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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

January 15, 1999

Mr. Gerald S. Allen, President
Ocala Springs Utilities Inc.
4837 Swift Road, Suite 100
Sarasota, FL 34231

Re: Docket No. 980876-WS, Application for certificates to operate a water and wastewater utility in Marion County by Ocala Springs Utilities Inc.

Dear Mr. Allen:

Enclosed please find Certificates Nos. 604-W and 520-S which have been issued for Ocala Springs Utilities Inc., along with a copy of Order No. PSC-98-1644-FOF-WS. The original certificates should be retained in the utility's office. They will have to be returned to the Commission along with any application the utility may file requesting amendment of certificated territory, transfer of ownership, or change in name of the utility.

Also enclosed with this letter are the following documents:

1. **Chapter 367, Florida Statutes (F.S.)**, which details the Commission's jurisdiction over private water and wastewater utilities;
2. **Chapter 25-9, Florida Administrative Code (F.A.C.)**, which details the rules governing the filing of utility tariffs;
3. **Chapter 25-22, Florida Administrative Code (F.A.C.)**, which details rules governing general Commission practices such as the procedures for conducting meetings, rule-making, hearings and the issuance of orders;
4. **Chapter 25-30, Florida Administrative Code (F.A.C.)**, which details the specific rules promulgated to carry out the jurisdiction of the Commission over private water and wastewater utilities;
5. **Uniform System of Accounts for Class C Water and Wastewater Utilities**, which is the system of record keeping required pursuant to Section 25-30.110, Florida Administrative Code.

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STATE OF FLORIDA - TALLAHASSEE

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Be advised that Section 367.161, F.S., provides that violation of any Commission rule, statute, or order could result in penalties of up to \$5,000 per day. Therefore, it is important that you review this material and make yourself aware of your responsibilities as a regulated utility. These documents should be placed in a binder and kept in a safe place for easy referral by utility staff and owners. Also, Chapter 25-30.135, F.A.C., requires all utilities to maintain for customer inspection in the utility office a current copy of Chapters 25-9, 25-22 and 25-30, Florida Administrative Code, and Chapter 367, Florida Statutes, as well as a current copy of the utility's tariffs and developer agreements.

From time to time, the rules and statutes will change. You need to be aware of these changes in order to stay current on your responsibilities and to maintain a current copy of the rules and statutes in the utility office. When the Commission proposes to revise any of its existing rules affecting the water and wastewater industry (Chapters 25-9, 25-22 and 25-30, F.A.C.), a notice of proposed rulemaking will be sent to you. After rulemaking is completed, a final Commission order adopting and attaching the new or revised rule will also be sent to you. This new or revised rule should be incorporated into your copy of the Commission rules. The Commission does not furnish utilities with changes enacted by the Florida Legislature relating to Chapter 367, F.S. However, changes to the Florida Statutes are published annually and copies may be obtained by visiting your local public library.

In addition to the above, periodically the Commission will be sending you copies of Commission orders which relate to the water and wastewater industry, in general, and notices of hearings in dockets of related utilities. These are sent for your information. Whenever you have any questions concerning material you receive from the Commission, you may contact the Division of Water and Wastewater for assistance at (850) 413-6900.

I would like to direct you to certain areas within the rules and statute which will affect your day to day operations as a utility:

1. As you should be aware, you were granted certain specific territory in the certificate process you just completed. It is a violation of Section 367.045, F.S., for a utility to serve outside this territory. If, in the future, you want to serve additional territory, you must file an application for amendment of your certificated territory. See Section 25-30.036, F.A.C., for the current filing requirements for an application for amendment.
2. The utility's approved rates and charges and service availability policy are contained in its approved tariff. Please note that your approved tariff has been sent under a separate cover letter. As noted above, the tariff should also be placed in a binder and retained in the utility office for access by utility personnel and customers. A utility may not charge customers any rates or charges not included in its approved tariff. If you find you need to revise any rates or charges, you should refer to Part V of Chapter 25-30, F.A.C., which contains the

necessary steps for rate adjustment changes. Part VI of Chapter 25-30, F.A.C., contains the steps necessary to change service availability charges or policies. In addition, you may contact the Division of Water and Wastewater for guidance.

3. To help your rates keep up with inflation, and to avoid the costly expense of filing a full rate case, the Commission allows utilities to increase rates by a certain percentage each year. This index is established on or before March 31 of each year. In addition, utilities are allowed to pass on increases in certain expenses, such as purchased power and property tax. Sections 25-30.420 and 25-30.425, F.A.C., contain the criterion for water and wastewater utilities to follow in order to increase rates based upon the application of the price index or pass through rate adjustments. The Commission strongly encourages all regulated water and wastewater utilities under its jurisdiction to utilize these options which are available to them.
4. I encourage you to review carefully Part IV of Chapter 25-30, F.A.C. This part of the water and wastewater rules describes the utility's responsibilities to its customers. They include customer deposits, termination of service, customer billing, refusal or discontinuance of service, backbilling, complaints, and refunds.
5. Each utility shall maintain its records in accordance with the NARUC uniform system of accounts (see Section 25-30.110, F.A.C.). A copy of this system of accounts is enclosed for Class C utilities. However, should your utility be Class A or B or should you need additional copies please contact NARUC, Post Office Box 684, Washington, D.C. 20044. For further information or telephone orders, please call (202) 898-2200 in Washington, D.C.
6. Regulated water and wastewater industries are also required to file two related reports with the Commission on an annual basis:

Annual Report. Each utility is required to submit an annual report which contains certain financial and operational data relating to the utility. (See Rule 25-30.110, F.A.C.)

Regulatory Assessment Fee form. Each utility is required to remit an annual regulatory assessment fee. The fee is currently 4-1/2% of gross operating revenue and is designed to cover the Commission's costs of regulating water and wastewater utilities. (See Rule 25-30.120, F.A.C.)

For your convenience, the Commission will send these two report forms by January 15th of each year. The annual report and regulatory assessment form and fee are due to the Commission by March 31st of each year for the previous calendar year.

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To familiarize you and your utility staff with the Division of Water and Wastewater, let me briefly describe the division's composition:

The Bureau of Policy Development and Industry Structure, as you already know, is responsible for the certification of water and wastewater utilities, as well as any amendments or transfers thereof. Any questions relating to your certificated territory or the possible sale of the utility should be directed to John Williams, Bureau Chief, Bureau of Policy Development and Industry Structure.

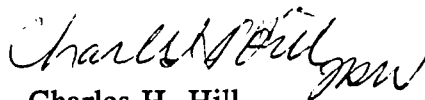
The Bureau of Economic Regulation is responsible for accounting, engineering and rates concerns for all filings involving file and suspend rate cases (MFR's), staff assisted rate cases (SARC's), limited proceedings, allowance for funds prudently invested and service availability. Any questions concerning the filing of a rate case, a staff-assisted rate case, limited proceeding, tariff or engineering related matters, should be directed to Marshall Willis, Bureau Chief, Bureau of Economic Regulation.

The Bureau of Special Assistance is responsible for Annual Report review, Regulatory Assessment Fee (RAF) compliance, processing of Index and Pass Through applications and post hearing advisory duties relating to all classes of utilities and encompassing all issues. Any questions relating to Annual Reports, RAF's, index or pass through applications should be directed to Greg Shafer, Bureau Chief, Bureau of Special Assistance.

We welcome and encourage regulated water and wastewater utilities under the Commission's jurisdiction to contact our staff and maintain working liaisons with us. This accomplishes better relations between the Commission staff and utilities and provides for faster and more efficient completion of regulatory requirements.

If we can be of any assistance to you and your utility, please do not hesitate to contact us at (850) 413-6900.

Sincerely,



Charles H. Hill
Director

CHH/plb
Enclosures

cc: Mr. B. Kenneth Gatlin
Division of Water and Wastewater (Brady)
Division of Records and Reporting

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

520 - S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

OCALA SPRINGS UTILITIES INC.

Whose principal address is:

4837 Swift Road, Suite 100
Sarasota, FL 34231-5157 (Marion County)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, cancelled or revoked by Orders of this Commission.

ORDER	PSC-98-1644-FOF-WS	DOCKET	980876-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION



Dennis S. Bayo

Director
Division of Records and Reporting