

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of BFF Corporation) DOCKET NO. 890045-SU
for transfer and amendment of Certifi-)
cate No. 318-S in Marion County from LTB) ORDER NO. 22371
Utility, Inc. to BFF Corporation.)
_____) ISSUED: 1-8-90

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
THOMAS M. BEARD
BETTY EASLEY
GERALD L. GUNTER
JOHN T. HERNDON

ORDER GRANTING TRANSFER AND AMENDMENT OF
CERTIFICATE NO. 318

AND

NOTICE OF PROPOSED AGENCY AGENCY

ORDER ESTABLISHING RATE BASE, APPROVING RATES AND
CHARGES AND DENYING ACQUISITION ADJUSTMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is final except for the establishment of rate base, approval of rates and charges and denial of a positive acquisition adjustment, which are preliminary in nature and which will become final unless a person whose interests are substantially affected files a petition for formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

Background

On March 1, 1988, the Marion County Circuit Court awarded Mr. Harvey Klein, Trustee, certificate of title to the assets of LTB Utility, Inc. (LTB) through foreclosure. Shortly thereafter, Mr. Klein changed the name of the utility from LTB Utility, Inc. to BARF, Inc. (BARF).

On January 11, 1989, Mr. Robert Birenbaum, President of BARF, filed an application with this Commission seeking approval of the transfer of Certificate No. 318-S from LTB to

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FPSC-RECORDS/REPORTING

BARF. In June of 1989, Mr. Klein filed an amendment with the Secretary of State Office, Division of Corporations, changing the name of the utility from BARF, Inc. to BFF Corporation (BFF).

On June 22, 1989, Mr. Klein deeded the utility and the property associated with the utility to BFF. BFF's corporate officers are: Robert Birenbaum, President; Frank Kamen, Vice-President; Deena Birenbaum, Secretary/Treasurer and Charles deMenzes, Assistant Secretary.

BFF has 60 equivalent residential connections (ERCs) and provides sewer service to the following subdivisions in Marion County: Forest Villas, Forest Villas II, Ascot Heath, Sandlin Woods, and Cedar Grove. The utility's 1988 Income Statement shows \$19,724.62 as gross annual revenues and an operating loss of \$8,936.47.

Application

The application is in compliance with Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for transfer of facilities. In particular, the notarized application contains:

- a) A filing fee in the amount of \$150, as prescribed by Section 367.141, Florida Statutes.
- b) A description of the service territory (Attachment A).
- c) Proof of notice to all customers of record pursuant to Rule 25-30.030(g), Florida Administrative Code.
- d) Proof of notice to all interested governmental and regulatory agencies, and all utilities within a four-mile radius of the territory to be served, and proof of advertisement in a newspaper of general circulation in the county, as prescribed by Rule 25-30.030, Florida Administrative Code.

No objections to the requested transfer have been received and the time for filing such has expired.

Rule 25-30.035(3)(f), Florida Administrative Code, requires a utility to file evidence with its application that it owns the land upon which the utility treatment facilities are located or a copy of the agreement providing for continuous use of the land. BFF submitted quitclaim deeds as evidence that the utility owns the land. Upon being advised that quitclaim deeds are not sufficient to prove ownership, Mr. Klein provided an opinion letter in which he stated that he had ". . . examined and cleared title to the real estate on which the . . . sewer plant is located . . ." and that in his opinion ". . . the fee simple title to said sewer plant is vested in BFF Corp. . . ." We accept Mr. Klein's representation that BFF has clear title to the land.

On March 13, 1989, a plant site inspection was conducted. At the time of inspection, the plant was operating satisfactorily. BFF, however, was under a notice of violation from the Division of Environmental Regulation (DER). In accordance with that notice, BFF has taken corrective action by obtaining a current operating permit; placing a locked gate at the plant, which precludes entry to unauthorized personnel; and placing warning signs at the spray site.

BFF's 1988 financial statement shows that the utility has capital in the amount of \$247,756. Although the new owner does not have any personal experience in sewer utility operations, a local sewer utility company, Tradewinds Utility, Inc. (Tradewinds), has been hired to run the utility. Tradewinds has been under the Commission's jurisdiction since 1983, and is familiar with Commission rules and regulations.

As stated above, this utility was acquired through foreclosure. Since an experienced utility company has been hired to manage and operate the utility and since the owner has the financial ability to provide the customers with quality service, we find that the transfer is in the public interest and it is, therefore, approved.

Certificate Amendment

During the course of our review of the application, it was determined that the previous owner expanded the service area

without Commission approval. The service territory previously granted to the utility is as follows:

the Northeast 1/4 of the Northeast 1/4 of Section 36,
Township 14 South, Range 20 East, Marion County.

The additional territory is described in Attachment A of this Order.

As stated previously, the application is in compliance with rules and regulations concerning applications for amendment of certificates. No objections to BFF serving the additional territory have been received and the time for filing such has expired. The utility has installed the wastewater lines in the additional territory.

Since BFF has complied with all the requirements for this amendment, Sewer Certificate No. 319-S is amended to reflect the additional territory in Attachment A. It should be noted that Attachment A also includes the original certificated territory.

Rate Base

An audit of the utility's books and records was conducted to determine rate base at the time of transfer. The audit indicates that there have been no plant additions or retirements since rate base was last established (June, 1983). However, the utility states that LTB added but failed to record the additional plant on its books and records. Since no record of plant additions was found, we reviewed LTB's income tax returns. The tax returns show that the utility did not expense any of its plant. Since the present owner was unable to obtain the documentation to substantiate the original cost of the plant additions from the previous owner, an original cost study was ~~done~~.

The additional plant at the utility was inspected at the time of the plant site inspection. The additional plant was installed in 1984 and its trended original cost is calculated to be \$80,585. During discussions with utility representatives, we were advised by Mr. deMenzes, Agent for BFF, that a building used for utility purposes had not been

included in rate base. We agree that the building should be included in rate base, and have determined its value to be \$5,168. Utility plant-in-service, in accordance with our calculation, is \$156,273.

At the time of certification, the land's original value was determined to be \$4,000 per acre. Since the utility had 4.15 acres of land in service at the time rate base was last established (June 1983), land was valued at \$16,600. BFF purchased an additional 1.36 acres of land at the time of foreclosure. Since the additional acreage was dedicated to public service at the time of foreclosure, the additional acreage is included in the Utility's rate base at \$18,200, which is the value assessed by the Marion County Property Appraiser in 1988. Therefore, land is valued at \$34,800 ($4.15 \times \$4,000 = \$16,600 + 1.36 \times \$13,382 = \$18,200$).

Accumulated depreciation has been updated using the 2.5% rate approved per Commission Order No. 12193. Accumulated depreciation is found to be \$21,622.

The utility recorded contributions-in-aid-of-construction (CIAC) on the customer billing cards, but failed to record CIAC on its books and records. The utility's service availability charge of \$716 was approved on October 11, 1982. An audit of the utility's billing records show there have been 23 additional customers since 1982. Therefore, CIAC is \$16,468 ($23 \times \716).

CIAC Amortization has been calculated using 2.5% rate. Therefore, CIAC Amortization is \$1,044.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the utility's rate base at the date of transfer. As mentioned previously, LTB was acquired through foreclosure; therefore, the outstanding mortgage will be considered the purchase price. At the time of foreclosure, the outstanding mortgage was \$450,000, which included the utility and other properties. Based on the utility's calculation, approximately \$252,500 relates to the utility.

BFF has requested that a positive acquisition adjustment be included in its rate base and has provided the following reasons:

- 1) A foreclosure does constitute an extraordinary circumstance, in that the current owner, BFF Corp., did not have the benefits that are normal in the acquisition of Real Estate, such as a Professional Appraisal or the obvious benefit of Purchase Price Negotiation.

- 2) There is a difference of opinion between the PSC Staff and myself as to the value of the land involved. Our position is that the Marion County Property Appraiser's valuation of the land at Ten Thousand (\$10,000.00) Dollars per acre, but the PSC Staff is using the original valuation of Four Thousand (\$4,000.00) Dollars per acre from 1982. As originally stated in ISSUE 3 and analyzed by Staff, the utility had 4.15 acres of land in service at the time the rate base was last established. The resulting foreclosure has increased the amount of land by 1.36 acres. This land is needed for additional spray fields as the land is clay impacted to a point where the DER has specified the need for a holding pond. STAFF has recommended valuating (sic) this additional land at the price established in 1983. The Marion County Property Appraiser's office has valued the additional land at \$18,200. The original 4.15 acres is valued at \$46,550. STAFF is recommending increasing the land value by \$18,200 resulting in a total land valuation of ~~\$38,000~~ ^{\$34,800}. The Property Appraiser has the same land valued at \$64,750. It is our contention that the land value should be adjusted to reflect both the additional land and the value at the time of foreclosure.

- 3) LTB Utility, Inc. was operating the plant without a DER permit which had expired in March 1988. Corrective action was taken in engaging the engineering firm of C. Fred Deuel and Associates

and work with DER in order to obtain a valid operating permit. The resulting cost to BFF Corp. was \$13,416.89.

- 4) Had the above problems not been corrected by BFF Corp. or had the owners not realized the responsibility they were incurring, the customers being served would have found themselves without an operating sewer plant.

We do not find that the facts presented above justify a positive acquisition adjustment for the following reasons:

- 1) Foreclosure, alone, does not constitute an extraordinary circumstance in that the owner knew beforehand that he would not receive the benefits normally present in the acquisition of real estate, but chose to buy the property involved in this foreclosure, anyway.
- 2) BFF was ~~unable~~ able to show that it purchased an additional 1.36 acres of land at the time of foreclosure. However, since this additional land was dedicated to public service at the time of foreclosure, it should be included in the utility's rate base at \$18,200, which is the value assessed by the Marion County Property Appraiser in 1988.
- 3) The utility will recover all prudent expenses in its staff-assisted rate case.
- 4) We disagree that the customers being served would have found themselves without an operating sewer plant. If the present owner had not purchased the utility, someone else likely would have or a receiver would have been appointed.

BFF has not documented any financial benefit which would accrue to its customers, nor provided any extraordinary circumstances justifying an acquisition adjustment. Therefore, a positive acquisition adjustment has not been included in rate base.

Based on the adjustments set forth herein, rate base for BFF is \$154,027 as of March 1, 1988, the date of transfer. Our calculation of rate base is shown on Schedule No. 1, with adjustments shown on Schedule No. 2.

The rate base calculation for BFF does not include the normal rate making adjustments of working capital calculations and used and useful adjustments. The rate base calculation is used purely to establish the book value of the property being transferred.

Rates and Charges

Since receiving ownership of the utility through foreclosure in March, 1988, BFF has continued charging the rates which were being charged by the prior owner. However, in this case, BFF has been charging an unauthorized rate implemented by the prior owner several years ago.

BFF Corp. charges a monthly flat rate of \$22.75 and a connection charge of \$716. No deposits are collected and the utility has had no tariff activity since 1982.

Pursuant to Order No. 11180, Panamint Corporation, the owner prior to LTB, was authorized a rate of \$17.90. The audit shows that the \$22.75 rate was charged as far back as 1985. The selection of this rate level was not arbitrary. The section of Order No. 11180 dealing with rates is as follows:

Rates: Staff determined that a rate of \$22.75 per unit per month would be appropriate to allow this utility to meet its revenue requirement of \$13,650. The rate of \$22.75 did not afford the utility an opportunity to earn a fair return on its investment, but to allow the utility such a return would result in excessively high rates of approximately \$45 per month because the utility serves very few customers. It is designed to serve 62 residential customers but it served only 38 during the test year. Staff projected data as though the utility were serving 80% of its designed capacity, or 50 customers, and still could not justify rates lower than \$22.75 per unit per month.

The utility's owner, Mrs. Ila Bryan, requested that the Commission approve the utility's present rate of \$17.90 per unit per month, however, and we find that service will not be impaired by allowing the utility to continue charging the lower rate, Utilities Operating Co. v. King, 143 So. 2d 854 (Fla. 1962).

Although BFF has been charging an unauthorized rate implemented by the prior owner of the utility, we find that circumstances warrant approval and continuation of the present rate. Since acquiring the utility, Mr. Birenbaum properly continued charging the rate in effect, unaware that the rate was not approved by this Commission. This rate has been in effect without customer complaint. The utility's 1988 income statement shows the utility to be operating at a loss of \$8,936.47 despite the increased revenue attributable to the unauthorized rate. Based upon this financial situation, BFF has made application for a staff assisted rate case.

We find that BFF should not be fined for charging an unauthorized rate which it did not implement. Although Order No. 11180, did not approve the higher rate it did reference that the \$22.75 rate would be a reasonable rate. Since this rate has been in effect for several years and the utility is operating at a substantial loss, we will approve the \$22.75 rate. Further, we do not find it appropriate to require a refund of approximately \$5,300 for the time period in which BFF charged the unauthorized rate. A refund would create a severe economic hardship on a small utility with 60 customers and annual revenues of \$19,724, especially when the need for additional revenues by the owner is demonstrated by the filing of a staff assisted rate case.

It is, therefore,

ORDERED by the Florida Public Service Commission that the transfer of Certificate No. 318-S from LTB Utility, Inc., Post Office Box 2316, Ocala, Florida 32678, to BFF Corporation, Post Office Box 5220, Ocala, Florida 32678, is hereby granted. BFF shall submit Certificate No. 318-S to this Commission within 20 days of the date of this Order for appropriate entry. It is further

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ORDERED that Certificate No. 318-S is amended to reflect the territory described in Attachment A of this Order. It is further

ORDERED that rate base, for purpose of this transfer, is \$154,017. It is further

ORDERED that BFF shall charge the rates and charges set forth in the body of this Order. It is further

ORDERED that BFF's request that a positive acquisition adjustment be included in rate base is hereby denied. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition in the form provided by Rule 25-22.36, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event that this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission,
this 8th day of JANUARY, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ALC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

As identified in the body of this order, our action establishing rate base, approving rates and charges and denying a positive acquisition adjustment is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on January 29, 1990. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting 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

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of the effective date 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.

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 Records and Reporting 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 or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting 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.

ATTACHMENT A

DESCRIPTION FOR BFF, CORP.
MARION COUNTY

Township 14 South, Range 20 East

In Section 36

Forest Villas

The Northeast 1/4 of the Northeast 1/4

AND

Beginning at the Northeast corner of Section 36, Township 14 South, Range 20 East, Thence S0°01'40"W along the East Boundary of said Section 1032.54 feet, Thence N89°52'38"W 125.00 feet, Thence S0°01'40"W 125.00 feet to the North right-of-way line of N.W. 46th Street as per Plat of Forest of Golden Hills as recorded in Plat Book R, Page 139, Public Records of Marion County, Florida, Thence N89°52'38"W along said right of way 152.43 feet to the point of curvature of a curve concave Northerly and having a radius of 633.21 feet, Thence Northwesterly along and with said curve a chord bearing and distance of N80°35'34"W 204.31 feet to point on a curve concave Northwesterly and having a radius of 30.00 feet, Thence Northeasterly along and with said curve to the left a chord bearing and distance of N57°11'00"E 46.96 feet to a point of reverse curvature of a curve concave Easterly and having a radius of 175.00 feet, Thence Northeasterly along and with said curve a chord bearing and distance of N22°42'56"E 102.56 feet, Thence N0°01'40"E 713.83 feet, Thence N89°56'13"W 730.00 feet, Thence N0°09'50"E 130.00 feet, Thence N89°56'13"W 1238.43 feet, Thence S0°07'12"W 105.00 feet, Thence N89°56'13"W 265.00 feet, Thence N0°07'12"E 265.00 feet, Thence S89°56'13"E 265.00 feet, Thence S0°07'12"W 120.00 feet, Thence S89°56'13"E 1238.52 feet, Thence N0°09'50"E 120.00 feet, Thence S89°56'13"E along the North Boundary of said Section 1129.31 feet to the Point of Beginning.

Cedar Grove

BEGINNING AT THE NORTHEAST CORNER OF BRYAN WOODS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK T, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, THENCE N.78°53'04" W. ALONG THE NORTH BOUNDARY OF SAID BRYAN WOODS 112.00 FEET; THENCE DEPARTING FROM SAID NORTH BOUNDARY N.6°34'41" E. 155.00 FEET; THENCE S.78°53'04" E. 89.75 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 83°41'35" AN ARC DISTANCE OF 36.52 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET; SAID POINT BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF NORTHWEST 82ND COURT (60 FEET WIDE); THENCE SOUTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 4°15'23" AN ARC DISTANCE OF 132.64 FEET TO THE POINT OF BEGINNING.

AND ALSO:

COMMENCING AT THE NORTHEAST CORNER OF BRYAN WOODS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK T, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF NORTHWEST 82ND COURT AND ON A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET; THENCE NORTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 7°32'35" AN ARC DISTANCE OF 235.06 FEET TO THE POINT OF BEGINNING, SAID POINT BEING THE POINT OF CUSP WITH A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS S.88°28'41" E.; THENCE DEPARTING FROM SAID RIGHT-OF-WAY LINE SOUTHERLY AND SOUTHWESTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 99°35'37" AN ARC DISTANCE OF 43.46 FEET TO THE POINT OF TANGENCY; THENCE N.78°53'04" W. 96.51 FEET; THENCE N.0°09'50" E. 339.88 FEET; THENCE S.89°56'13" E. 99.96 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET; THENCE SOUTHEASTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 90°06'03" AN ARC DISTANCE OF 39.31 FEET TO THE POINT OF TANGENCY SAID POINT BEING ON THE WEST RIGHT-OF-WAY LINE OF NW 82ND COURT; THENCE S.0°09'50" W. ALONG SAID WEST RIGHT-OF-WAY LINE 267.12 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET; THENCE SOUTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 1°21'29" AN ARC DISTANCE OF 42.33 FEET TO THE POINT OF BEGINNING.

AND ALSO:

COMMENCING AT THE NORTHEAST CORNER OF BRYAN WOODS, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK T, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA, SAID POINT BEING ON THE WESTERLY RIGHT-OF-WAY LINE OF NORTHWEST 82ND COURT AND ON A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET; THENCE NORTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 8°54'04" AN ARC DISTANCE OF 277.39 FEET TO THE POINT OF TANGENCY; THENCE N.00°09'50" E. 367.16 FEET TO THE POINT OF BEGINNING, SAID POINT BEING THE POINT OF CUSP WITH A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS S.89°56'13" E.; THENCE DEPARTING FROM SAID RIGHT-OF-WAY LINE SOUTHERLY AND SOUTHWESTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 90°06'03" AN ARC DISTANCE OF 39.31 FEET TO THE POINT OF TANGENCY; THENCE N.89°56'13" W. 55.00 FEET; THENCE N.0°09'50" E. 110.00 FEET TO AN INTERSECTION WITH THE SOUTH BOUNDARY OF GOLDEN HILLS TURF AND COUNTRY CLUB, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK H, PAGES 11, 11A, AND 11B OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA; THENCE S.89°56'13" E. ALONG SAID SOUTH BOUNDARY 80.00 FEET TO AN INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF NORTHWEST 82ND COURT; THENCE S.0°09'50" W. ALONG SAID RIGHT-OF-WAY LINE 85.00 FEET TO THE POINT OF BEGINNING.

Sandlin Woods

BEGINNING AT THE NORTHWEST CORNER OF THE NE 1/4 OF SECTION 36, TOWNSHIP 14 SOUTH, RANGE 20 EAST, MARION COUNTY, FLORIDA, THENCE S.89°56'13"E. 1423.48 FEET ALONG THE NORTH BOUNDARY OF SAID SECTION 36 TO THE NORTHWEST CORNER OF BLOCK A, CEDAR GROVE AS PER PLAT THEREOF RECORDED IN PLAT BOOK W, PAGES 37 AND 38, OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA; THENCE DEPARTING FROM SAID NORTH BOUNDARY S.0°09'50"W. 110.00 FEET ALONG THE WEST BOUNDARY OF SAID BLOCK A, TO THE SOUTHWEST CORNER OF SAID BLOCK A; THENCE S.89°56'13"E. 55.00 FEET ALONG THE SOUTH BOUNDARY OF SAID BLOCK A TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.04 FEET; THENCE EASTERLY AND NORTHEASTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 89°53'57" AN ARC DISTANCE OF 39.30 FEET TO THE POINT OF CUSP OF SAID CURVE, AND TO WHICH POINT A RADIAL LINE BEARS S.89°50'10"E. SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF N.W. 82ND. COURT; THENCE DEPARTING FROM SAID SOUTH BOUNDARY S.0°09'50"W. 100.04 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF CUSP WITH A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET, AND TO WHICH POINT A RADIAL LINE BEARS S.89°50'10"E. SAID POINT ALSO BEING ON THE NORTH BOUNDARY OF BLOCK B, SAID CEDAR GROVE; THENCE DEPARTING FROM SAID RIGHT-OF-WAY LINE NORTHERLY AND NORTHWESTERLY ALONG AND WITH THE NORTH BOUNDARY OF SAID BLOCK B AND SAID CURVE THROUGH A CENTRAL ANGLE OF 90°06'03" AN ARC DISTANCE OF 39.31 FEET TO THE POINT OF TANGENCY; THENCE N.89°56'13"W. 99.96 FEET TO THE NORTHWEST CORNER OF SAID BLOCK B; THENCE S.0°09'50"W. 339.88 FEET ALONG THE WEST BOUNDARY OF SAID BLOCK B TO THE SOUTHWEST CORNER OF SAID BLOCK B; THENCE S.78°53'04"E. 96.51 FEET ALONG THE SOUTH BOUNDARY OF SAID BLOCK B TO THE POINT OF CURVATURE OF A CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 25.00 FEET; THENCE EASTERLY AND NORTHEASTERLY ALONG AND WITH SAID CURVE THROUGH A CENTRAL ANGLE OF 99°35'37" AN ARC DISTANCE OF 43.46 FEET TO THE POINT OF CUSP WITH A CURVE CONCAVE TO THE WEST AND HAVING A RADIUS OF 1785.52 FEET AND TO WHICH POINT A RADIAL LINE BEARS S.88°28'41"E. SAID POINT ALSO BEING ON THE WEST RIGHT-OF-WAY LINE OF N.W. 82ND. COURT; THENCE SOUTHERLY ALONG AND WITH SAID CURVE AND RIGHT-OF-WAY LINE THROUGH A CENTRAL ANGLE OF 3°17'12" AN ARC DISTANCE OF 102.42 FEET TO THE POINT OF CUSP WITH A CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 25.00 FEET AND TO WHICH POINT A RADIAL LINE BEARS S.85°11'29"E. SAID POINT ALSO BEING ON THE NORTH BOUNDARY OF BLOCK C, SAID CEDAR GROVE; THENCE DEPARTING FROM SAID RIGHT-OF-WAY LINE NORTHERLY AND NORTHWESTERLY ALONG THE NORTH BOUNDARY OF SAID BLOCK C AND SAID CURVE THROUGH A CENTRAL ANGLE OF 83°41'35" AN ARC DISTANCE OF 36.52 FEET TO THE POINT OF TANGENCY; THENCE N.78°53'04"W. 89.75 FEET TO THE NORTHWEST CORNER OF SAID BLOCK C; THENCE S.6°34'41"W. 155.00 FEET ALONG THE WEST BOUNDARY OF SAID BLOCK C TO THE SOUTHWEST CORNER OF BLOCK C, SAID POINT BEING ON THE NORTH BOUNDARY OF BRYAN WOODS, AS PER PLAT THEREOF RECORDED IN PLAT BOOK T, PAGES 62 AND 63 OF THE PUBLIC RECORDS OF MARION COUNTY, FLORIDA; THENCE N.78°53'04"W. 588.06 FEET ALONG THE SAID NORTH BOUNDARY; THENCE CONTINUE ALONG SAID NORTH BOUNDARY S.83°30'01"W. 538.24 FEET; THENCE N.89°50'27"W. 260.00 FEET TO THE NORTHWEST CORNER OF SAID BRYAN WOODS, SAID POINT BEING ON THE WEST BOUNDARY OF AFORESAID NE 1/4; THENCE DEPARTING SAID NORTH BOUNDARY N.0°09'33"E. 655.27 FEET ALONG SAID WEST BOUNDARY TO THE POINT OF BEGINNING.

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Township 14 South, Range 21 East

In Section 31

Village of Ascot Heath

In the Northwest 1/4 more particularly described as follows:

Lots 2 thru 9, Block 2, Golden Hills Turf and Country Club Subdivision, as recorded in Plat Book H, Pages 11, 11A, and 11B, Public Records of Marion County, Florida.

and

Lot 10, Block 2, a revised portion of Golden Hills Turf and Country Club Subdivision, as recorded in Plat Book H, Page 47, Public Records of Marion County, Florida.

Schedule No. 1

BFF Corp.
Schedule of Rate Base
As of March 1, 1988

<u>Description</u>	<u>Balance Per Order No. 12193</u>	<u>Staff Adjustments</u>	<u>Balance Per Staff</u>
Utility Plant-in-Service	\$70,520	\$85,753 (1)	\$156,273
Land	16,600	18,200 (2)	34,800
Accumulated Depreciation	(4,307)	(17,315)(3)	(21,622)
Contributions-in-aid-of-Construction	0	(16,468)(4)	(16,468)
CIAC Amortization	<u>0</u>	<u>1,044 (5)</u>	<u>1,044</u>
Total	<u>\$82,813</u>	<u>\$71,214</u>	<u>\$154,027</u>

Schedule No. 2

BFF Corp.
Rate Base Adjustments

<u>Explanation</u>	<u>Adjustment</u>
<u>Utility Plant-in-Service</u>	
1) To reflect plant added in 1984 per Original Cost Study	<u>\$ 80,585</u>
1) To reflect building that was originally excluded	<u>5,168</u>
	<u>\$ 85,753</u>
<u>Land</u>	
2) To reflect additional land acreage (1.36 x \$13,382)	<u>\$ 18,200</u>
<u>Accumulated Depreciation</u>	
3) To update accumulated depreciation using 2.5% rate approved per Order No. 12193	<u>\$(17,315)</u>
<u>Contributions-in-aid-of-Construction</u>	
4) To reflect imputation of CIAC based on customer billing records and authorized service availability fee (23 x \$716)	<u>\$(16,468)</u>
<u>CIAC Amortization</u>	
5) To reflect amortization related to CIAC using 2.5% rate	<u>\$ 1,044</u>