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November 5, 1997

**VIA HAND DELIVERY**

Cheryl Johnson, Analyst  
Division of Water and Wastewater  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida

Re: Rainbow Springs Utilities, L.C.; Docket No. 97119<sup>5</sup>-WS  
Application for Transfer of Majority Organizational Control  
Our File No. 29030.05

Dear Cheryl:

Please consider this as my response to your letter of October 29, 1997. As a result of my recent conversations with other Commission Staff and my review of the Commission files, I have discovered the cause of the error in the legal description of the Utility's service territory. Apparently, the Utility filed a legal description (identical to that now contained within its tariff) in its original certificate application filing. The Commission Staff later determined that they did not agree that this legal description as filed constituted the service territory of the company when they came under Commission jurisdiction and, as such, the Staff drafted a revised description. That Staff revised description was included as an attachment to the Commission's order granting Rainbow Springs its original service territory. However, when the Commission approved the tariffs for the Utility, and subsequently when the Commission re-approved those tariffs upon a transfer of the Utility ownership some years later, the old legal description originally filed by the Utility was included within the tariffs instead of the one from the order. As such, the originally filed description taken from the Utility's approved tariff is the description that we utilized in preparing the notice.

Based upon these facts, it now appears as though we will have to do a re-noticing for this case. In order to avoid further controversy, I have attempted to draft some revised language for the noticing in order to make it clear to the customers what is occurring. I will also place a date on the notice corresponding to the date upon which it is mailed by the Utility. The language as

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changed in the notice is done as an attempt to accommodate the customers and make it more clear to them what is occurring. However, we still take the position that it is not required by the Commission's rule and in fact, is supplemental to what is required.

Please review the draft notice attached and let me know if you have any questions or comments. We would like to get the re-noticing accomplished as quickly as possible.

In response to the question raised concerning the Warranty Deed for the Utility executed in May 1995, your letter states that this deed appears to indicate that transfer of the Utility has taken place and if the transfer has taken place, you have asked why the transfer was executed without the approval of the Public Service Commission. You are correct in that a transfer of real property did take place from Rainbow Springs Utilities, Inc. to Rainbow Springs Utilities, L.C. However, this was simply a transfer from a corporate entity to a limited liability corporation and was accomplished as a result of a simple reorganization that did not result in a change in majority organizational control and which was approved by the Commission as a name change in its Order No. PSC-95-1305-FOF-WS in Docket No. 950599-WS on October 24, 1995.

Should you have any questions in this regard, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding  
For The Firm

FMD/lts  
Enclosure

cc: Ms. Blanca Bayo  
Ms. Alice Crosby  
Richard Redemann, P.E.  
Mr. J.T. Collins

November \_\_\_\_, 1997

RE-NOTICE OF APPLICATION FOR TRANSFER  
OF MAJORITY ORGANIZATIONAL CONTROL

Pursuant to the provisions of Section 367.045, Florida Statutes, and the provisions of Florida Public Service Commission Rule 25-30.030, Notice is hereby given by Rainbow Springs Utilities, L.C., 8625 S.W. 200th Circle, Dunnellon, Florida 34431-5325, of its Application for Transfer of Majority Organizational Control of ownership interest in the Utility from Rainbow Springs Limited, a Florida limited partnership to the individual shareholders of its parent company. This is a transfer of the ownership interests in the utility company from an intermediary holding company to the ultimate shareholders of that intermediary company. It is simply a transfer of the utility's ownership interest to eliminate an intermediary company and has no effect on the rates, service, management or ultimate ownership of the utility. As such, it will have absolutely no effect on the service provided or rates. Because of errors which occurred in the original notice sent out in late September, this simply represents a re-noticing to correct those errors. Below is a description of the territory of the Utility:

Township 16 South - Range 18 East

Section 12

The South 1/2 of the SW 1/4 lying East of U.S. Highway Number 41 as it is now constructed less and except that portion lying East of SW 196th Avenue as it is now constructed and being a portion of Unit (Tract) 21 of the Village of Rainbow Springs Master Plan,

Also,

That part of the S 1/2 of the SE 1/4 of the NE 1/4 of said Section 12, lying East of the abandoned A.C.L. Railroad, AND that part of the NE 1/4 of the SE 1/4 of said Section 12, lying East of the abandoned A.C.L. Railroad and East of the existing A.C.L. Railroad, AND that part of the NE 1/4 of the SE 1/4 of said Section 12, lying West of the existing A.C.L. Railroad and North and East of County Road No. 6.8-S, as it is now constructed.

Section 13

The North 1/2 of the NW 1/4 lying East of U.S. Highway No. 41 as it is now constructed, less and except that portion lying East of S.W. 196th Avenue as it is now constructed.

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AND

The South 1/2 of the NW 1/4 lying East of U.S. Highway No. 41 as it is now constructed, less and except the East 1/2 of the SE 1/4 of the NW 1/4,

AND

A portion of the North 1/2 of the SW 1/4 lying East of U.S. Highway No. 41 as it is now constructed. All foregoing described parcels being a part of Unit (Tract) 21 of the Village of Rainbow Springs Master Plan.

Township 16 South - Range 19 East

Section 7

The N 1/2 of the SW 1/4 of said Section 7

Written objections of the above noted transfer must be filed with the Director of the Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, and a copy provided to F. Marshall Deterding, ROSE, SUNDSTROM & BENTLEY, LLP, 2548 Blairstone Pines Drive, Tallahassee, Florida 32301, no later than 30 days after the last date this notice was mailed or published whichever is later.