

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of assets of exempt utility, amendment of Certificate No. 465-S, and petition for partial variance or waiver of Rule 25-30.030(5)(b), F.A.C. by Utilities, Inc. of Florida.

DOCKET NO. 20170174-SU
ORDER NO. PSC-2019-0071-PAA-SU
ISSUED: February 25, 2019

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING NET BOOK VALUE, DECLINING TO MAKE AN ACQUISITION
ADJUSTMENT, AND APPROVING RATES
AND
FINAL ORDER APPROVING THE TRANSFER OF EXEMPT WASTEWATER SYSTEM
AND AMENDMENT OF CERTIFICATE NO. 465-S

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein, except for the transfer of the exempt wastewater system and the amendment of Certificate No. 465-S, is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

I. Background

On August 9, 2017, Utilities, Inc. of Florida (UIF or Buyer) filed an application for transfer of assets of exempt utility Barrington Estates Property Holdings Homeowners' Association, Inc. (Barrington Estates HOA) to UIF, amendment of Certificate No. 465-S, and petition for partial variance or waiver of Rule 25-30.030(5)(b), F.A.C. The Barrington Estates wastewater system (System) currently serves 148 wastewater customers in Lake County. Customers currently receive water service from UIF.

Barrington Estates HOA bought the System from Centennial Bank, who acquired the System in a foreclosure proceeding, in order to assure wastewater service to the members of the Barrington Estates HOA. UIF is a Class A water and wastewater utility currently serving approximately 34,000 water and wastewater customers throughout 27 systems in Charlotte,

Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties.¹ UIF is a wholly-owned subsidiary of Utilities, Inc., and its rates and charges were last approved by this Commission in Docket No. 20160101-WS.²

On October 11, 2017, we granted UIF partial variance or waiver of Rule 25-30.030(5)(b), F.A.C., for notice of the transfer to be provided to all customers and property owners within UIF's existing service area. We granted this partial waiver due to the minimal amount of customers that would be added to UIF's system.³ Further, the System is not connected to any of UIF's existing wastewater systems and would not affect the current customers' quality of service or rates.

The proposed additional service territory is intended to serve solely the Barrington Estates HOA area, which is near the City of Clermont's (Clermont) service area. On September 21, 2017, Clermont filed an objection to the application for transfer of assets of exempt utility and for amendment of Certificate 465-S. This was resolved via an amendment⁴ to a Settlement Agreement that UIF and Clermont finalized in a previous docket.⁵ On September 17, 2018, Clermont issued a notice of withdrawal of its objection to application for transfer of assets of exempt utility and for amendment of Certificate 465-S by UIF.

This Order addresses the transfer of the System from Barrington Estates HOA to UIF, the amendment of Certificate No. 465-S, the net book value (NBV) of the System at the time of the transfer, the need for an acquisition adjustment, and implementation of UIF's consolidated rates to the System. We have jurisdiction pursuant to Sections 367.045, 367.071 and 367.091, Florida Statutes (F.S.).

II. Decision

A. Approval of the transfer of the System UIF and amendment of Certificate No. 465-S

On August 9, 2017, UIF filed an application for transfer of assets to UIF of a currently exempt utility and amendment of Certificate No. 465-S in Lake County. The application is in compliance with Section 367.071, F.S., Section 367.045, F.S., Rule 25-30.036, F.A.C., Application for Amendment to Certificate of Authorization to Extend or Delete Service Area and Rule 25-30.037, F.A.C., Application for Authority to Transfer. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030(5)(b), F.A.C., Notice of Application and of Customer Meeting and Noticing. UIF has also provided adequate service territory maps and territory descriptions. The application contains a description of the wastewater

¹ Document No. 06847-2017.

² Docket No. 20160101-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.*

³ Order No. PSC-2017-0387-PAA-SU, issued October 11, 2017.

⁴ Document No. 07846-2017.

⁵ Order No. PSC-05-0523-FOF-WS, issued May 13, 2005, in Docket No. 20020907-WS, *In re: Application for amendment of Certificate Nos. 496-W and 465-S to extend water and wastewater service areas in Lake County by Lake Utility Services, Inc.* See also Document No. 09307-2003 notifying the Commission that the City of Clermont had reached settlement in Docket No. 20020907-WS.

service territory of the System, which is currently exempt; this description is appended to this Order as Attachment A.

1. Noticing, Territory, and Land Ownership

UIF provided notice of the application pursuant to Section 367.071, F.S. and Rule 25-30.030(5)(b), F.A.C., however we partially waived Rule 25-30.030(5)(b), F.A.C., regarding the requirement that the notice be provided to all customers and property owners within its existing service area.⁶ In lieu of noticing all of its customers by mail, we ordered UIF to place a Commission staff-approved notice of its application on its website for 30 days. UIF has satisfied this requirement. The notice also specified that customers wishing to file an objection to the transfer had 30 days to do so. Clermont objected to the transfer on October 11, 2017, which was resolved by a Settlement Agreement between Clermont and UIF.⁷ This Commission has not received any other objections in this docket, and the time for filing such objections has passed.

The application contained a description of the wastewater service territory; this description is appended to this Order as Attachment A. The application also contained a copy of a Utility and Water Treatment Facilities easement that was executed on October 16, 2012, as evidence that the Applicant owns or has rights to long-term use of the land upon which the wastewater treatment facilities are located pursuant to Rule 25-30.037(2)(s), F.A.C.

2. Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(i), and (j), F.A.C., the application contains a statement regarding financing and a copy of the purchase agreement between UIF and Barrington Estates HOA (Purchase Agreement), which includes the purchase price, terms of payment, and a list of the assets purchased. There are no customer deposits, guaranteed revenue contracts, developer agreements, customer advances, leases, or debt of Barrington Estates HOA that must be disposed of in regards to the transfer. According to the Purchase Agreement, the total purchase price for the assets of the System is \$270,000. According to UIF, the closing date of the sale will take place 30 days after the date of the consummating order for this docket.

3. Facility Description and Compliance

The wastewater treatment plant (WWTP) is an extended aeration sewage treatment plant with reuse of two rapid infiltration basins. The Florida Department of Environmental Protection (DEP) has permitted the plant at 49,000 gallons per day, based on the annual average daily flow. Chlorine disinfection is applied in a chlorine contact chamber. The collection system is composed of 4- and 8-inch polyvinyl chloride (PVC) pipes and there is a single lift station with two submersible pumps in the service area. DEP conducted the last compliance evaluation inspection of the facility on March 23, 2016. There was one deficiency that was corrected; therefore, the system appears to be in compliance with DEP rules.

⁶ Order No. PSC-2017-0387-PAA-SU, issued October 11, 2017.

⁷ Document No. 06089-2018.

4. Technical and Financial Ability

Pursuant to Rules 25-30.037(2)(l) - (m), F.A.C., the application contains statements describing the technical and financial ability of UIF to provide service to the proposed service area. The application states that UIF is a Class A water and wastewater utility currently serving approximately 34,000 water and wastewater customers throughout 27 systems in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties. UIF has been operating as a Commission regulated utility in Florida since 1975 and is the largest investor-owned water and wastewater utility in Florida.

UIF is a Class A utility that owns and operates multiple water and wastewater systems. We have reviewed the financial statements of UIF for this docket. Based on the above, we find that UIF has demonstrated the technical and financial ability to provide service to the existing service territory.

5. Regulatory Assessment Fees (RAFs) and Annual Reports

Because the UIF is acquiring a non-regulated utility, there are no annual reports or RAFs on file for the System. UIF is responsible for filing annual reports and paying RAFs for 2019 and all future years.

6. Conclusion

We approve the transfer of the System and find the amendment of Certificate No. 465-S, to include the territory as described in Attachment A, is in the public interest and is approved effective February 5, 2019. This Order shall serve as the Buyer's amended certificate and shall be retained by UIF. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C., as modified by this Commission pursuant to Order No. PSC-2017-0387-PAA-SU. UIF shall be responsible for filing all future annual reports and RAFs subsequent to the date of closing.

B. Appropriate NBV for the System for transfer purposes

Rate base has not previously been established for the System. The purpose of establishing NBV for transfers is to determine whether an acquisition adjustment should be approved. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital. The System's NBV has been updated to reflect balances as of April 21, 2019. Our approved NBV, as described below, is shown on Schedule No. 1.

1. Utility Plant in Service (UPIS)

The application reflected a UPIS balance of \$543,142. Barrington Estates HOA is a not a regulated utility entity and thus did not maintain its books and records according to the National Association of Regulatory Utility Commissioners uniform system of accounts (NARUC USOA). Further, Barrington Estates HOA purchased the System from Centennial Bank after a foreclosure proceeding; therefore, original cost records are not available. On July 12, 2018, UIF filed

documentation supporting the original cost of the Barrington Estates HOA wastewater collection system. This original cost documentation included original invoices for the components involved in the wastewater system. This cost totaled \$425,041, excluding the WWTP and Lift Station.⁸ The System did not possess the original cost documentation for the WWTP and Lift Station for the July filing, but contacted the manufacturer to obtain the documentation. On September 18, 2018, UIF provided the original cost invoices for the WWTP and Lift Station. This cost totaled an additional \$230,200.⁹ We have reviewed all original cost documents and verified the NARUC USOA account numbers.

According to the original cost analysis, the System had a UPIS balance of \$655,241, as of December 31, 2008. We recalculated UPIS since 2008 to reflect all additions and retirements as of April 21, 2019. We calculated the appropriate UPIS balance to be \$660,805. As a result, UPIS shall be increased by \$117,663 (\$660,805 - \$543,142) to reflect a UPIS balance of \$660,805, as of April 21, 2019.

2. Land

The application reflected a land balance of \$0, as of April 21, 2019. Therefore, we approve a balance for land of \$0, as of April 21, 2019.

3. Accumulated Depreciation

The application reflected an accumulated depreciation balance of \$181,617. Based on the original cost analysis and depreciation Rule 25-30.140, F.A.C., we calculated an accumulated depreciation balance of \$279,577, as of December 31, 2008. We recalculated accumulated depreciation of plant since 2008, including plant additions and retirements, to reflect accumulated depreciation as of April 21, 2019. We calculated the appropriate accumulated depreciation balance to be \$277,592. As a result, we find that the accumulated depreciation shall be increased by \$95,975 to reflect an accumulated depreciation balance of \$277,592 (\$181,617 plus \$95,975), as of April 21, 2019.

4. Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

As stated previously, Barrington Estates HOA is a not a regulated utility entity and thus did not maintain its books and records according to the NARUC USOA. As a result, Barrington Estates HOA did not record CIAC. Barrington Estates HOA purchased the System from Centennial Bank after a foreclosure proceeding. Because Barrington Estates HOA is comprised of all of the System's customers, we find that the System is 100 percent contributed. Based on its original cost analysis, we calculated a CIAC balance of \$655,241 and an accumulated amortization of CIAC balance of \$279,577.

⁸ Document No. 04666-2018.

⁹ Document No. 06129-2018.

In an effort to be consistent with this Commission's decision in the 2000 transfer of Utilities, Inc. of Eagle Ridge, UIF has requested that its investment in the System be used to offset the CIAC balance.¹⁰ In most transfers, the sales transaction is outside the control of the customers of the utility and generally only benefits the utility and its shareholders. However, this transfer, like the transfer in Eagle Ridge, is unique in that the customers of the System are also the owners of the System. Therefore, due to the specific and unique facts in this case, and consistent with this Commission's decision in Eagle Ridge, we find that the purchase price of \$270,000 may be used to offset the imputed CIAC of \$655,241 to reflect the fact that the customers have been reimbursed a portion of their investment in the System. This results in a net CIAC balance of \$385,241 (\$270,000 - \$655,241). Therefore, we approve a CIAC balance of \$385,241, and an accumulated amortization of CIAC balance of \$279,577, as of April 21, 2019.

5. NBV

The application reflected a NBV of \$361,525. Based on the adjustments described above, we approve a NBV of \$277,549, as of April 21, 2019. The approved NBV and the NARUC USOA balances for UPIS and accumulated depreciation as of April 21, 2019, are shown on Schedule No. 1.

6. Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of the acquisition. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment may be appropriate when the purchase price is greater than the NBV, and a negative acquisition adjustment may be appropriate when the purchase price is less than NBV. With respect to negative acquisition adjustments, Rule 25-30.0371, F.A.C., states that a negative acquisition adjustment may not be included in rate base if the purchase price is greater than 80 percent of the NBV. The System and its assets were purchased for \$270,000. As mentioned above, we find that the appropriate NBV is \$277,549. Because the purchase price of \$270,000 is greater than 80 percent of NBV (\$222,039), no acquisition adjustment is required. As such, we do not approve a negative acquisition adjustment.

7. Conclusion

Based on the above, we find that the NBV of the System for transfer purposes is \$277,549, as of April 21, 2019. An acquisition adjustment is not to be included in rate base. Within 90 days of the date of the this Order becoming final, UIF must notify this Commission, in writing, that it has adjusted its books in accordance with our decision. The adjustments shall be reflected in UIF's 2019 Annual Report when filed.

¹⁰ Order No. PSC-01-1792-PAA-SU, issued September 5, 2001, in Docket No. 20001820-SU, *In re: Application for transfer of wastewater utility facility in Lee County from Cross Creek of Fort Myers Community Association, Inc., a not-for-profit Florida Corporation, to Utilities, Inc. of Eagle Ridge, holder of Certificate No. 369-S, and for amendment of Certificate No. 369-S to include additional territory.*

C. Approval of UIF's request to implement its consolidated monthly wastewater rates and charges for Barrington Estates

1. Analysis:

Currently, the Barrington Estates HOA owns its wastewater system, which is operated by UIF. The water service is provided by UIF. The Barrington Estates homeowners pay quarterly HOA fees of \$246.50, which includes \$89.86 for wastewater service (\$29.95 monthly). Barrington Estates HOA has no general service customers. In its application, UIF is requesting that its consolidated monthly wastewater rates and miscellaneous service charges be implemented for the Barrington Estates homeowners as reflected in the contract for the purchase of the System. The wastewater rates consist of a base facility charge of \$25.93 and gallonage charge of \$4.15 per 1,000 gallons with an 8,000 gallon cap. In the past, this Commission has approved several amendments wherein the acquiring utility implemented its rates for an acquired utility.¹¹ In support of its request to implement its consolidated rates, UIF states: (1) the HOA agreed to pay the consolidated wastewater rates approved by this Commission; (2) revenues are revenue neutral; therefore, the customers will not be subsidizing, nor be subsidized, by the other UIF customers because the consolidated rates are consistent with the purchase price; and (3) the revenues produced by applying the consolidated rate structure will also result in UIF's currently authorized rate of return.

According to UIF, under the Barrington Estates HOA fees, the revenues generated for wastewater service were approximately \$53,200 per year. Based on average consumption of the homeowners, approximately \$81,145 of revenues will be generated annually with the implementation of the consolidated monthly wastewater rates.¹² UIF indicated that the revenues under its consolidated rates will cover the additional operating costs (operation and maintenance, depreciation, and taxes) and allow UIF to earn its authorized rate of return on the acquired system. Commission staff shall monitor UIF's revenues for any potential overearnings as a result of the additional revenues. If there is a determination of potential overearnings, Commission staff may recommend initiation of an investigation.

The Barrington Estates HOA development is essentially built out except for a parcel of property for which there are no current plans for development.¹³ There are no approved service availability charges for this System and UIF does not have plans to interconnect the System to its

¹¹ Order No. PSC-1997-0929-FOF-WS, issued August 4, 1997, in Docket No. 19970210-WS, *In re: Application by United Water Florida, Inc. for amendment of Certificates Nos. 236-W and 179-S and for limited proceeding to adjust rates in St. Johns County*; Order No. PSC-93-1480-FOF-WS, issued October 11, 1993, in Docket No. 19930204-WS, *In re: Application for Amendment of Certificates Nos. 236-W and 179-S and for a Limited Proceeding to adjust rates in St. Johns County by Jacksonville Suburban Utilities Corporation*; Order No. 23111, issued June 25, 1990, in Docket No. 19891110-WS; *In re: Application for transfer of Certificate Nos. 475-W and 411-S from St. Johns North Utility Corp. to Jacksonville Suburban Utilities Corp. and for a limited proceeding to adjust rates.*

¹² The customer's average consumption is approximately 5,000 gallons per month.

¹³ Currently, the Barrington Estates HOA uses 60 percent of the capacity of the wastewater treatment plant. Centennial Bank has reserved 40 percent of the capacity of the wastewater treatment plant for potential future developments.

closest wastewater treatment plant. Therefore, if there is additional development in the service area in the future, the System will need our approval to implement service availability charges.

2. Conclusion

Based on the above, we approve UIF's request to implement its consolidated monthly wastewater rates and miscellaneous service charges as shown on Schedule No. 2 for the System. The approved rates and charges shall be effective for the System for service rendered after this Order becomes final, the sale of the System is final, and the Barrington Estates HOA homeowners have been noticed of the approved rates and charges. The notice shall be approved by Commission staff prior to publication and UIF shall provide proof of the date notice was given within 10 days of the date of the notice.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that, effective February 5, 2019, the transfer of the Barrington Estates Property Holdings Homeowners' Association, Inc. wastewater system to Utilities, Inc. of Florida, and the amendment of Certificate No. 465-S, to include the territory as described in Attachment A, are approved. It is further

ORDERED that this Order shall serve as the UIF's amended certificate and shall be retained by UIF. It is further

ORDERED that net book value of the System for transfer purposes is \$277,549 as of April 21, 2019, and an acquisition adjustment shall not be included in rate base. Within 90 days of the date of when this Order becomes final, UIF shall notify this Commission in writing that it has adjusted its books in accordance with this Commission's decision. The adjustments shall be reflected in UIF's 2019 Annual Report when filed. It is further

ORDERED that we approve UIF's request to implement its consolidated monthly wastewater rates and miscellaneous service charges as shown on Schedule No. 2 for the System. The approved rates and charges are effective for the System for service rendered after this Order becomes final, the sale of the System is final, and the Barrington Estates HOA homeowners have been noticed of the approved rates and charges. The notice shall be approved by Commission staff prior to publication and the System shall provide proof of the date notice was given within 10 days of the date of the notice. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that if no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the order, a consummating order shall be issued and the docket shall be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, UIF has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, and proof that appropriate noticing has been completed pursuant to Rule 25-30.4345, F.A.C.

By ORDER of the Florida Public Service Commission this 25th day of February, 2019.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KMS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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 herein, except for the transfer of the exempt wastewater system and the amendment of Certificate No. 465-S, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 18, 2019. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating 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.

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 Office of Commission Clerk, 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 wastewater utility by filing a notice of appeal with the Office of Commission Clerk 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.

Utilities, Inc. Of Florida
Wastewater Territory Description
Lake County

Lake County, Florida

Sections 14 and 23, Township 28 South, Range 24 East

A PARCEL OF LAND LOCATED IN SECTIONS 11 AND 14. TOWNSHIP 23 SOUTH, RANGE 25 EAST OF LAKE COUNTY, FLORIDA. BEING MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT THE SOUTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP 23 SOUTH, RANGE 25 EAST, LAKE COUNTY, FLORIDA: THENCE RUN N 00° 48' 18" E ALONG THE WEST LINE OF SAID SOUTHWEST 1/4, A DISTANCE OF 1311.35 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 11: THENCE RUN S 89° 43' 28" E ALONG SAID NORTH LINE, A DISTANCE OF 660.94 FEET TO A POINT ON THE EAST LINE OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 11; THENCE RUN S 00° 47' 02" W ALONG SAID EAST LINE, A DISTANCE OF 656.57 FEET TO A POINT ON THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 11: THENCE RUN S 89° 38' 46" E ALONG SAID NORTH LINE. A DISTANCE OF 628.18 FEET TO A POINT ON THE EAST LINE OF SAID SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4; THENCE RUN S 00° 45' 46" W ALONG SAID EAST LINE. A DISTANCE OF 657.43 FEET TO A POINT ON THE SOUTH LINE, OF SAID SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4; THENCE RUN N 89° 34' 05" W ALONG SAID SOUTH LINE. A DISTANCE OF 628.41 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 23 SOUTH. RANGE 25 EAST; THENCE RUN S 00° 55' 45" W ALONG SAID EAST LINE. A DISTANCE OF 678.12 FEET TO A POINT; THENCE LEAVING SAID EAST LINE RUN N 89° 11' 42" W. A DISTANCE OF 184.93 FEET; THENCE RUN N 72° 01' 37" W, DISTANCE OF 52.33 FEET; THENCE RUN N 89° 11' 42" W, A DISTANCE OF 240.00 FEET; THENCE RUN S 73° 38' 12" W, A DISTANCE OF 52.33 FEET; THENCE N 89° 11' 42" W, A DISTANCE OF 136.26 FEET TO A POINT ON THE WEST LINE OF THE NORTHWEST 1/4 OF SECTION 14, TOWNSHIP 23 SOUTH, RANGE 25 EAST; THENCE RUN N 00° 54' 43" E ALONG SAID WEST LINE. A DISTANCE OF 673.82 FEET TO THE POINT OF BEGINNING.

Utilities, Inc. Of Florida
Wastewater Territory Description
Lake County, Florida Village Lakeland

Sections 14 and 23, Township 23 South, Range 25 East

A portion of Section 14, Township 23 South, Range 25 East, Lake County, Florida, being described as follows:

BEGIN at the southwest corner of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14; thence run N $00^{\circ}54'43''$ E, along the west line of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14, a distance of 649.14 feet to a point on the south line of BARRINGTON ESTATES PHASE 1, according to the plat thereof, as recorded in Plat Book 62, Pages 46 through 49, Public Records of Lake County, Florida; thence run easterly along the southerly line of said BARRINGTON ESTATES PHASE 1 the following courses and distances; run S $89^{\circ}11'42''$ E, a distance of 136.26 feet; thence run N $73^{\circ}38'12''$ E, a distance of 52.33 feet; thence run S $89^{\circ}11'42''$ E, a distance of 240.00 feet; thence run S $72^{\circ}01'37''$ E, a distance of 52.33 feet; thence run S $89^{\circ}11'42''$ E, a distance of 184.93 feet to a point on the east line of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14; thence run S $00^{\circ}55'45''$ W, along the east line of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14, a distance of 644.55 feet to a point on the south line of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14; thence run N $89^{\circ}35'33''$ W, along the south line of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14, a distance of 661.02 feet to the POINT OF BEGINNING.

Containing 9.92 acres, more or less.

FLORIDA PUBLIC SERVICE COMMISSION

**Authorizes
 Utilities Inc. of Florida
 Pursuant to
 Certificate Number 465-S**

To provide wastewater service in Lake 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>
15967	4/8/1986	860131-WS	Original Certificate
24283	3/25/1991	900957-WS	Original Certificate
PSC-92-1328-FOF-WS	11/16/1992	920900-WS	Amendment
PSC-93-0194-FOF-WS	2/9/1993	920588-WS	Transfer Certificate & Territory Correction
PSC-94-0116-FOF-WS	1/31/1994	931000-WS	Amendment
PSC-99-0164-FOF-WS	1/26/1999	980958-WS	Transfer of Majority Org. Control
PSC-99-0884-FOF-WS	5/3/1999	990195-WS	Amendment
PSC-00-1657-PAA-WS	9/18/2000	000430-WS	Amendment
PSC-01-0066-FOF-WS	1/9/2001	001652-WS	Correction
PSC-01-2316-FOF-WS	11/27/2001	010887-WS	Transfer of Majority Org. Control
PSC-02-1658-FOF-WS	11/26/2002	020695-WS	Name Change Merger
PSC-03-1000-PAA-WS	9/5/2003	030236-WS	Transfer of Certificate
PSC-04-0966-FOF-WS	10/5/2004	040371-WS	Amendment
PSC-05-0523-FOF-WS	5/13/2005	020907-WS	Amendment
PSC-06-0094-FOF-WS	2/9/2006	050499-WS	Transfer of Majority Org. Control
PSC-06-1065-FOF-WS	12/26/2006	020907-WS	Correction
PSC-09-0302-FOF-WS	5/6/2009	090034-WS	Quick-Take Amendment
PSC-12-0497-FOF-WS	9/27/2012	090034-WS	Transfer of Majority Org. Control
PSC-16-0143-FOF-WS	4/12/2016	150235-WS	Reorganization/Name Change
*	*	20170174-SU	Amendment

* **Order Numbers and dates to be provided at time of issuance**

Barrington Estates Wastewater System Schedule
Wastewater System
Schedule of Net Book Value as of April 21, 2019

Description	Balance Per Utility	Adjustments	Commission Approved
Utility Plant in Service	\$543,142	\$117,663 A	\$660,805
Land & Land Rights	0	0	0
Accumulated Depreciation	(181,617)	(95,975) B	(277,592)
CIAC	0	(385,241) C	(385,241)
Amortization of CIAC	<u>0</u>	<u>279,577</u> D	<u>279,577</u>
Total	<u>\$361,525</u>	<u>(\$83,976)</u>	<u>\$277,549</u>

**Explanation of Approved
Adjustments to Net Book Value as of April 21, 2019
Wastewater System**

Explanation	Amount
A. Utility Plant in Service (UPIS) To reflect appropriate amount of UPIS.	<u>\$117,663</u>
B. Accumulated Depreciation To reflect appropriate amount of accumulated depreciation.	<u>(\$95,975)</u>
C. Contributions-in-Aid-of-Construction (CIAC) To reflect appropriate amount of CIAC.	<u>(\$385,241)</u>
D. Accumulated Amortization of CIAC To reflect appropriate amount of accumulated amortization of CIAC.	<u>\$279,577</u>
Total Adjustments to Net Book Value as of March 20, 2019.	<u>(\$83,976)</u>

**Barrington Estates
Wastewater System
Schedule of Approved Account Balances as of April 21, 2019**

Account			Accumulated
No.	Description	UPIS	Depreciation
354	Structures and Improvements	\$36,820	(\$9,945)
360	Collection Sewers - Force	66,801	(24,058)
361	Collection Sewers - Gravity	229,082	(55,001)
363	Service to Customers	30,960	(8,803)
371	Pumping Equipment	9,625	(4,037)
380	Treatment and Disposal Equipment	232,698	(136,700)
389	Other Plant and Misc. Equipment	43,040	(27,269)
398	Other Tangible Plant	<u>11,779</u>	<u>(11,779)</u>
	Total	<u>\$660,805</u>	<u>(\$277,592)</u>

**Utilities, Inc. of Florida
 Monthly Wastewater Rates**

	Barrington Estates Rates	UIF's Existing Rates
<u>Residential Service</u>		
Base Facility Charge – All Meter Sizes	\$29.95	\$25.93
Charge per 1,000 gallons 8,000 gallon cap	N/A	\$4.15
<u>General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	N/A	\$25.93
3/4"		\$38.90
1"		\$64.83
1 1/2"		\$129.65
2"		\$207.44
3"		\$414.88
4"		\$648.25
6"		\$1,296.50
8"		\$2,074.40
10"		\$3,759.85
Charge per 1,000 gallons		\$4.97

Initial Customer Deposits

<u>Residential Service and General Service</u>		
5/8" x 3/4"		\$89.00
Other Meter Sizes		2x Average Estimated Bill

Miscellaneous Service Charges

	<u>Business Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$36.77	\$45.55
Normal Reconnection Charge	\$36.77	\$45.55
Violation Reconnection Charge	Actual Cost	Actual Cost
Premises Visit Charge	\$36.77	\$45.55
Late Payment Charge		\$6.54
NSF Check Charge		Pursuant to Section 68.065, F.S.