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TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

August 15, 2003

Mr. Matthew A. Potter, CPA
5940 Main Street
New Port Richey, FL 34652

Re: Docket No. 030656-WU - Application for transfer of facilities and Certificate No. 139-W by Dixie Groves Estates, Inc., in Pasco County to Dixie Groves Utility Company a Division of Community Utilities of Florida, Inc.

Dear Mr. Potter:

The above referenced application has been received and reviewed by Commission staff. This letter addresses the deficiencies found by staff in the transfer application filed on July 21, 2003, and also notes additional clarifications. All items must be addressed in order to process the application.

Deficiencies

1. Evidence of Land Ownership. Pursuant to Rule 25-30.037(2)(q), Florida Administrative Code (F.A.C.), the application is to include evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative. These documents must be in the exact name of the utility. Please provide either a recorded deed or other evidence of utility's long term access to the property for the utility's treatment facilities. If a quit claim deed is submitted, please provide proof of title insurance with the quit claim deed and a statement as to the location of the water facilities.
2. Tariff Sheets. Pursuant to Rule 25-30.037(2)(s), F.A.C., the applicant shall provide an original and two copies of the sample tariff sheets reflecting the change in ownership. A copy of the rate tariff sheets were provided in the application. Please provide one original and two copies of a complete set of tariff sheets reflecting the change in ownership. A copy of the Commission's model water tariff can be accessed on line at the Commission website at www.floridapsc.com. To obtain a copy of model tariff, click on the water and wastewater icon under regulated utilities, next click on water and wastewater application packages, and then click model water tariff.

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Other Information

1. Wastewater service. Who provides wastewater service to the utility's customers?
2. Annual Report. According to our records, Dixie Groves Estates, Inc., failed to file its 2002 annual report as required by Rule 25-30.110(3), F.A.C. As a result of not filing the required annual report, a penalty for noncompliance will be assessed as required by Rule 23-30.110(6), F.A.C. The penalty is based on the number of calendar days elapsed from March 31, or from the approved extended filing date, until the date the annual report is filed, at \$3.00 per day. As of August 11, 2003, the penalty is \$273.00. Please submit the 2002 annual report for Dixie Groves Estates, Inc., and the penalty charge.
3. Positive Acquisition Adjustment. Pursuant to Rule 25-30.0371(2), F.A.C., a positive acquisition adjustment shall not be included in rate base absent proof of extraordinary circumstances. Any entity that believes a full or partial positive acquisition adjustment should be made has the burden to prove the existence of extraordinary circumstances. If you wish to pursue Commission approval of a positive acquisition adjustment, please submit evidence that demonstrates extraordinary circumstances.
4. According to the application, the buyer is addressing a water valve and water meter replacement program. Please provide a written description explaining the status of the water valve and water meter replacement program.
5. In the utility's last rate case, issues were raised in regards to the refund of customer deposits and the books and records. Please provide a statement as to what was done by the utility to address these issues?

Your response to this letter should be filed with the Commission on or before September 22, 2003. Please be sure to refer to the docket number and direct the response to the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. If you have any questions please call Ms. Cheryl Johnson at (850) 413-6984, Ms. Jennifer Rodan at (850) 413-6189 or Mr. Stan Rieger at (850) 413-6970.

Sincerely,



Patti Daniel, Supervisor
Bureau of Certification & Tariffs

PD: caj

cc: Office of General Counsel (Rodan)
Division of Economic Regulation (Johnson, Rieger)

Dixie Groves Utility Company

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Division of Commission Clerk and Administrative Services (Bayó)

Mr. Gary Deremer

5320 Captains Court

New Port Richey, Florida 34652