

ORIGINAL

STATE OF FLORIDA

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW



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

Public Service Commission

June 5, 2006

RECEIVED-FPSC
06 JUN -5 PM 4:20
COMMISSION
CLERK

Mr. Eduardo Merced
Four Points Utility Corporation
101 Golden Malay Palm Way
Davenport, Florida 33897

Re: Docket No. 050595-WS-Application for Certificates to provide water and wastewater service in Polk County by Four Points Utility Corporation

Dear Mr. Merced:

Your application for certificates of authorization remains deficient due to the failure of the utility or its owner to provide documentation of financial support to the Commission showing that the owner is willing and able to meet the financial obligations of Four Points Utility Corporation (Four Points or utility). The document that was submitted showing four months of revenues and expenses is insufficient and does not represent financial viability. Documentation from the owner of the utility in the form of a personal financial statement showing that the owner has the financial ability to fund the utility and a statement indicating commitment to meet the financial obligations of Four Points must be provided in order to complete the filing requirements for original certificates.

As explained in our May 11, 2006 letter, there are penalties for operating a utility without certificates, charging unapproved rates, and for not completing your application. Please review that letter for details of the potential penalties that the utility may be assessed. In addition to the required documentation of financial support identified above, and as previously requested in our May 11, 2006 letter, please provide the following data which is also needed to complete the application process:

- CMP _____
- COM _____ (1) the tax returns and documentation from the entity that constructed the onsite water and wastewater lines to show whether the costs for the lines have been depreciated or written off to the
- CTR _____ cost of goods sold on the owners tax return;
- ECR _____
- GCL _____ (2) a written response addressing the circumstances which Four Points believes would mitigate its apparent violation of Chapter 367, Florida Statutes, and Commission rules; and
- OPC _____
- RCA _____ (3) a cost study and/or support for the proposed rates being charged. Please include a schedule showing the assets, liabilities, and operating expenses of the utility by the National Association of
- SCR _____ Regulatory Utility Commissioners Uniform system of accounts (NARUC USOA) and a schedule showing the proposed capital structure. When submitting the costs of investment documentation,
- SGA _____ please include the costs for both water and wastewater separately.
- SEC _____
- OTH _____

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850

An Affirmative Action / Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

DOCUMENT NUMBER-DATE

04822 JUN -5 90

FPSC-COMMISSION CLERK

Mr. Educardo Merced
Page 2
June 5, 2006

It is imperative that you submit the original and five copies of the information requested by this letter immediately. When filing your response, please be sure to refer to the docket number assigned to this case and direct your response to:

**Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

If your response to this deficiency letter is not submitted by **June 19, 2006**, we will have no choice but to file a recommendation to the Commission to address whether Four Points should be required to show cause as to why it should not be penalized for operating a utility without certificates, charging unapproved rates, and for not completing the subject application in a timely fashion. Moreover, the Commission may set any unauthorized rates and charges that Four Points collects subject to refund, with interest, pending a decision on the merits of the application, once completed. Please govern yourself accordingly.

Should you have any questions concerning the financial information requested by this letter, please contact Tom Walden at 850-413-6950 or Cheryl Johnson at 850-413-6984. Should you have any legal questions, please contact Rosanne Gervasi, the staff attorney assigned to this case, at 850-413-6224.

Sincerely,



Patti Daniel
Supervisor of Certification

PD:caj

Enclosure

cc: Division of Economic Regulation (Johnson, Walden)
Office of the General Counsel (Gervasi)
Division of Commission Clerk and Administrative Services (Bayó)