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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

November 4, 2011

Mrs. Teresa Fletcher
S & L Utilities, Inc.
P.O. Box 4186
Ocala, FL 34478

100471-SU

Re: Completion and documentation of pro forma plant as required by Order No. PSC-11-0444-PAA-SU, Application for staff-assisted rate case in Marion County by S&L Utilities, Inc.

Dear Mrs. Fletcher:

Pursuant to Order No. PSC-11-0444-PAA-SU, issued October 7, 2011, and consummated by Order No. PSC-11-0510-CO-SU, issued on November 1, 2011, S&L Utilities, Inc. (S&L or Utility), is required to "provide proof within 90 days of the final order [Consummating Order] issued in this docket that the appropriate adjustments for all the applicable NARUC USOA [National Association of Regulatory Utility Commissioners Uniform System of Accounts] primary accounts" had been made. The Consummating Order was issued on November 1, 2011, such proof should be submitted no later than February 1, 2012.

Please provide the required documentation concerning appropriate adjustments to the primary accounts by February 1, 2012. Failure to provide the required information by that date could result in staff proceeding with a show cause recommendation pursuant to Section 367.161, Florida Statutes (F.S.). Pursuant to paragraph 367.161(2), F.S., if a utility "is found to have refused to comply with, or to have willfully violated, any lawful rule or order of the Commission . . . a penalty for each offense of not more than \$5,000" may be imposed by the Commission." That same paragraph further states: "Each day that such refusal or violation continues constitutes a separate offense." Therefore, the utility faces fines of up to \$5,000 per day for each day it fails to comply with Order No. PSC-11-0444-PAA-SU.

In addition, the final order required the Utility to complete pro forma plant improvements within 12 months of the issuance of the Consummating Order. The pro forma improvements include the replacement blowers, cleaning of the pond, and video graphing. The deadline for completing these additions is November 1, 2012. This deadline must be met in order for S&L to implement the Phase 2 rates authorized by the Commission. Verification must be provided to the Commission in the form of a copy of final invoice(s) and cancelled check(s) for the replacement blowers, cleaning of the pond, and video graphing. In addition, please submit documentation from a professional engineer indicating that the pond cleaning was done in compliance with the Department of Environmental Protection

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(DEP) standards. Please provide the required information demonstrating that the improvements have been completed by November 1, 2012.

Please submit the required information to the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida, 32399-0850. If you have any questions, please contact me at (850) 413-6877 or lroberts@psc.state.fl.us

Sincerely,



Lydia Roberts
Regulatory Analyst II
Division of Economic Regulation

LR

cc: Division of Economic Regulation (Roberts, Daniel, Hudson, Maurey, Fletcher, Simpson)
Office of General Counsel (Robinson)
Office of Commission Clerk (Docket No. 100471-SU)