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ROBERT M. C. ROSE
OF COUNSEL

January 29, 2002
VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Sun Communities Finance LLC d/b/a Water Oak Utility
PSC Docket No. 010087-WS
Application for Approval of Reuse Plan
Our File No. 33013.01

Dear Ms. Bayo:

We at Sun Communities Finance LLC d/b/a Water Oak Utility (hereinafter "Water Oak") recently received a Public Service Commission audit document request form dated January 25, 2002 requesting certain information related to the staff beginning the conduct of their audit of the Utility. The Utility personnel contacted the staff auditors and let them know that the information related to the calendar year 2001 for this Utility was not readily available at this time, as the books have not been closed. It is expected that this process for the year 2001 will be completed by approximately the end of February. Members of the Commission staff have therefore suggested that if the Utility is willing to waive the statutory time limit for the Commission to act for a period of 60 to 90 days, that the Commission staff will delay the audit itself for a period of at least 30 to 60 days, so that all the records needed to conduct the audit will be available at one time.

The Utility is willing to provide an extension of the statutory time limits required for Commission action under the provisions of Section 367.081(6), Florida Statutes, in order to allow time for the Utility's books for the year 2001 to be closed prior to the initiation of the audit.

As such, we are in agreement the audit will not begin for at least 30 to 60 days, and that any request for audit documents are canceled and will be reissued at the time the audit process is begun again, at least 30 to 60 days from now.

Despite the other delays as outlined above, we will need to go ahead and get the Initial Customer Notice out, which was forwarded to the staff on January 18, 2002. However, the initial events as indicated thereon will have to be revised before we can finalize this Notice. I have slightly revised the Notice to highlight residential rates, as they are the primary parties interested.. Attached is my revised Notice. We will need to have revised dates for the four major events in Paragraph 3 in the next few days, if we are to meet our deadline of 50 days after the official date of filing for

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distributing this Notice. I calculate that date to be February 15, 2002. We will need the final approved Notice at least a week and a half prior to that date, to ensure it can be distributed in a timely manner.

It is my understanding that a customer meeting will likely go on as planned, unless other arrangements are made. We will need some assistance from the staff in drafting what they would like for a notice of the customer meeting, which will be conducted by the Commission staff. If that customer meeting is to take place in early April, I will need a finalized version of the Notice which the Commission would like us to send to the customers, by the beginning of March at the latest. If at all possible, I would like to have it immediately so that we can send it along with the Initial Customer Notice to avoid the additional expense of mailing.

If you have any questions with regard to any of the above, please let me know.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tms

cc: Mr. Troy Rendell
Jason Fudge, Esq.
Mr. Jim Hoekstra
Mr. Brian Fannon
Mr. Julian Coto
Ms. Gabrielle Umbel
Ms. Lori Rumer
Mr. John Morris
Gary Morse, P.E.

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Initial Customer Notice
 Sun Communities Finance, LLC d/b/a Water Oak Utility
 PSC Docket No. 010087-WS

Date Issued: February ___, 2002

1. Notice is hereby given, pursuant to Rule 25-22.0407, Florida Administrative Code, that Sun Communities Finance, LLC d/b/a Water Oak Utility, has filed a request for approval of a Reuse Project Plan with the Florida Public Service Commission and the official date of filing for that Petition has now been established as December 27, 2001. The general reason for the requested rate increase is that the Utility has been required by the St. Johns River Water Management District to pursue implementation of a reuse system for its treated wastewater effluent, so that the water generated by the wastewater system can be utilized for irrigation purposes. This will require substantial improvements to the wastewater system and new operations costs to comply with the Florida Department of Environmental Protection requirements for such a system. A rate increase is necessary in order for the Utility to be given an opportunity to recover those additional expenses and to earn a fair return on the new investment.

2. Copies of the petition, minimum filing requirements, and synopsis are available for inspection during normal office hours at the Utility's office as follows:

Water Oak Utility . 106 Evergreen Lane Lady Lake, FL 32159 Phone: 352-753-3000	Business Hours: 9:00 a.m. - 5:00 p.m. Monday through Friday
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3. The initial tentative schedule established for the case, including dates, times and locations of hearings, is as follows:

Public Service Commission Audit Complete - _____, 2002
 Customer Meeting - _____, 2002
 Staff Recommendation due - _____, 2002
 Commission Conference on Final Rates - _____, 2002

4. Listed below are the Utility's present and final proposed wastewater rates.

Present and Proposed
 Residential Service

<u>Meter Size</u>	<u>Present Rates</u>	<u>Proposed Final Rates</u>
All Meter Sizes	\$ 7.65	\$ 13.49
Gallonge Charge - Per 1,000 Gallons (Maximum 6,000 gallons per month)	2.07	2.45

General Service

<u>Meter Size</u>	<u>Present Rates</u>	<u>Proposed Final Rates</u>
5/8" X 3/4"	\$ 7.56	\$ 13.49
3/4"	11.48	20.24
1"	19.12	33.73
1 1/2"	38.25	67.45
2"	61.21	107.92
3"	122.40	215.84
4"	191.26	337.25
6"	382.53	674.50
Gallonge Charge - No CAP (\$/000 gallons)	\$ 2.50	\$ 2.45

5. Any written comments regarding the Utility's service or the proposed rates and charges should be addressed to: Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870 and should identify the Docket Number assigned to the proceeding. Complaints regarding service may be made to the Commission's Division of Consumer Affairs at the following toll free number: 1-800-342-3552.

6. The Utility has not requested a change in its Service Availability Charges as part of its rate request, however, the Commission will be reviewing the Utility Service Availability Charges in the case, and the Commission may adjust those charges if the Commission deems that appropriate.