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DIVISION OF LEGAL SERVICES
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Public Service Commission

November 4, 1998

Mr. Philip Woods
A.P. Utilities, Inc.
3925 S.E. 45th Court, Suite E
Ocala, Florida 34486-7431

RE: Docket No. 981030 - Application for Transfer of Portion of Certificate No. 380-W in Marion County from A. P. Utilities, Inc., to Ocala Oaks Utilities, Inc., and Potential Sale to Marion County

Dear Mr. Woods:

This letter is in response to your letter addressed to Mr. Hill, dated October 19, 1998. In that letter, you requested that the Commission waive \$62,688.23 of \$128,496.17 in delinquent regulatory assessment fees, penalties, interest, and penalties associated with delinquent annual reports, to facilitate pending sales of A. P. Utilities, Inc., systems. Pursuant to Florida Statutes, the Commission has no authority to waive the penalty and interest on regulatory assessment fees. While the Commission could consider a petition for rule waiver on the penalties associated with annual reports filed by you, the time to ask for such consideration expired when you failed to respond to all of the Commission's orders to show cause. Thus, each of the penalty amounts have been either referred to the Comptroller's Office for further collection or have been filed as liens in the Circuit Court of Marion County, Florida, pursuant to Orders Nos.: PSC-97-0286-FOF-WU, issued March 13, 1997, in Docket No. 96141-WU; PSC-97-1556-PCO-WU, issued December 11, 1997, in Docket No. 971076-WU; and, PSC-98-1005-SU-WU, issued July 24, 1998, in Docket No. 980729-WU.

In any event, the Commission staff sees no reason why past debt should prevent any sale or transfer of systems in A. P. Utilities from proceeding because the seller/transferor (that is you) remains liable for all past debt pursuant to section 367.071(2), Florida Statutes. Thus, the only debt which might concern a potential purchaser prior to the sale or transfer are the liens filed pursuant to Order No. PSC-98-1005-SU-WU, issued July 24, 1998, in Docket No. 980729-WU, totaling \$16,668.16 (\$10,992.47 regulatory assessment fees, \$5,675.69 penalty and interest).

Your letter suggests that you will remit \$65,807.94 in addition to the Commission waiving the remainder in order for the transfers to be approved. We suggest that you use this capital to satisfy the liens and remit the remainder as previously ordered.

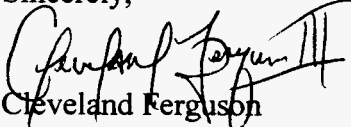
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If you have any questions, please contact me at (850) 413-6185.

Sincerely,


Cleveland Ferguson
Staff Attorney

CF/dr

cc: Division of Water and Wastewater (Hill, Kaproth)
Division of Legal Services (Vaccaro)
Rob Vandiver, General Counsel
Al Roe, Marion County
Mike Ellzey, Ocala Oaks Utilities, Inc.

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