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DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(904) 413-6199

Public Service Commission

February 11, 1997

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Re: 960867-WU; Application for Amendment of Certificate No. 427-W to Add Territory in Marion County by Windstream Utilities Company.

Dear Mr. Friedman:

As of this date, Windstream Utilities, Inc.'s (Windstream or utility) application for amendment of Certificate No. 427-W remains incomplete due to outstanding deficiencies. A deficiency letter was mailed on August 8, 1996, and a response from the utility was received by the Commission on October 9, 1996. However, these responses did not completely satisfy the deficiencies, and a second deficiency letter was mailed on November 27, 1996. To date, no further response has been received on behalf of the utility, and the following deficiencies must be corrected before we can continue to process your application:

1. Per Rule 25-30.036(3)(b), (l), and (n):

a) Has Windstream executed any developer agreements with developers in its existing or proposed service areas? If yes, please submit a copy of each active developer agreement.

b) Please identify any common ownership interests that exist between Windstream and the development companies that operate in the proposed service areas.

c) Are the developers in Windstream's service area obligated to contribute on-site distribution facilities?

d) Schedule F-6 of Windstream's 1995 Annual Report shows a substantial long-term debt balance (\$264,749), but Schedule F-3 shows very modest interest charges (\$288). Please explain this apparent discrepancy.

- ACK _____
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e) Schedule F-3 of Windstream's 1995 Annual Report indicates that income taxes (\$11,047) were incurred in 1995 although a net operating loss was reported (\$28,270). Please explain this apparent discrepancy.

f) If debt funding and developer contributions are insufficient to support planned expansions, what measures will Windstream undertake to obtain additional equity financing?

2. Provide a description of the territory proposed to be served, using township, range and section references. The utility's original territory description is not correct. The first exception: "The North 1/2 of the NW 1/4 of the SE 1/4 of Section 17, Township 16 South, Range 21 East, Marion County" does not describe the area that is indicated in green on the territory map. The area in green on the map is described as "The North 1/2 of the NW 1/4 of the SW 1/4 of Section 17 ...". The last exception does not appear to agree with the map. Please redescribe and refile a corrected territory description. Also, using township, range and section references, provide a description of the territory to be eliminated from the proposed additional territory per the amended application.

3. With the corrected territory description above plot the territory on a official county tax assessment map or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory and the territory to be eliminated per the amended application, plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning. All angles and distance should be clearly marked on the map.

4. Provide a separate statement for each water treatment plant describing the capacity of the existing lines, the capacity of the treatment facilities, and the design capacity of the proposed extension. Your response stated that your existing plant capacity is 580,000 gpd and you are presently using 185,000 gpd. Is this for the Sun County Estates water plant, Majestic Oaks water plant or both. Please provide separate information for each water treatment plant.

5. Provide the numbers and dates of any permits (plant or line) issued by the Department of Environmental Protection and the water management district for the Sun Country Water Treatment Plant, and the Majestic Oaks Water Treatment Plant.

6. Provide a statement of the approximate date of the interconnection of the Sun Country Water Plant with the Majestic Oaks Water Plant.

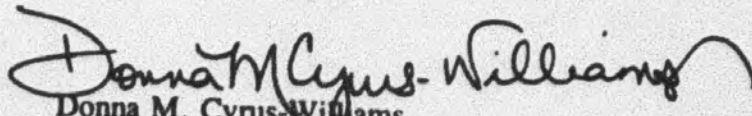
7. For both the Majestic Oaks and the Sun Country Water Treatment Plants, provide evidence that the utility owns the land, or a copy of an agreement, such as a 99-year lease, which provides for the continued use of the land. The deed submitted does not agree with the drawing attached. It appears that the deed is for Sun Country (Tract M), but the map for the deed (Tract A) references Majestic Oaks. Therefore, file warranty deeds, or quit claim deeds with title insurance and corresponding maps, for each of the water plants, Sun Country and Majestic Oaks, as required by Rule 25-30.036(3)(d), Florida Administrative Code.

8. We are in receipt of the deficiency response dated October 9, 1996 which states that the utility's original certificate is enclosed for possible amendment. However, Certificate No. 427-W could not be located in the Commission Clerk's file, in the letter sent to the Division of Water and Wastewater, or in the letter sent to the Division of Legal Services. Please check your file and respond. The certificate is required by Rule 25-30.036(3) (p), Florida Administrative Code.

Please file an original and twelve copies of the requested information no later than March 21, 1997 with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. If these deficiencies are not corrected by this date, staff will recommend that the application be dismissed for failure to correct the outstanding deficiencies.

Please feel free to call me at (904) 413-6199 with any additional questions.

Sincerely,


Donna M. Cyrus-Williams
Staff Counsel

cc: Ms. Blanca Bayo (Division of Records and Reporting)
Mr. Richard Redemann, P.E. (Division of Water and Wastewater)
Mr. Joseph Lettelleir (J.B. Ranch)
Mr. Thomas A. Cloud, Esquire
Mr. Carlyle Ausley (Ausley Construction Company)
Division of Records and Reporting (Security File)