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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

September 10, 2004

Mr. Donald E. McBrayer
Blue Heron Golf and Country Club
601 SE 8th Street
Okeechobee, FL 34974

Re: Docket No. 040889-WU, Application for grandfather certificate to operate water utility in Okeechobee County by Blue Heron Golf and Country Club.

Dear Mr. McBrayer:

Thank you for the application for grandfather certificate filed August 18, 2004. The application has been assigned the above referenced docket number and name. Please ensure that the docket number appears on the first page of any further correspondence you may file regarding this matter. In addition, all further correspondence should be filed directly with the:

Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Staff has reviewed your application. Detailed below are items which are not yet deemed sufficient to be considered filed and requests for clarification.

REMAINING FILING REQUIREMENTS AND REQUESTS FOR CLARIFICATION

1. Certificate Name According to the application, the name to appear on the water certificate is the "Blue Heron Golf and Country Club" which is a (general) partnership between Donald E. McBrayer and Marty Stevens. The Department of State, Division of Corporations indicates, with the exception of an "&" instead of an "and", that the proposed name is a properly recorded fictitious name for the partnership. However, since the certificate must include the name of the entity owning the utility, it appears that the certificated name will be "Donald E. McBrayer and Marty Stevens d/b/a Blue Heron Golf & Country Club." Please verify that this name fully describes all owners of the utility facilities along with their appropriate fictitious name.

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2. Proof of Ownership / Territory Served Rule 25-30.035(6), Florida Administrative Code, requires 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. Rule 25-30.035(9), Florida Administrative Code, requires a description of the territory the utility was serving, or was authorized to serve by the county which had jurisdiction over the utility on the day Chapter 367, Florida Statutes, became applicable to the utility.

Exhibit C to the application contains a deed and legal description of the Blue Heron Golf & Country Club Golf Course Parcel and a legal description of the Blue Heron Golf & Country Club Marina Parcel. These descriptions appear to be both a legal description of the territory served and proof of ownership of the land upon which the utility facilities are located. However, until adequate territory and system maps have been provided (see Items 4 and 5 below), staff cannot make this determination.

3. Tariff Thank you for filing a proposed water tariff. There are a number of minor changes which need to be made to the tariff. Rather than attempt to describe the changes in a letter, please provide a contact name and number for staff to call. In addition, there appear to be differences in the rates and charges shown on Sheet No. 13.0 and the sample bill shown on Sheet No. 20.0. In order for staff to verify the appropriate rates and charges to be approved, please provide:
 - o A copy of twelve (12) months of actual bills for lots 35-40, 46-50, and 212-215.
 - o A list of all customer deposits and meter installation fees (service availability charges) collected for the past twelve (12) months, including the customer name and lot number.
 - o A list of all unmetered and unbilled connections receiving potable or nonpotable water service, including an estimate of the amount of water provided to each connection by month for the past twelve (12) months.
4. Territory Map Rule 25-30.035(11), Florida Administrative Code, requires one copy of the official county tax assessment map, or other map, with the territory plotted in metes and bounds, or quarter sections, and with a defined reference point of beginning. While several maps were provided with the application, none have the territory description plotted. You should be able to get a copy of the county's tax assessment map from the County Court House. If so, you may wish to have an engineering or surveying firm plot all angles and distances for the territory served onto the map. What is important is that the scale and detail on the map is sufficient for staff to tie the legal description in Item 2, above, to the map.
5. System Map. Rule 25-30.035(10), Florida Administrative Code, requires a detailed system map showing the lines, treatment facilities, and territory to be served. Hopefully, you will be able to locate a copy of the system map that was submitted to the Florida Department of Environmental Protection when the construction permit for the water

Mr. Donald E. McBrayer

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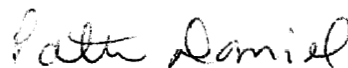
treatment plant was issued. If not, perhaps an engineering firm can reconstruct the location and size the utility's lines and plant. What is important is that the system map is sufficiently detailed for staff to tie the system map to the territory map as well as to verify the legal description of the land upon which the utility plant facilities reside.

6. Permits Rule 25-30.035(12), Florida Administrative Code, requires the number(s) and date(s) of any permits issued for the systems by the Department of Environmental Protection. For water systems, the permit number(s) would be the original construction permit number(s). In addition, please provide the utility's consumptive use permit number with the local Water Management District.
7. Customer Schedule. Rule 25-30.035(13), Florida Administrative Code, requires the number of current and projected customers by meter size. The application indicates that there are approximately 80 current customers and 200 projected customers. For residential customers, it is assumed that the meter size is 5/8" x 3/4". However, the application also indicates that water is provided to a golf course, club house, and shower house for which no meter size is provided. In addition, the plats provided appear to indicate that there may be approximately 266 total platted lots. Please verify the exact number of current customers by meter size and the total number of platted lots.

Please try to file the above referenced requirements on or before October 11th. Again, ensure that "Docket No. 040793-SU" appears on the first page of any filing and that all filings are sent directly to the Division of the Commission Clerk and Administrative Services at the address given earlier.

If you have any questions, or need any assistance with these remaining requirements, please feel free to contact my staff. The analyst assigned to the filing is Ms. Patricia Brady at (850) 413-6686 or pbrady@psc.state.fl.us and the engineer assigned is Mr. Richard Redemann at (850) 413-6999 or rredeman@psc.state.fl.us. Should you have any legal questions, please contact Mr. Robert McAuliffe at (850) 413-6185 or rmcaulif@psc.state.fl.us.

Sincerely,



Patti Daniel
Supervisor of Certification

cc: Division of Economic Regulation (Brady, Redemann)
Office of the General Counsel (McAuliffe)
Division of the Commission Clerk and Administrative Services.