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DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

January 18, 2006

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COMMISSION  
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F. Marshall Deterding, Esquire  
ROSE, SUNDSTROM & BENTLEY  
2548 Blirstone Pines Drive  
Tallahassee, FL 32301

**Re: Docket No. 010087-WS, Application of Sun Communities Finance, LLC d/b/a Water Oak Utility for approval of Reuse Project Plan and Increase for Wastewater Rates**

Dear Mr. Deterding:

In order to make a recommendation on the Motion to Modify Order and Close Docket by Sun Communities Finance, LLC d/b/a Water Oak Utility (Water Oak or utility), staff needs additional information. It appears from your Motion that the utility does not intend to institute reuse in the near future. The utility stated in its pleading that:

Upon further investigation and after discussion between the Utility, its lawyers and engineers and issuance of a new Water Use Permit from the St. Johns River Water Management District, the Utility has determined that the requirement for implementation of a reuse system is not eminent and therefore, the Utility has decided to delay implementation of that expensive project until it is determined that such reuse project must be implemented immediately.

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SGA \_\_\_\_\_
- SEC
- OTH \_\_\_\_\_

In reviewing the February 10, 2005 Consumptive Use Technical Staff Report for Application No. 282 (Water Oak Utilities, Inc.), it appeared that the conclusions therein were based on a statement in the analysis that "Reclaimed water from the proposed reuse treatment plant upgrade will be supplied to the golf course (CUP #95654) for irrigation by the end of 2006." In addition, review of Consumptive Use Permit Number 282, Condition 17 required the permittee to continue to implement the Water Conservation Plans submitted to the District on September 14, 2004, in accordance with the schedules contained therein. It is my understanding that reuse was part of the Conservation Plan.

I would appreciate your response to the following questions by February 15, 2006.

1. Please explain why the utility does not believe it is required to institute reuse by the end of 2006.

DOCUMENT NUMBER - DATE  
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F. Marshall Deterding, Esquire

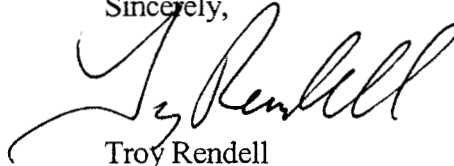
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2. When does the utility expect the requirement for implementation of a reuse system to be eminent?
3. Does the utility believe that implementation of reuse is part of its Conservation Plan? If not, why not?

If you have any questions, please feel free to call me at (850) 413-6934.

Sincerely,



Troy Rendell  
Public Utilities Supervisor

TR:sm

cc: Division of Economic Regulation (Merta)  
Office of the General Counsel (Jaeger)  
Division of the Commission Clerk and Administrative Services (010087-WS)