

STATE OF FLORIDA

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Public Service Commission

December 9, 2002

Ms. Marie Schultz
10308 Gardenia Lane
Port Richey, FL 34668-3211

Re: Docket No. 021023-WS - Joint application for approval of acquisition by Philadelphia Suburban Corporation of stock of AquaSource Utility, Inc., and resulting transfer of controlling interest of Arrendondo Utility Company, Inc., Crystal River Utilities, Inc., Jasmine Lakes Utilities Corporation, Lake Suzy Utilities, Inc., and Ocala Oaks Utilities, Inc.

Dear Ms. Schultz:

The Public Service Commission is in receipt of your objection to the transfer of majority organizational control of AquaSource Utilities, Inc. to Philadelphia Suburban Corporation, Inc. It appears that the substance of your objection involves your concern that your local company, Jasmine Lakes Utilities Corporation, should be controlled locally. As it is now, however, Jasmine Lakes is controlled by AquaSource Utility, Inc, which is based in Texas and owns and operates water systems in twelve different states. AquaSource Utility, Inc., in turn, is controlled by DQE, Inc, a Pennsylvania corporation, which mainly provides energy (electrical) services, again in a large number of states.

The transfer which is the subject of this proceeding involves Philadelphia Suburban taking the place of DQE, leaving AquaSource Utilities and its subsidiary, Jasmine Lakes, in place. As the Petition is before the Commission, there is no anticipated change in the local company you receive service from, and the service you receive is not going to be altered by this case. The Commission will continue to regulate the company, and the level of oversight of the company's operations will remain the same, regardless of whether the transfer is approved or not.

The Commission is very interested in your concerns regarding service you receive. Concerns about your meter readings, however, are not the subject of this proceeding, although they certainly may be considered by the Commission in determining whether the proposed transfer is in the public interest. I will make your objections part of the Commission's docket file, and ensure that they are brought to the Commission's attention in the Staff Recommendation, due to be filed January 7, 2003. You do have the right, however, to request a formal administrative

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hearing, which is similar to a trial, where the Commission would take testimony and evidence regarding this proposed transfer. It would be your obligation to present formal testimony, and participate in at least one hearing in Tallahassee. If this is the route you wish to take, you would need to notify the Commission and the attorney for the Utility, Mr. Martin Friedman, in writing, no later than December 16, 2002.

I hope I have been able to answer any questions and concerns you may have. If you have further questions or would like to speak with me personally about this matter, please do not hesitate to contact me directly at (850) 413-6076, or in writing at the address found on the bottom of this letter. I would also be happy to provide you with, or facilitate your acquisition of, any of the documents in the Commission's file, a copy of the Staff Recommendation, or a copy of the Order which the Commission will issue.

Sincerely,



Larry D. Harris
Senior Attorney

LDH/dm

cc: Division of the Commission Clerk and Administrative Services
Division of Economic Regulation (Brady)

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