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

Public Service Commission

April 28, 2004

RECEIVED FPSC
 APR 29 AM 10:40
 COMMISSION
 CLERK

Mr. Timothy Edmond
 3800 Esplanade Way, Suite 100
 Tallahassee, Florida 32311

Re: Docket No. 040247-WS - Application for certificates to provide water and wastewater service in Franklin County by St. James Island Utility Company.

Dear Mr. Edmond:

Your deficiency response letter of April 19, 2004, has been received and reviewed by my staff. This letter addresses the remaining deficiency found by staff and also notes additional clarifications or corrections. All items must be addressed in order to process the application.

Deficiencies

Map: Pursuant to Rule 25-30.033(1)(n), F.A.C., the applicant is to provide one copy of the 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 plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning. The map provided on April 19, 2004, does not meet the requirement. Please provide a map with the proposed territory plotted as specified above. You may wish to speak with Mr. Richard Redemann, of my staff, at (850) 413-6999, should you have questions regarding this map requirement.

- AMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC |
- OTH _____

Additional Information

Please be aware that the costs you have provided in the application are at or exceed the upper end of costs that we would expect to see for new utilities. The majority of the items listed below address the costs that are of concern.

1. Who will operate the water and wastewater facilities? Please remember that the operator(s) must be licensed by the Florida Department of Environmental Protection.
2. Does the utility or The St. Joe Company have any prior experience in operating water and/or wastewater facilities? If yes, please specify.

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3. Who will provide accounting services and maintain utility books and records in accordance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts?
4. Please provide the number of commercial equivalent residential connections (ERCs) anticipated.
5. Please provide copies of contracts for similar size projects in the area for wells, transmission and distribution mains, including fire hydrants.
6. Who will operate and maintain the individual mini-lift stations referenced in account number 371?
7. Will the utility use gas or liquid chlorine for disinfection of the water and wastewater?
8. Please provide estimated cost of materials and estimated cost of labor for installation of a 3/4" water meter. Why is the utility planning to use 3/4" water meters rather than the standard 5/8" x 3/4" water meter?
9. Please provide justification for the amount of legal costs included in the projected operating expenses for both water and wastewater.
10. Please provide calculations and justification for franchises accounts number 302 for water and 352 for wastewater.
11. Please provide appraisals indicating area and costs for land and land rights in accounts number 303 and 353.
12. Please provide the cost for the on-site component (tank/pump) and justify costs for pumping plant account number 371.
13. Please provide copies of construction contracts for water and/or wastewater components that have already been signed or executed.
14. Please provide copies of contracts for similar size projects in the area for force mains.
15. Describe in detail the wastewater treatment and disposal system in account number 380.
16. Provide a breakdown of the component costs for the wastewater treatment and disposal system in account number 380.
17. Exhibit G, Support Table B-5 Contributed Plant-in-Service, indicates contributed property by developers. Account number 371 indicates that on-site component (tank/pump) will be contributed. However the tariff indicates a specific charge for this item. Please explain.
18. Please provide the schedules for the calculation of the water and wastewater service availability charges.

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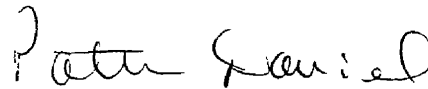
19. Please provide an electronic version of the rates and charges program, with calculations, used by the applicant.

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before **May 28, 2004**. When filing the response, please be sure to refer to the docket number and to direct the response to:

Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Should you have any questions concerning the information in this letter, please contact Stephanie Clapp, of my staff, at 850-413-6997.

Sincerely,



Patti Daniel
Supervisor of Certification

PD:SAC

cc: Division of Economic Regulation (Clapp, Redemann, Brinkley)
Office of the General Counsel (Gervasi)
Kenneth A. Hoffman, Esquire