STATE OF FLORIDA

Commissioners: Lila A. Jaber, Chairman J. Terry Deason Braulio L. Baez Rudolph "Rudy" Bradley Charles M. Davidson



TIMOTHY DEVLINI DIRECTOR SC DIVISION OF ECONOMIC REGULATION (850) 413-6900

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COMMISSION CLERK

Hublic Service Commission

December 17, 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:

Order No. PSC-03-0699-PAA-SU, issued June 9, 2003, in the above dockets, required the utility to provide staff with a signed contract with Sutton and Associates or another insurer and provide proof of an insurance policy within 90 days of the Consummating Order which was issued July 1, 2003. In an October 29, 2003 letter, we advised you that the insurance binder with an effective date of September 1, 2003 to November 1, 2003 with Sutton & Associates Insurance Agency, Inc. which you provided to us in response to our October 6, 2003 letter was not acceptable as proof of insurance. We further stated that we would expect the coverage to extend for a period longer than two months. We requested that you send a copy of the insurance contract and policy outlining the coverages and costs and a copy of your cancelled check for the premium. We have not received this proof. Please provide this documentation by January 7, 2004. 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.

Please mail the documentation to:

	CTR ECR GCL OPC MMS SEC OTH
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Ms. Blanca Bayo Division of Commission Clerk and Administrative Services (020439-SU, 020331-SU) Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0865

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Mr. Gary Winrow Page 2 December 17, 2003

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

Sincerely, 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)