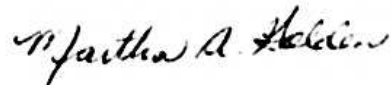


Mr. S. Ray Gill
October 10, 1996
Page 2

- 1, 1996 through the date the certificates are cancelled by the PSC. If this is not correct, please explain who will be responsible for these items.
3. **Tariffs.** Rule 25-30.037(s), F.A.C., requires the original and two copies of sample tariff sheets reflecting the change in ownership. The application states that the "buyer is a not-for-profit corporation and will be supplying water and sewer services to its members only. Buyer is therefore exempt from the tariff requirements of PSC." Based upon my conversations with you and Mr. Randy Klein, it appears that the buyer may qualify for an exemption from PSC regulation. In order to help us make that determination, please provide a copy of the Civic Association of Rio Vista Utilities, Inc.'s articles of incorporation as filed with the Secretary of State and the bylaws.
4. **Legal Description.** Rule 25-30.030(2), F.A.C., specifies the format that should be used for the legal description contained in the notice of application. The legal description the utility used in its notice is not in the correct format. Further, it does not agree with the territory description that was approved for the utility when it was granted its original certificates by Order No. 11336. According to our records, the utility has never requested an amendment to its territory, therefore, the utility's current territory description should be the same as that shown in Order No. 11336. Therefore, the utility will be required to reissue the notice of application with the correct territory description. Please provide a sample notice with the correct legal description for our review prior to issuing the corrected notice. We have attached a page from that Order showing the correct territory description for your reference.

Please file the original and five copies of the corrected notice no later than November 15, 1996. Please file the original and five copies of the remaining requested information no later than February 3, 1997 with Ms. Blanca Bayo, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850. Please feel free to call Richard Redemann at (904)413-6999 or me at (904)413-7015 if you have any questions.

Sincerely,



Martha A. Golden
Economic Analyst

/MAG

Attachment

cc: Mr. H. Randolph Klein
Division of Water and Wastewater (Hill, Williams, Messer, Redemann)
Division of Legal Services (Jaber, Cyrus-Williams)
Division of Records and Reporting

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of ASTOR WEST, INC., for a rate increase to its customers in Marion County, Florida.

DOCKET NO. 810385-WS (CR)

ORDER NO. 11336

ISSUED: 11-18-82

The following Commissioners participated in the disposition of this matter:

GERALD L. GUNTER
SUSAN W. LEISNER
JOHN R. MARKS, III
KATIE NICHOLS

PROPOSED AGENCY ACTION

ORDER GRANTING CERTIFICATE, ESTABLISHING RATE BASE AND SETTING RATES AND SERVICE AVAILABILITY CHARGES

BY THE COMMISSION:

On May 5, 1981, the Marion County Commission transferred jurisdiction of its water and sewer facilities to this Commission. Pursuant to Section 367.171, Florida Statutes (1981), the Commission hereby certifies Astor West, Inc., establishes rate base, and sets rates and service availability charges.

CERTIFICATION

The utility has met the requirements of Section 367.171, Florida Statutes (1981), and has paid the appropriate filing fee. Accordingly, we grant a certificate to the utility to service the area described herein:

Township 16, South, Range 19 East

Section 30

All of the Northwest 1/4 lying North and West of the Rainbow River (Blue Run)

Except

The North 200 feet of said Northwest 1/4 lying West of the Rainbow River, said North 200 feet extending along and parallel to the North boundary of said Northwest 1/4 of Section 30.

RATE RELATED MATTERS

Cost of Capital - The capital structure of Astor West, Inc. is 100% equity. Accordingly, and consistent with the leverage curve, the Commission hereby sets the utility's cost of capital at 13.5%.

Rate Base - As set out in Schedules 1 and 2, the utility's adjusted rate base is \$10,509 for its water division and \$18,983 for its sewer division. Schedule 3 details the adjustments we made to the utility's book value for the test year ended November 30, 1981. We based the utility's plant in service, its accumulated depreciation and its net contributions-in-aid-of-construction on a thirteen month average. Moreover, we adjusted utility plant in service to reclassify and add assets which were either misclassified or not recorded on the utility's books of account, and we adjusted accumulated depreciation accordingly also.