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

Public Service Commission

September 10, 2004

Kathryn G. W. Cowdery, Attorney
 Ruden, McColsky, Smith, Schuster & Russell, P.A.
 215 South Monroe Street, Suite 815
 Tallahassee, Florida 32301

Re: Docket No. 030998-WS – Joint application for approval of transfer of majority organizational control of Chateau Communities, Inc., grandparent of Del Tura Phase I, LLC, holder of Certificate No. 298-S in Lee County; CWS Communities LP d/b/a Palm Valley, holder of Certificate Nos. 277-W and 223-S in Seminole County; and CWS Communities LP, holder of Certificate No. 518-W in Lake County, to Hometown America, L.L.C.

Dear Ms. Cowdery:

Staff has completed the review of the audits of the three utilities above and the corporate response to the audits. As my staff has discussed with you by telephone, there are several areas of concern which need to be addressed prior to taking this docket to agenda. These concerns are listed below.

1. There are residential and general service customers in the three service areas that are not being charged for utility service. Please provide a list of customers who have received utility service, but have not been billed, how long service has been provided to each of those customers, and the amount of unbilled revenue for each year for which the service was provided at no charge. If the unbilled revenues are estimated, provide the basis for the estimates.
2. Audit exception number four mentioned that there are models in the mobile home park. Are they connected to the water and wastewater systems?
3. Palm Valley has authorization to charge for reuse water pursuant to Order No. PSC-02-1111-PAA-WS, however, you have indicated that the utility has not billed customers for that service. Please provide a list of customers who have received reuse service, but have not been billed, how long service has been provided to each of those customers, and the amount of unbilled revenue for each year for which the service was provided at no charge. If the unbilled revenues are estimated, provide the basis for the estimates.

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4. Provide a statement indicating whether Hometown America has begun billing all customers that receive water, wastewater, and reuse service in accordance with the approved tariffs for each system.
5. Provide a statement indicating whether Hometown America has obtained the continuing property records and source documents for each of the three systems as required by Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities. A copy of this document is enclosed for your reference.

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before October 8, 2004. When filing the response, please be sure to reference 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 requested in this letter, please contact Ms. Stephanie Clapp, of my staff, at (850) 413-6997.

Sincerely,



Patti Daniel
Supervisor of Certification

PD/sc

cc: Division of Economic Regulation (Clapp)
Office of the General Council (Vining)
Division of Commission Clerk and Administrative Services