

Eric Fryson

From: Rhonda Dulgar [rhonda@gbwlegal.com]
Sent: Tuesday, January 17, 2012 4:13 PM
To: Filings@psc.state.fl.us; Lisa Bennett; Reilly.Steve@leg.state.fl.us
Cc: Schef Wright
Subject: Electronic Filing - Docket 110254-WS
Attachments: 110254.VerifiedResponseAndPetition.1-17-12.pdf

a. Person responsible for this electronic filing:

Robert Scheffel Wright
 Gardner, Bist, Wiener, Wadsworth, Bowden,
 Bush, Dee, LaVia & Wright, P.A.
 1300 Thomaswood Drive
 Tallahassee, FL 32308
swright@gbwlegal.com
 (850) 3850-0070

b. 110254-WS

In Re: Initiation of show cause proceedings against Four Points Utility Corporation in Polk County for violation of Commission rules and regulations as outlined in the Florida Public Service Commission's management audit for Four Points Utility Corporation and Bimini Bay Utilities Corporation issued June 2011.

c. Document being filed on behalf of Four Points Utility Corporation.

d. There are a total of 46 pages.

e. The document attached for electronic filing is Verified Response to Order Initiating Show Cause Proceeding and Petition for Formal Proceeding by Four Points Utility Corporation. (see attached file: 110254.VerifiedResponseAndPetition.1-17-12.pdf)

Thank you for your attention and assistance in this matter.

Rhonda Dulgar

Secretary to Jay LaVia & Schef Wright

Gardner, Bist, Wiener, Wadsworth, Bowden,
 Bush, Dee, LaVia & Wright, P.A.
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings)
against Four Points Utility Corporation in)
Polk County for violation of Commission) Docket No. 110254-WS
rules and regulations as outlined in the)
Florida Public Service Commission’s) Filed: January 17, 2012
management audit for Four Points Utility)
Corporation and Bimini Bay Utilities)
Corporation issued June 2011.)
_____)

**VERIFIED RESPONSE TO ORDER INITIATING SHOW CAUSE
PROCEEDING AND PETITION FOR FORMAL PROCEEDING
BY FOUR POINTS UTILITY CORPORATION**

Four Points Utility Corporation (“Four Points” or “Company”), pursuant to Rule 28-106.201, Florida Administrative Code (“F.A.C.”), and in accord with the Commission’s instructions set forth in Order No. PSC-11-0541-SC-WS (the “Show Cause Order”), hereby petitions the Commission to conduct a formal proceeding, including a full evidentiary hearing, regarding disputed issues of material fact raised herein by Four Points. Four Points disputes many of the factual allegations set forth in the Show Cause Order, as well as the penalties proposed for the alleged violations. Accordingly, Four Points requests that the Commission conduct a formal proceeding, including a formal evidentiary hearing, pursuant to the provisions of Chapter 120, Florida Statutes, and applicable rules of the Florida Administrative Code, in which the Commission will have the burden of proving the alleged violations of its rules and that any proposed penalties or fines are justified.

As a preliminary matter, Four Points notes that it is filing this Response and Petition for Formal Proceeding to preserve its right to a formal proceeding in which it can dispute many of the factual allegations set forth in the Show Cause Order. However, Four Points would prefer to resolve this matter amicably without the need for a hearing. Four Points is currently negotiating with a third party to acquire the Company's assets and to operate the utility while the acquisition is completed. Accordingly, Four Points intends to make an offer of settlement in the near future.

PRODEDURAL BACKGROUND

1. The name, address, and telephone number of the Petitioner are as follows:

Four Points Utility Corporation
400 Saddle Worth Place
Lake Mary, Florida 32746

2. All pleadings, orders, and correspondence should be directed to Petitioner's representatives as follows:

Robert Scheffel Wright, Attorney at Law
John T. LaVia, III, Attorney at Law
Gardner, Bist, Wiener, Wadsworth, Bowden, Bush,
Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, Florida 32308
Telephone: (850) 385-0070
Facsimile: (850) 385-5416

3. The agency affected by this Petition for Formal Proceeding is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

4. Four Points received notice of the Commission's proposed action when Four Points received a copy of the Commission's Order No. PSC-11-0541-SC-WS on December 6, 2011.

FACTUAL BACKGROUND

5. Four Points is a Class C water and wastewater utility which provides service in Polk County. Four Points provides service to customers in the Island Club West Resort and Spa ("Island Club West") development in Davenport, Florida. Four Points is owned by Mr. David Meadows. Mr. Meadows developed Island Club West.

6. The Show Cause Order is based on alleged violations of the Commission's rules identified in the "Auditor's Report on Investigation into Billing, Meter Reading and Account Reporting Practices" (the "Billing Audit Report") issued on September 10, 2010; and in a compliance and management audit (the "Management Audit") issued in June 2011.

RESPONSE TO SHOW CAUSE ORDER

7. The Show Cause Order contains show cause findings on nine categories of alleged violations of Commission rules. For ease of reference, this response will address each category separately.

a. Audit Requests. The Show Cause Order proposes to impose a \$500 fine on Four Points for Four Points' alleged failure to provide reasonable access to utility and affiliate records for the purpose of management and final audits. Specifically, the Show Cause Order alleges that Four Points failed to respond to five data requests (numbers 25, 30, 33, 34 and 38) propounded by the Commission Staff. Four Points disputes these allegations and asserts sufficient responses were provided to each of the data requests as follows:

i. Request No. 25: This request asked for copies of signed, written complaints. Four Points did not have copies of any signed, written complaints in its files, accordingly, Four Points informed the auditors that no responsive documents existed. Four Points cannot be penalized for failing to produce documents that do not exist.

ii. Request No. 30: Four Points provided a written response on September 15, 2010.

iii. Request No. 33: Four Points provided a written response on August 11, 2010.

iv. Request No. 34: Four Points provided a written response on September 9, 2010.

v. Request No. 38: Four Points provided a written response on September 9, 2010.

Moreover, Four Points representatives met with audit staff in an exit interview and audit staff did not identify any data requests to which Four Points had failed to respond. (If audit staff had identified any missing responses, Four Points would have attempted to complete the record.) In sum, Four Points disputes the proposed finding in the Show Cause Order that it failed to provide reasonable access to its records.

b. Annual Report. The Show Cause Order proposes to impose a penalty of \$1,890 for Four Points' failure to timely file its 2010 Annual Report. Four Points filed its 2010 Annual Report on January 13, 2012. Four Points concedes that the 2010 Annual Report was not timely, but Four Points contests the amount of penalty imposed. Four Points did not intend to "flagrant[ly] disregard" the Commission's rules by not filing the 2010 Annual Report on time; rather, the delays were caused by staffing turnover.

c. Customer Complaints.

i. Failure to Maintain Customer Complaint Records.¹ The Show Cause Order proposes to impose a penalty of \$5,000 for Four Points' alleged failure to maintain "a record of each signed, written complaint received by the utility from of any it utility customers." (Emphasis supplied.) Four Points

¹ Four Points notes that the Show Cause Order proposes to penalize Four Points for failure to allow access to signed, written customer complaints that Four Points asserts do not exist and for failure to maintain records of such complaints. Four Points asserts that it is not appropriate to impose duplicative penalties for the same alleged violation.

disputes whether it received any “signed, written” complaints for which it was required to maintain a record under Commission Rule 25-30.130, F.A.C.

ii. Failure to Investigate and Respond to Complaints. The Show Cause Order proposes to impose a penalty of \$1,750 for Four Points’ alleged failure to investigate and respond to customer complaints. Four Points concedes that during the time period covered, due to staff turnover, its investigation of and response to customer complaints was not optimum. However, Four Points disputes the appropriateness of the proposed penalty.

iii. Discontinuance of Service to Customers Pending PSC Complaints. The Show Cause Order proposes to impose a penalty of \$15,000 for Four Points’ alleged discontinuance of service for three customers with pending Commission complaints. The Show Cause Order does not identify which three customers are involved in this allegation. Accordingly, Four Points disputes the allegation until such time that it is able to conduct discovery to determine which customers were involved. In addition, Four Points disputes the penalty the Show Cause Order proposes to impose on Four Points.

d. Customer Deposits.

i. Failure to Consistently Apply the Established Specific Criteria for Initial Deposits. The Show Cause Order proposes to impose a penalty of \$500 on Four Points for allegedly not being “consistent in the amount of the initial deposit charged to new customers.” However, the Show Cause Order

concedes that the initial deposit amount of \$120 that Four Points has charged since February 2010 “may” be “reasonable and within the guidelines of [Four Points’] tariff.” Four Points asserts that the initial deposit fee that Four Points is currently charging is in fact reasonable. Moreover, Four Points believes that the initial deposits charged prior to February 2010 were consistent with Four Points’ applicable tariffs. In addition, Four Points disputes the penalty amount proposed in the Show Cause Order.

ii. Failure to Pay Interest on Deposits and Failure to Refund Deposits. The Show Cause Order proposes to impose a penalty of \$25,000 for Four Points’ alleged failure to pay interest on and refund certain customer deposits. While Four Points concedes that interest was not properly paid on some customer deposits and some customers did not receive timely refunds, Four Points disputes the proposed penalty as excessive.

iii. Requiring Additional Deposits without Reasonable Notice. The Show Cause Order proposes to impose a penalty of \$375 for Four Points’ alleged failure to provide certain customers 30-day notice prior to requiring additional deposits. Four Points concedes that the initial request for additional deposits did not include a 30-day additional notice; however, Four Points believes that in each case the notice error was corrected and the customers were granted additional time to pay the deposit. Accordingly, Four Points disputes that it required additional deposits without sufficient notice.

e. Meter Reading. The Show Cause Order proposes to impose a penalty of \$5,000 for Four Points' alleged failure to comply with certain meter reading requirements set forth in Commission Order No. PSC-07-0280-PAA-WS. Specifically, the Show Cause Order alleges that Four Points failed "to properly commit sufficiently trained personnel to the function of meter reading." Four Points asserts that its meter readers were sufficiently trained to properly read all customers' meters. Accordingly, Four Points disputes the factual allegations concerning meter reading in the Show Cause Order. In addition, Four Points disputes the proposed penalty as excessive.

f. Customer Billing.

i. Maintaining Accurate Customer Bills. The Show Cause Order proposes to impose a \$1,000 penalty for Four Points' alleged failure to maintain accurate customer bills. Four Points concedes that it appears that Four Points has not been able to reproduce certain customer bills due to apparent limitations in its billing software (Quick Books). However, Four Points disputes the amount of the proposed penalty.

ii. Charging Rates Not Authorized by Tariff. The Show Cause Order proposes to impose a penalty of \$5,000 for Four Points' failure to charge just, reasonable, and fair rates. Specifically, the Show Cause Order alleges that Four Points' billing controls and procedures are inadequate to produce reliable bills, and thus, Four Points cannot be certain that it is charging authorized rates.

Four Points disputes this allegation. Four Points' position is that it charged the rates in its tariff. Four Points also disputes the amount of the proposed penalty.

iii. Improperly Deeming Customer Accounts Delinquent.

The Show Cause Order proposes to impose a penalty of \$1,000 for Four Points' allegedly deeming certain customer accounts delinquent improperly. Four Points disputes that it improperly deemed customer accounts delinquent. If a customer account was inadvertently deemed delinquent, Four Points corrected the error as soon as it became aware of it. Four Points also disputes the amount of the proposed penalty.

g. Improper Discontinuance of Service. The Show Cause Order proposes to impose a penalty of \$5,000 for Four Points' alleged improper discontinuance of service to certain customers. Specifically, the Show Cause Order references eight unidentified customers who were allegedly improperly disconnected. Four Points disputes whether these eight unidentified customers were improperly disconnected. In addition, Four Points disputes the amount of the proposed penalty.

h. Regulatory Assessment Fees ("RAFs"). The Show Cause Order proposes to require that Four Points pay past due RAFs for 2009 and 2010 totaling \$13,206 and proposes to impose additional penalties and interest totaling \$5,018. Four Points disputes the total amount of RAFs the Show Cause Order alleges Four Points owes. From preliminary review of Four Points' RAF

submissions, it appears that Four Points may have under-paid the RAFs due to a misapprehension of the correct formula for calculating the RAFs. Four Points did not intentionally under-pay nor did Four Points willfully disregard the Commission's rules. Four Points is reviewing this issue and will address it promptly in accordance with its Compliance Plan which is being filed contemporaneously with this Response. Four Points also disputes the penalties and interest proposed in the Show Cause Order. Four Points paid RAFs in the amount of \$2,578.24 on August 11, 2011 (copies of proof of payment are attached hereto as Composite Exhibit A.)

i. Safe, Efficient, and Sufficient Water and Wastewater Service.

The Show Cause Order states that it “appears [Four Points] has violated the Department of Health’s rules and regulations regarding reporting water quality violations;” however, the Show Cause Order does not propose any penalties. Four Points disputes the allegation that it has violated Department of Health rules and regulations. Attached hereto as Exhibit B is a letter dated December 5, 2011, from the Florida Department of Health indicating that Four Points is in compliance with Department of Health rules and regulations concerning lead and copper monitoring requirements.

COMPLIANCE PLAN

9. The Show Cause Order instructs Four Points to prepare a Compliance Plan addressing various alleged regulatory and management deficiencies. In the

spirit of cooperation, and without waiving its right to contest the Compliance Plan requirements set forth in the Show Cause Order, Four Points hereby submits the proposed Compliance Plan which is attached hereto as Exhibit C. Additionally, in good faith, Four Points has implemented, or is in the process of implementing, as many of the corrective actions and compliance measures set forth in the Plan as is possible/feasible, and Four Points will continue with such implementation during the pendency of the Commission's consideration of the proposed Compliance Plan.

DISPUTED ISSUES OF MATERIAL FACT

10. As a preliminary matter, the Show Cause Order includes various factual allegations concerning Bimini Bay Utilities Corporation ("Bimini Bay"). Bimini Bay is operating solely as a reseller of purchased water and wastewater service at rates that do not exceed the actual purchase prices for bulk service purchased from Polk County, and Bimini Bay is therefore not subject to Commission jurisdiction, pursuant to Section 367.022(8), Florida Statutes. Bimini Bay is therefore not a party to this docket. Accordingly, Four Points asserts that all factual allegations concerning Bimini Bay set forth in the Show Cause Order are improper and irrelevant, and should be removed from the Show Cause Order in their entirety. To the extent that such allegations are not removed, Four Points disputes each such allegation.

11. As identified above, the following issues of material fact must be determined in this proceeding.

- a. Whether Four Points provided reasonable access to utility and affiliate records for the purpose of management and final audit.
- b. Whether the proposed penalty for Four Points' alleged failure to provide access to utility records is consistent with Commission rules and precedent, and is otherwise reasonable.
- c. Whether Four Points "flagrantly disregarded" Commission rules by filing its 2010 Annual Report late.
- d. Whether the proposed penalty for Four Points' failure to timely file its 2010 Annual Report is consistent with Commission rules and precedent, and is otherwise reasonable.
- e. Whether Four Points received any "signed, written" customer complaints.
- f. Whether Four Points failed to maintain records of any "signed, written" customer complaints.
- g. Whether the proposed penalty for Four Points' alleged failure to maintain records of signed, written complaints is consistent with Commission rules and precedent, and is otherwise reasonable.
- h. Whether Four Points failed to appropriately investigate and respond to customer complaints.

i. Whether the proposed penalty for Four Points' alleged failure to investigate and respond to customer complaints is consistent with Commission rules and precedent, and is otherwise reasonable.

j. Whether Four Points improperly disconnected service to three customers with pending Commission complaints.

k. Whether the proposed penalty for Four Points' alleged improper discontinuance of service to three customers with pending Commission complaints is consistent with Commission rules and precedent, and is otherwise reasonable.

l. Whether Four Points failed to charge consistent initial deposits to new customers.

m. Whether the initial deposit currently charged by Four Points is reasonable.

n. Whether the proposed penalty for Four Points' alleged failure to charge consistent initial deposits to new customers is consistent with Commission rules and precedent, and is otherwise reasonable.

o. Whether the proposed penalty for Four Points' alleged failure to pay interest on and refund certain customer deposits is consistent with Commission rules and precedent, and is otherwise reasonable.

p. Whether Four Points required customers to pay additional deposits without providing reasonable notice.

q. Whether Four Points committed sufficiently trained personnel to perform the function of meter reading.

r. Whether the proposed penalty for Four Points' alleged failure to commit sufficiently trained personnel to perform the function of meter reading is consistent with Commission rules and precedent, and is otherwise reasonable.

s. Whether the proposed penalty for Four Points' alleged failure to maintain accurate customer bills is consistent with Commission rules and precedent, and is otherwise reasonable.

t. Whether Four Points charged its customers rates not authorized by its tariff.

u. Whether the proposed penalty for Four Points' alleged failure to charge the rates authorized by its tariff is consistent with Commission rules and precedent, and is otherwise reasonable.

v. Whether Four Points improperly deemed customer accounts delinquent.

w. Whether the proposed penalty for Four Points' alleged improper determination of delinquency of customer accounts is consistent with Commission rules and precedent, and is otherwise reasonable.

x. Whether Four Points improperly discontinued service to any customers.

y. Whether the proposed penalty for Four Point's alleged improper discontinuance of service is consistent with Commission rules and precedent, and is otherwise reasonable.

z. Whether Four Points has violated any Department of Health rules or regulations.

Four Points reserves its right to raise additional issues in accord with Commission procedures, as such may be indicated through discovery or otherwise.

STATEMENT OF ULTIMATE FACTS ALLEGED

12. Four Points alleges the following ultimate facts that Four Points believes demonstrate that the proposed penalties set forth in the Show Cause Order are improper.

a. Four Points provided reasonable access to utility and affiliate records for the purpose of management and final audits.

b. The proposed penalty for Four Points' alleged failure to provide access to utility records is not reasonable in light of the totality of the circumstances of this case.

c. Four Points did not "flagrantly disregard" Commission rules in filing its 2010 Annual Report late.

d. The proposed penalty for Four Points' failure to timely file its 2010 Annual Report is not reasonable in light of the totality of the circumstances of this case.

- e. Four Points did not receive any “signed, written” customer complaints.
- f. Four Points did not fail to maintain records of any “signed, written” customer complaints.
- g. The proposed penalty for Four Points’ alleged failure to maintain records of signed, written complaints is not reasonable in light of the totality of the circumstances of this case.
- h. Four Points did not fail to appropriately investigate and respond to customer complaints.
- i. The proposed penalty for Four Points’ alleged failure to investigate and respond to customer complaints is not reasonable in light of the totality of the circumstances of this case.
- j. Four Points did not improperly disconnect service to three customers with pending Commission complaints.
- k. The proposed penalty for Four Points’ alleged improper discontinuance of service to three customers with pending Commission complaints is not reasonable in light of the totality of the circumstances of this case.
- l. Four Points did not fail to charge consistent initial deposits to new customers.
- m. The initial deposit currently charged by Four Points is reasonable.

n. The proposed penalty for Four Points' alleged failure to charge consistent initial deposits to new customers is not reasonable in light of the totality of the circumstances of this case.

o. The proposed penalty for Four Points' alleged failure to pay interest on and refund certain customer deposits is not reasonable in light of the totality of the circumstances of this case.

p. Four Points did not require customers to pay additional deposits without providing reasonable notice.

q. Four Points committed sufficiently trained personnel to perform the function of meter reading.

r. The proposed penalty for Four Points' alleged failure to commit sufficiently trained personnel to perform the function of meter reading is not reasonable in light of the totality of the circumstances of this case.

s. The proposed penalty for Four Points' alleged failure to maintain accurate customer bills is not reasonable in light of the totality of the circumstances of this case.

t. Four Points charged its customers rates authorized by its tariff.

u. The proposed penalty for Four Points' alleged failure to charge the rates authorized by its tariff is not reasonable in light of the totality of the circumstances of this case.

- v. Four Points did not improperly deem customer accounts delinquent.
- w. The proposed penalty for Four Points' alleged improper determination of delinquency of customer accounts is not reasonable in light of the totality of the circumstances of this case.
- x. Four Points did not improperly discontinue service to any customers.
- y. The proposed penalty for Four Point's alleged improper discontinuance of service is not reasonable in light of the totality of the circumstances of this case.
- z. Four Points is investigating its payment of Regulatory Assessment Fees. Four Points disputes any proposed penalties for underpayments of RAFs on the ground that any such penalties are not reasonable in light of the totality of the circumstances.
- aa. Four Points is not in violation of any Department of Health rules or regulations.

**STATUTES AND RULES THAT ENTITLE
FOUR POINTS TO RELIEF**

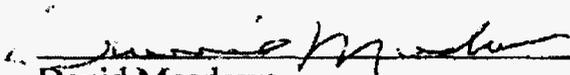
13. The applicable statutes and rules that entitle Four Points to relief include, but are not limited to Sections 120.569, 120.57(1), and Chapter 367, Florida Statutes, and Chapters 25-22 and 25-30, Florida Administrative Code.

CONCLUSION AND RELIEF REQUESTED

Four Points respectfully requests the Commission to conduct a formal proceeding, including a full evidentiary hearing on the issues raised herein, and at the conclusion of that proceeding, to issue an order denying the Show Cause Order.

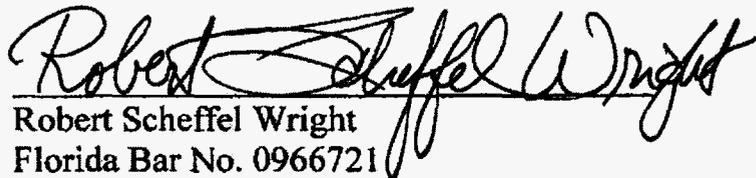
VERIFICATION

Under penalties of perjury, I declare that I have read the foregoing "Verified Response to Order Initiating Show Cause Proceeding and Petition for Formal Proceeding by Four Points Utility Corporation" and the facts stated in it are true to the best of my information and belief.



David Meadows
CEO, Four Points Utility Corporation

Respectfully submitted this 17th day of January, 2012.



Robert Scheffel Wright
Florida Bar No. 0966721

John T. LaVia, III
Florida Bar No. 0853666

Gardner, Bist, Wiener, Wadsworth, Bowden,
Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, Florida 32308
(850) 385-0070 Telephone
(850) 385-5416 Facsimile

Attorneys for Four Points Utility Corporation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic delivery this 17th day of January, 2012, to the following:

Lisa Bennett, Esquire
Office of the General Counsel
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Steve Reilly, Esquire
Office of the Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, Florida 32399-1400



Attorney

ISLAND CLUB RESORT DEVELOPMENT, INC.
101 GOLDEN MALAY PALM WAY
DAVENPORT, FL 33897

CenterState Bank
100 Polo Park East Blvd.
Davenport, FL 33897
68-1403/631

006603

8/11/11

PAY TO THE
ORDER OF

FL Public Service Commission

\$ 2578.24

DOLLARS

TWO SIGNATURES REQUIRED

FOR



[Handwritten Signature]

ISLAND CLUB RESORT DEVELOPMENT, INC./101 GOLDEN MALAY PALM WAY

006603

ISLAND CLUB RESORT DEVELOPMENT, INC./101 GOLDEN MALAY PALM WAY

006603

COMPOSITE EXHIBIT A

*entered
in QB*
[Handwritten initials]

TO AVOID PENALTY AND INTEREST CHARGES, THE REGULATORY ASSESSMENT RETURN MUST BE FILED ON OR BEFORE 02/28/11*

Small Wastewater System Regulatory Assessment Fee Return

Florida Public Service Commission

(See Filing Instructions on Back of Form)

STATUS:

Actual Return
 Estimated Return

PERIOD COVERED:
01/01/2010 TO 12/31/2010

W3896-10-S-R
Four Points Utility Corporation
101 Golden Malay Palm Way
Davenport, FL 33897-8602

Please Complete Below if Official Mailing Address Has Changed

FOR PSC USE ONLY	
Check #	
\$	0604002 000000
\$	E
\$	F 0604002 000000
\$	I
Preparer Date	
Initials of Preparer	

(SYSTEM'S NAME)	(ADDRESS)	(CITY/STATE)	(ZIP)
Florida Public Service Commission Certificate	W3896-10-S-R		
WASTEWATER OPERATING REVENUES			
FLAT-RATE REVENUES			
1. Residential Revenues (521.1)	\$ 75,537	\$	\$
2. Commercial Revenues (521.2)			
3. Industrial Revenues (521.3)			
4. Revenues from Public Authorities (521.4)			
5. Multiple Family Dwelling Revenues (521.5)			
6. Other Revenues (521.6)			
7. TOTAL FLAT-RATE REVENUES	\$ 75,537	\$	\$
MEASURED REVENUES			
8. Residential Revenues (522.1)			
9. Commercial Revenues (522.2)			
10. Industrial Revenues (522.3)			
11. Revenues from Public Authorities (522.4)			
12. Multiple Family Dwelling Revenues (522.5)			
13. TOTAL MEASURED REVENUES	\$	\$	\$
14. Revenues from Public Authorities (523)			
15. Revenues from Other Systems (524)			
16. Interdepartmental Revenues (525)			
17. TOTAL (Lines 7+13+14+15+16)	\$ 75,537	\$	\$
OTHER WASTEWATER REVENUES			
18. Guaranteed Revenues (Include Revenues from A.F.P.I. Charges) (530)			
19. Sales of Sludge (531)			
20. Forfeited Discounts (532)			
21. Revenues from Wastewater Property (534)			
22. Interdepartmental Revenues (535)			
23. Other Wastewater Revenues (536) Describe:			
24. TOTAL OTHER WASTEWATER REVENUES (Lines 18+19+20+21+22+23)	\$	\$	\$
25. TOTAL WASTEWATER OPERATING REVENUES* (Lines 17+24)	\$ 75,537	\$	\$
26. LESS: Expenses for Purchased Wastewater Treatment from FPSC-Regulated Utility	(77,750)	()	()
27. NET WASTEWATER OPERATING REVENUES (Line 25 Less Line 26)	(2,213)	()	()
28. Regulatory Assessment Fee Due - (Multiply Line 27 by 0.045)		(99.59)	
29. LESS: Approved Price-Period Credit			
30. NET REGULATORY ASSESSMENT FEE (Line 28 Less Line 29)		\$ 99.59	
31. Penalty for Late Payment			
32. Interest for Late Payment			
33. TOTAL AMOUNT DUE		\$	

*These amounts must agree with Annual Report Schedule R-3
If service was purchased from a regulated utility, please insert its name:

AS PROVIDED BY SECTION 381.12, FLORIDA STATUTES, THE MINIMUM ANNUAL FEE IS \$15

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

Signature of System Official
DAVID MEADOWS
(Please Print Name)

PRESIDENT
Telephone Number (407) 448-3315 Fax Number (407) 333-0917
F.E.I. No. 20-4163128

TO AVOID PENALTY AND INTEREST CHARGES, THE REGULATORY ASSESSMENT FEE RETURN MUST BE FILED ON OR BEFORE 03/31/11

Small Water System Regulatory Assessment Fee Return

Florida Public Service Commission

(See FPL's Instructions on Back of Form)

STATUS:
 Actual Return
 Estimated Return

PERIOD COVERED:
 01/01/2010 TO 12/31/2010

WS898-10-W-R
 Four Points Utility Corporation
 101 Golden Malay Palm Way
 Davenport, FL 33897-8602

Please Complete Below If Official Mailing Address Has Changed

FOR FPC USE ONLY

Check # _____
 \$ _____ 0604801
 008801
 \$ _____ E
 \$ _____ P 0604801
 008810
 \$ _____ I

Postmark Date _____
 Initials of Preparer _____

SYSTEM'S NAME	ADDRESS	CITY/STATE	ZIP
Florida Public Service Commission Certificate	WS898-10-W-R		
WATER OPERATING REVENUES			
1. Unmetered Water Revenues (460)	\$ _____	\$ _____	\$ _____
MEASURED WATER REVENUES			
2. Residential Revenues (461.1)	48,196		
3. Commercial Revenues (461.2)			
4. Industrial Revenues (461.3)			
5. Revenues from Public Authorities (461.4)			
6. Multiple Family Dwelling Revenues (461.5)	\$ 48,196	\$ _____	\$ _____
7. TOTAL METERED SALES			
FIRE PROTECTION REVENUES			
8. Public Fire Protection (462.1)			
9. Private Fire Protection (462.2)	\$ _____	\$ _____	\$ _____
10. TOTAL FIRE PROTECTION REVENUE			
11. Other Sales to Public Authorities (464)			
12. Sales to Irrigation Customers (465)			
13. SALES FOR RESALE (466)			
14. Interdepartmental Sales (467)	\$ 48,196	\$ _____	\$ _____
15. TOTAL WATER SALES (Lines 1-7+10+11+12+13+14)			
OTHER WATER REVENUES			
16. Guaranteed Revenues (Include Revenues from A.P.P.L. Charges) (469)			
17. Forfeited Deposits (470)			
18. Miscellaneous Service Revenues (471)			
19. Rents from Water Property (472)			
20. Interdepartmental Rents (473)			
21. Other Water Revenues (474) Describe: <i>Late Fees, Reconnect charges, New A/c</i>	4243		
22. TOTAL OTHER WATER REVENUES (Lines 16-17+18+19+20+21)	\$ 4243	\$ _____	\$ _____
23. TOTAL WATER OPERATING REVENUES* (Lines 15+22)	\$ 52,439	\$ _____	\$ _____
24. LESS: Expense for Purchased Water from FPC-Regulated Utility	43,090		
25. NET WATER OPERATING REVENUES (Line 23 Less Line 24)	9,349		
26. Regulatory Assessment Fee Due - (Multiply Line 25 by 0.046)	430.71		
27. LESS: Approved Prior-Period Credit			
28. NET REGULATORY ASSESSMENT FEE (Line 26 Less Line 27)	\$ 430.71		
29. Penalty for Late Payment			
30. Interest for Late Payment			
31. TOTAL AMOUNT DUE			

*These amounts must agree with Annual Report Schedule F-3
 If service was purchased from a regulated utility, please insert its name: _____

AS PROVIDED IN SECTION 363.06, FLORIDA STATUTES, THE FOLLOWING ANNUAL FEE IS:

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 317.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

David Meadows
 (Signature of System Official)
DAVID MEADOWS
 (Please Print Name)

PRESIDENT
 (Title)
 Telephone Number (407) 948-3315 Fax Number (407) 833-0917
 F.R.I. No. 20-4163128
 Date 7/31/11

TO AVOID PENALTY AND BREACH OF ORDER, THE REGULATORY ASSESSMENT FEE RETURN MUST BE FILED ON OR BEFORE 08/31/09
Small Water System Regulatory Assessment Fee Return

Florida Public Service Commission

STATUS:

Actual Return
Estimated Return

PERIOD COVERED:
01/01/2009 TO 12/31/2009
2009 2009

WS898-10-W-R
 Four Points Utility Corporation
 101 Golden Malay Palm Way
 Davenport, FL 33897-8602

Please Complete Below if Official Mailing Address Has Changed

FOR FPC USE ONLY

Check # _____

\$ _____ 0004001

\$ _____ B 000001

\$ _____ P 0004001

\$ _____ I 004010

Payment Date _____

Initial of Preparer _____

SYSTEM'S NAME	ADDRESS	CITY/STATE	ZIP
Florida Public Service Commission Certificate	WS898-10-W-R		
WATER OPERATING REVENUES			
1. Unmetered Water Revenues (460)	\$ _____	\$ _____	\$ _____
MEASURED WATER REVENUES			
2. Residential Revenues (461.1)	64,558		
3. Commercial Revenues (461.2)			
4. Industrial Revenues (461.3)			
5. Revenues from Public Authorities (461.4)			
6. Multiple Family Dwelling Revenues (461.5)			
7. TOTAL METERED SALES	\$ 64,558	\$ _____	\$ _____
FIRE PROTECTION REVENUES			
8. Public Fire Protection (462.1)			
9. Private Fire Protection (462.2)			
10. TOTAL FIRE PROTECTION REVENUE	\$ _____	\$ _____	\$ _____
11. Other Sales to Public Authorities (463)			
12. Sales to Industrial Customers (463)			
13. SALES FOR RESALE (463)			
14. Interdepartmental Sales (463)			
15. TOTAL WATER SALES (Lines 1+7+8+9+10+12+13+14)	\$ 64,558	\$ _____	\$ _____
OTHER WATER REVENUES			
16. Government Revenues (Include Revenues from A.F.F.I. Charges) (465)			
17. Fertilizer Discounts (470)			
18. Miscellaneous Service Revenues (471)			
19. Rents from Water Property (472)			
20. Interdepartmental Rents (473)			
21. Other Water Revenues (474) Details: New A/C Reconnect			
22. TOTAL OTHER WATER REVENUES (Lines 16-21)	2157	\$ _____	\$ _____
23. TOTAL WATER OPERATING REVENUES (Lines 22+23)	66,715	\$ _____	\$ _____
24. LESS: Expenses for Purchased Water from FPC-Regulated Utility	4,500	\$ _____	\$ _____
25. NET WATER OPERATING REVENUES (Line 23 Less Line 24)	20,900	\$ _____	\$ _____
26. Regulatory Assessment Fee Due - (Multiply Line 25 by 0.045)		940.59	
27. LESS: Approved Prior-Period Credit		940.59	
28. NET REGULATORY ASSESSMENT FEE (Line 26 Less Line 27)			
29. Penalty for Late Payment			
30. Interest for Late Payment			
31. TOTAL AMOUNT DUE			

*These amounts must agree with Annual Report Schedule F-3
If service was purchased from a regulated utility, please insert its name:

STATEMENT OF THE SYSTEM OFFICIAL

I, the undersigned owner/officer of the above-named water, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 351.06, Florida Statute, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

Signature of System Official
DAVID MEADINE
(Print Name)

PRESIDENT
(Title)
Telephone Number (407) 346-2010 Fax Number (407) 346-0017

REL No. 20-4163128

TO AVOID PENALTY AND INTEREST CHARGES, THIS REGULATORY ASSESSMENT FEE RETURN MUST BE FILED ON OR BEFORE 08/15/09
Small Wastewater System Regulatory Assessment Fee Return

Florida Public Service Commission

STATUS:
Actual Return
Estimated Return

PERIOD COVERED:
01/01/2009 TO 12/31/2009

WS898-10-S-R
Four Points Utility Corporation
101 Golden Malay Palm Way
Davenport, FL 33897-8602

FOR FPC USE ONLY
Check #
0604002
008000
E
P
0604002
800900
I
Payment Date
Initial of Preparer

Please Complete Below if Official Mailing Address Has Changed

Table with columns: SYSTEM'S NAME, ADDRESS, CITY/STATE, ZIP. Rows include WASTEWATER OPERATING REVENUES (FLAT-RATE, MEASURED), OTHER WASTEWATER REVENUES, and TOTAL AMOUNT DUE.

*These amounts must agree with Annual Report Schedule F-3
If service was purchased from a regulated utility, please insert its name:

AS REQUIRED BY SECTION 361.15, FLORIDA STATUTES, THE UNDERSIGNED OWNER HEREBY...
I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement...
DAVID MEADOWS (Signature of System Official)
7/31/11
Telephone Number (887) 948-3915
FAX Number (887) 332-0917
FEL No. 20-4163128



EXHIBIT B

Rick Scott
Governor

H. Frank Farmer, Jr., M.D., Ph.D.
State Surgeon General

December 5, 2011

CS/ISLAND CLUB WEST
PWS: Id. No. 6535704

RECEIVED DEC 12 2011

FOUR POINTS UTILITIES
101 GOLDEN MALAY PALM WAY
DAVENPORT, FL 33897

RECEIVED DEC 12 2011

Subject: Lead & Copper Tap Water

Dear Public Water System Owner:

Your system has met the lead and copper monitoring requirements of Chapter 62-550.800, Florida Administrative Code and 40 CFR 141.86(D)(4) of the Federal Rule. Please continue with the second 6-months monitoring period as follows:

1. The next monitoring period begins January 1, 2012 and ends June 30, 2012.
2. A minimum of ten samples must be collected during this monitoring period.
3. The certification of collection methods form must be included with each round of samples.
4. The samples must be properly collected and submitted to a State of Florida certified laboratory.
5. The laboratory must use an approved drinking water analysis method for each chemical.
6. The test results must be properly formatted and ranked.
7. This office must receive the sample results no later than July 10, 2012.
8. If an action level were triggered, a certified laboratory would be required to conduct the water quality analyses.

Notes:

- As of date, I have not received any lead and copper results for Bimini Bay (6535727). Please submit the results as soon as possible
- The sampling plans for both Bimini Bay and Island Club West need to be corrected as follows:

Bimini Bay:

- parts A and B in the records review (page 1 and 2) do not have any selection made
- the total number of service connections (page 2) needs to be corrected

POLK COUNTY HEALTH DEPARTMENT

Four Point Utilities

Page 2

- one WQP site address missing on page 4 under Distribution Sampling Sites
- signature and date missing on page 5

Island Club West:

- the 255 connections are listed on page 2 as "point of entry devices"; on page 3 they are listed as "BF", brass faucets. They can only be one or the other, not both.
- the WQP site on page 4 has to have an actual address not "primary access"
- signature and date missing on page 5

If you have any questions, please contact me at (863) 519-8330 ext. 12148.

Sincerely,



Daniela Sloan
Environmental Specialist II

EXHIBIT C

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings)
against Four Points Utility Corporation in)
Polk County for violation of Commission) Docket No. 110254-WS
rules and regulations as outlined in the)
Florida Public Service Commission's) Filed: January 17, 2012
management audit for Four Points Utility)
Corporation and Bimini Bay Utilities)
Corporation issued June 2011.)
_____)

FOUR POINTS UTILITY CORPORATION'S VERIFIED COMPLIANCE PLAN

Pursuant to the requirements of Commission Order No. PSC-11-0541-SC-WS (the "Show Cause Order"), Four Points Utility Corporation ("Four Points") hereby submits this Compliance Plan addressing the regulatory compliance issues identified in the Show Cause Order and the six topic areas identified in the 2008 National Regulatory Institute Report entitled "Small Water Systems: Challenges and Recommendations" (the "2008 NRIR Report"). This Compliance Plan shall become effective on the date that the Commission order approving the Plan becomes final; however, in good faith, Four Points has implemented, or is in the process of implementing, as many of the corrective actions and compliance measures set forth in the Plan as is possible/feasible, and Four Points will continue with such implementation during the pendency of the Commission's consideration of the proposed Compliance Plan.

As stated in Four Points' response to the Commission's Show Cause Order, among other actions taken by Four Points to accomplish compliance with the Commission's requirements and to address the issues identified in the Show Cause Order, Four Points is negotiating toward an Agreement for Purchase and Sale of Utility Assets and also toward an Interim Operating Agreement with a third party. The final closing of the purchase and sale of the utility assets owned by Four Points will be contingent on the Commission's approval of a transfer application that will be filed by Four Points as soon as practicable. However, pursuant to the Interim Operating Agreement, during the pendency of this proceeding, and also during the pendency of the anticipated transfer docket, the third party would have responsibility, pursuant to the anticipated Interim Operating Agreement with Four Points, for managing and administering Four Points' compliance efforts pursuant to this Plan.

Show Cause Order Regulatory Compliance Issues

I. Audit Requests

A. **Regulatory Requirement:** Four Points is required to provide full and timely responses to any audit requests.

B. **Corrective Action/Compliance Plan:** Four Points agrees to provide full and timely responses to all future audit requests made by Commission Staff. Four Points staff will log in each request on the date received and will calendar the date a response is due. If Four Points is unable to respond within the

timeframe requested by Commission Staff, Four Points will timely request an extension of no more than 10 days to respond. Four Points will request no more than one 10-day extension of time for any audit report.

C. Compliance Benchmark: Four Points will maintain a log tracking audit requests propounded by the Commission Staff and its responses to all future audit requests for public inspection.

D. Verification of Compliance: Four Points will submit the audit request logs to the Commission promptly to the Staff upon request. Commission Staff shall verify compliance by comparing the audit logs to the Staff's records of requested information received from Four Points.

II. Annual Report

A. Regulatory Requirement: Four Points is required to file an Annual Report with the Commission by March 31 for the preceding year ending December 31.

B. Corrective Action/Compliance Plan: Four Points shall file its Annual Report for operating year 2011 by March 26, 2012 and shall file its Annual Reports for 2012 and succeeding years by March 31 of each year. For 2011 and 2012, Four Points will be limited to requesting one 30-day extension of time to file its Annual Report each year.

C. Compliance Benchmark: Four Points shall maintain date-stamped copies of its Annual Reports for public inspection.

D. Verification of Compliance: Compliance will be verified by the fact of filing the required annual reports.

III. Customer Complaints

This compliance item includes three separate aspects of Four Points' handling of customer complaints: (1) failure to maintain adequate customer complaint records; (2) failure to investigate and respond to customer complaints; and (3) issues relating to discontinuance of service to customers with pending complaints. Each of these is addressed below.

1. Failure to Maintain Customer Complaint Records

A. Regulatory Requirements: Four Points is required to maintain a record of each signed, written complaint it receives from any of its customers. The record must include the name and address of the complainant, the nature of the complaint, the date received, the result of the investigation, the disposition of the complaint, and the date of the disposition.

B. Corrective Action/Compliance Plan: Four Points has initiated a complaint tracking procedure whereby each customer complaint will be recorded on a complaint form. A copy of the complaint tracking form is attached hereto as Exhibit A.

C. Compliance Benchmark: Four Points will maintain copies of all complaint tracking forms for public inspection. Four Points will file copies of all complaint tracking forms with the Commission monthly, by the fifteenth day of

the month following the month for which the forms are being submitted, for the twelve-month period following the effective date of this Compliance Plan.

D. Verification of Compliance: Verification of compliance will be accomplished by the filing of the copies of complaint tracking forms with the Commission.

2. Failure to Investigate and Respond to Complaints

A. Regulatory Requirements: Four Points is required by Commission Rule 25-30.355, F.A.C., to investigate and respond to customer complaints in an appropriate and timely manner.

B. Corrective Action/Compliance Plan: Four Points has initiated a complaint tracking procedure whereby each customer complaint will be recorded on a complaint form.

C. Compliance Benchmark: Four Points will maintain copies of all complaint tracking forms for public inspection. Four Points will file copies of all complaint tracking forms with the Commission monthly, by the fifteenth day of the month following the month for which the forms are being submitted, for the twelve-month period following the effective date of this Compliance Plan.

D. Verification of Compliance: Verification of compliance will be accomplished by the filing of the copies of complaint tracking forms with the Commission.

**3. Discontinuance of Service to Customers with Pending PSC
Complaints**

A. Regulatory Requirements: Four Points is required to maintain a record of each signed, written complaint it receives from any of its customers. Four Points may discontinue service to any customer who is delinquent in paying the customer's bills, in accordance with Four Points' Tariff Rules and Regulations (Sheet No. 7.0 and Sheet No. 9.0) and Commission Rules 25-30.320 and 25-30.335(4), Florida Administrative Code. Four Points may not discontinue service to any customer for the sole reason that the customer has filed a complaint with the PSC.

B. Corrective Action/Compliance Plan: Four Points has initiated a complaint tracking procedure whereby each customer complaint will be recorded on a complaint form. Four Points also has a procedure for discontinuing service to customers who are delinquent in paying their accounts. To address the Commission's concern, Four Points will develop an appropriate service discontinuance tracking form that will include a space on its service discontinuance records to indicate whether the customer has filed a complaint with the Commission and, if so, the status of that complaint (e.g., open, closed, resolved, etc.). Four Points will ensure that any action to discontinue service (whether of a customer who has file or has not filed a complaint with the PSC) is fully compliant

with Four Points' tariff provisions governing discontinuance of service, as well as with Commission Rules 25-30.320 and 25-30.335(4), F.A.C.

C. Compliance Benchmark: Four Points will maintain copies of all complaint tracking forms and service discontinuance tracking forms for inspection by the Commission Staff. Four Points will file copies of all complaint tracking forms and service discontinuance forms with the Commission monthly, by the fifteenth day of the month following the month for which the forms are being submitted, for the twelve-month period following the effective date of this Compliance Plan.

D. Verification of Compliance: Verification of compliance will be accomplished by the filing of the copies of complaint tracking forms and service discontinuance forms with the Commission.

IV. Customer Deposits

A. Regulatory Requirements. Four Points is required to collect, maintain, maintain records of, pay interest on, and refund customer deposits in accordance with its tariff and Commission Rule 25-30.311, F.A.C.

B. Corrective Actions: Four Points' existing tariff provisions regarding deposits (Sheet No. 14.0) comply with the Commission's Rules. To ensure that the application of these tariff provisions is consistent with the Commission's Rules, Four Points will implement a system of records for all customer deposits, including the information required by Commission rule 25-

30.311(3), F.A.C. Four Points will further submit copies of its customer deposit records to the Commission Staff for review and comment on July 31, 2012, January 31, 2013, and July 31, 2013.

C. Compliance Benchmarks: The compliance benchmarks for this corrective action will be the submission by Four Points set forth in subsection B above.

D. Verification of Compliance: Verification of compliance will be accomplished by the Commission Staff's review of the copies of customer deposit records submitted in accordance with subsection B above.

V. Meter Reading

A. Regulatory Requirement: Four Points is required to comply with the meter reading procedures set forth in Commission Order No. PSC-07-0280-PAA-WS. Four Points is also required to measure service in compliance with Commission Rules 25-30.255-.267, F.A.C.

B. Corrective Action: Four Points will implement the requirements relating to Meters, Meter Reading, and Meter Testing set forth in Order No. PSC-07-0280-PAA-WS. Four Points will maintain and submit records of its meter installations and meter testing to the Commission on July 31, 2012, January 31, 2013, and July 31, 2013. Four Points will conduct appropriate re-training of its meter readers to ensure compliance with the Order, and will submit a report of such re-training activity to the Commission on July 31, 2012.

C. Compliance Benchmark: The compliance benchmarks for these meter-related activities will be the submission of the reports indicated in subsection B above.

D. Verification of Compliance: Verification of Compliance will be accomplished by Commission Staff review of the reports indicated in subsection B above, including Four Points' promptly furnishing any supplemental documentation requested by the Commission Staff.

VI. Customer Billing

A. Regulatory Requirements: Four Points is required to comply with the Commission's Rules 25-30.335-.350, F.A.C., relating to customer billing matters. The Commission has identified several matters relating to customer billing to be addressed by Four Points' Compliance Plan, including: maintaining and issuing accurate customer bills, charging rates consistently with Four Points' tariff, and improperly deeming customer accounts delinquent.

B. Corrective Actions: Four Points shall ensure that its billing practices are fully compliant with the Commission's rules and with Four Points' Tariff.

C. Compliance Benchmarks: Four Points' System Operator or General Manager, as applicable, shall provide a written report to the Commission by July 31, 2012 and another report by January 31, 2013, explaining what actions Four Points has taken to ensure full compliance with the Commission's rules. The

report shall include a summary description of Four Points' billing system and procedures.

D. Verification of Compliance: Verification of compliance shall be accomplished by the submission of the reports described in subsection C above, and may also be accomplished by Commission Staff review, either on-site or off-site, of Four Points' billing procedures and billing records.

VII. Improper Discontinuance of Service

A. Regulatory Requirement: Four Points is required to comply with Commission Rules 25-30.320 and 25-30.335(4), F.A.C.

B. Corrective Actions: Four Points will ensure that any action to discontinue service (whether of a customer who has filed or has not filed a complaint with the PSC) is fully compliant with Four Points' tariff provisions governing discontinuance of service, as well as with Commission Rules 25-30.320 and 25-30.335(4), F.A.C.

C. Compliance Benchmark: Four Points will maintain copies of the service discontinuance records described in Section III.3.B & C above, and of all service discontinuance correspondence (i.e., notices to customers who are scheduled to have their service discontinued), customer responses, if any, and Four Points' work orders for discontinuance of service. Four Points will file copies of its service discontinuance records, service discontinuance notices, customer responses, if any, and final work orders for discontinuance with the Commission

monthly, by the fifteenth day of the month following the month for which the forms are being submitted, for the twelve-month period following the effective date of this Compliance Plan.

D. Verification of Compliance: Verification of compliance will be accomplished by the filing of service discontinuance forms with the Commission.

VIII. Regulatory Assessment Fees

A. Regulatory Requirement: Four Points is required to pay regulatory assessment fees in compliance with Section 367.145, Florida Statutes, and Commission Rule 25-30.120, F.A.C.

B. Corrective Action: Four Points will undertake immediately to evaluate its payments of Regulatory Assessment Fees and will remit any remaining RAFs due to the Commission as soon as practicable.

C. Compliance Benchmark: The compliance benchmark will be the payment of any overdue RAFs and interest.

D. Verification of Compliance: Verification of compliance will be the Commission's receipt of any overdue RAFs.

IX. Safe, Efficient and Sufficient Water and Wastewater Service

A. Regulatory Requirement: Four Points is required to provide safe, efficient and sufficient water and wastewater service to its customers.

B. Corrective Action: Four Points shall comply with all applicable Department of Health Rules including all water quality reporting regulations.

C. Compliance Benchmark: Four Points shall timely respond to all warning letters or other inquiries from the Department of Health. Four Points shall maintain a log, available for public inspection, identifying all such inquiries and any corrective actions taken by Four Points.

D. Verification of Compliance: The Department of Health shall verify compliance with its rules. Four Points will promptly submit to the Commission copies of any warning letters or other inquiries from the Department of Health, together with its responses to such correspondence.

2008 NRRI Report Issues

As stated in the Show Cause Order, effective management of small water (and wastewater) companies requires that such utilities comply with regulatory requirements, attract and retain quality personnel, provide effective employee training and education, provide excellent (or at least satisfactory) customer service, display and promote good customer relations, and employ strategic business planning. Four Points agrees that these are appropriate functions of water and wastewater utilities and of their management, and Four Points believes that, by implementing this Compliance Plan, it will be able to fulfill these goals.

Moreover, Four Points will continue its negotiations toward the sale of its assets and engagement of a third party as Four Points' interim operator, which, if consummated, Four Points believes will achieve the results desired by Four Points and by the Commission.

X. Compliance with Regulatory Requirements

A. Description: Sections I through IX above describe how Four Points will comply with the specific regulatory requirements identified by the Commission in the Show Cause Order. As an important bottom line matter, Four Points believes that the fundamental quality of its potable water and wastewater collection service to its customers has been and continues to be satisfactory.

B. Implementation Plan: Sections I through IX above describe how Four Points will comply with the specific regulatory requirements identified by the Commission in the Show Cause Order. Whether through the efforts of current Four Points management or through an interim operator, Four Points is committed to complying with all applicable statutory and rule requirements to the maximum extent practicable. Among other things, this will include satisfying Four Points Annual Report requirements and clearing up its regulatory assessment fee issues, and seeking sufficient revenue increases to enable it to continue to provide satisfactory service and to fully comply with the Commission's regulatory requirements.

C. Benchmark: The benchmarks for this item, Compliance with Regulatory Requirements, will be those set forth as the benchmarks in Sections I through IX above.

D. Verification of Implementation: Verification will be accomplished as set forth in Sections I through IX above.

XI. Attracting and Retaining Quality Personnel and

XII. Providing Effective Employee Training and Education

A. Description: Four Points believe that it has attracted appropriately qualified personnel, but as with any company, Four Points is committed to ensuring that any new employees are qualified and adequately trained for their work. Obtaining revenue increases as contemplated in Section X above and in Section XV below (Strategic Business Plan) will enable Four Points to continue to employ qualified employees and to ensure that they are adequately trained to perform the tasks assigned to them in support of the Company's mission of providing safe, adequate, and reliable service to Four Points' customers. However, Four Points acknowledges that its employee turnover has been higher than it desired.

B. Implementation Plan: Four Points will undertake to promote a work environment that is conducive to maintaining good morale without excessive turnover. Part of this effort will include regular meetings with employees and consistent employee access to management, as well as direct management responses to employee concerns. Additionally, obtaining revenue increases as discussed elsewhere in this compliance plan can only help to support the retention of quality employees.

C. Benchmark: Compliance benchmarks will include records of employee meetings and turnover, which Four Points will submit to the Commission or Commission Staff semi-annually, beginning on July 31, 2012.

D. Verification of Implementation: Verification will be accomplished by the submission of the records and reports indicated in subsection C above.

XIII. Providing Excellent Customer Service

A. Description: The Company is committed to providing safe, adequate, and reliable water and wastewater service to its customers, to minimizing customer complaints, to addressing and resolving any legitimate complaints promptly, and to improving its relations with all of its customers, including those who have complained about the Company's actions, billing, or service.

B. Implementation Plan: The majority of the action items to implement compliance with this overall goal, Providing Excellent Customer Service, are those addressed in Sections I through IX above. These include maintaining sound records of customer complaints and the Company's responses to those complaints, sound and complete records relating to service discontinuance, and adequate records of customer bills and deposits. In addition to these measures, the Company will commit to hold customer meetings at least annually, beginning no later than July 31, 2012. (Realistically, as the Commission recognizes, Four Points has been operating at a loss, and the Company's ability to continue to

provide safe, adequate, and reliable service, and its ability to address fully the Commission's regulatory requirements, depend critically on the Company's ability to increase its rates so as to "get out of the red." These necessary and appropriate rate increases may engender additional customer complaints, but the Company will deal with them straightforwardly and promptly through the Commission's procedures and rules.)

C. Benchmarks: The benchmarks for this item are largely those identified in Sections I through IX above, plus the Company's commitment to hold customer meetings at least annually.

D. Verification of Implementation: Verification will be accomplished as set forth in Sections I through IX above, and by providing copies of minutes from the planned annual customer meetings to the Commission promptly after such meetings are held.

XIV. Displaying Good Public Relations

A. Description: Please refer to Section XIII above. Four Points believes that good public relations includes fully complying with the Commission's rules and providing to its customers straightforward explanations of the Company's actions in compliance with those rules. While it is perhaps obvious that the Company will not be able to please all of its customers all of the time, e.g., when it implements allowed rate increases, the Company is committed to

complying with the Commission's rules and processes and to providing direct and straightforward answers and responses to customers' concerns.

B. Implementation Plan: Again, implementation of this item will involve compliance with the specific implementation provisions set forth in Sections I through IX above, as well as holding annual customer meetings and establishing internal management procedures that will ensure timely customer access to Company personnel and direct, professional responses to customers' concerns and complaints.

C. Benchmark: The benchmarks for this item are largely those identified in Sections I through IX above, plus the Company's commitment to hold customer meetings at least annually. In particular, the Company believes that implementing the tracking records for customer complaints, service discontinuance, and customer deposit records will address the vast majority of customers' issues with the Company. Ultimately, the Company will conduct its business professionally and accordance with the Commission's rules, and explain its actions to customers accordingly.

D. Verification of Implementation: Verification will be accomplished as set forth in Sections I through IX above, particularly by providing the customer complaint, service discontinuance, and customer deposit records referred to above, and by providing copies of minutes from the planned annual customer meetings to the Commission promptly after such meetings are held.

XV. Employing a Strategic Business Plan

A. Description: The Company's strategic business plan is to provide safe, adequate, and reliable service to its customers at a reasonable cost. As discussed above, the Company and the Commission recognize that the Company has been operating at significant losses, and the Company accordingly recognizes that, in order to fulfill its mission and its business plan, it will have to obtain revenue increases. Among other things, the Company plans to file for pass-through and index rate adjustments as soon as practicable, and also to file for additional increases using these Commission-authorized mechanisms as soon as it is allowed to do so after filing its Annual Report for 2011. The Company will also look to seek rate relief through a staff-assisted rate case as soon as practicable.

B. Implementation Plan: The Company will implement its strategic business plan by filing its Annual Report for 2011 timely, by clearing up issues relating to its regulatory assessment fees, by filing for pass-through and index rate adjustments as soon as practicable, and by seeking additional rate relief, if necessary, through a staff-assisted rate case as soon as is reasonably practicable.

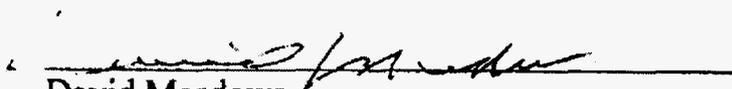
C. Benchmark: The benchmarks will include the filing of the Company's 2011 Annual Report and the filing of applications/petitions for pass-through and index rate adjustments as soon as possible.

D. Verification of Implementation: Verification will be accomplished by the timely filing of the Company's 2011 Annual Report and by

the Company's filing the applications for rate relief described above. Hopefully, verification will also be accomplished by the Company's filing of a certificate transfer application to the third party with whom Four Points is negotiating.

VERIFICATION

Under penalties of perjury, I declare that I have read the foregoing "Four Points Utility Corporation's Verified Compliance Plan" and the facts stated in it are true to the best of my information and belief.


David Meadows
CEO, Four Points Utility Corporation