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Public Service Commission

October 6, 2003

Mr. Gary Winrow
Sanibel Bayous Utility Corporation
13591 McGregor Boulevard, Unit #21
Fort Myers, FL 33919

Re: Application for Staff Assisted Rate Case by Sanibel Bayous Utility Corporation, Docket Nos. 020439-SU and 020331-SU

Dear Mr. Winrow:

Pursuant to Order No. PSC-03-0699-PAA-SU, issued June 9, 2003, in Docket Nos. 020439-SU and 020331-SU, Sanibel Bayous Utility Corporation (SBUC or utility) was ordered to refund to customers \$6,732 in service rates and \$750 in unauthorized late payment fees within 90 days in accordance with Rule 25-30.360(2), Florida Administrative Code. Pursuant to Rule 25-30.360(7), Florida Administrative Code, the utility shall provide monthly reports on the status of the customer refunds by the 20th of the following month, a preliminary report within 30 days after the date the refund is completed, again in 90 days, and a final report after all administrative aspects of the refund are completed.

In addition, Order No. PSC-03-0699-PAA-SU required the utility to provide staff with a signed contract with Sutton and Associates or other insurer and proof of an insurance policy within 90 days of the Consummating Order which was issued July 1, 2003. Insurance expense was included in the rates approved by the Commission. If the insurance is not purchased and proof is not provided, staff will recommend to the Commission that service rates be reduced.

To date, the above reports and the proof of insurance have not been received. Therefore, SBUC is in violation of the Order and Rule 25-30.360(7), F.A.C. If the utility does not submit the reports and proof of insurance, staff can recommend that the Commission initiate a show cause proceeding pursuant to Section 367.161, Florida Statutes. This Section authorizes the Commission to assess a penalty of not more than \$5,000 per day for each offense, if a utility is found to have knowingly refused to comply with or to have willfully violated a Commission rule, order or provision of Chapter 367, Florida Statutes.

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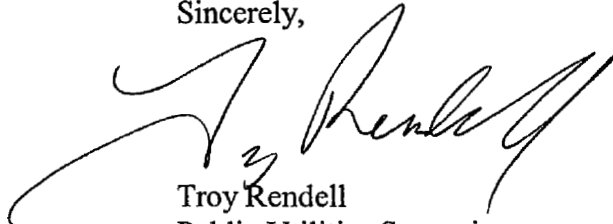
Mr. Gary Winrow
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Please mail the documentation to:

Ms. Blanca Bayo
Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0865

If you have any questions, please call Sam Merta at (850) 413-6427.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy Rendell", written in a cursive style.

Troy Rendell
Public Utilities Supervisor

TR:sm

cc: William Broeder
John Guastella
Division of the Commission Clerk and Administrative Services (Docket No. 020439-SU and
020331-SU)
Office of General Counsel (Jaeger)