

UTILITIES, INC.

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Northbrook, Illinois 60062-6196
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November 25, 1998

Ms. Bianco S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: **Docket No. 981221-SU**
Application for Transfer of Certificate No. 495-S from Sandalhaven Utility, Inc.
to Utilities, Inc. of Sandalhaven in Charlotte County Florida.

Dear Ms. Bayo:

This letter is in response to the letter written by Mr. and Mrs. Travis, dated October 13, 1998, regarding their concerns about the transfer of Certificate No. 495-S from Sandalhaven Utility, Inc. ("Sandalhaven") to Utilities, Inc. of Sandalhaven ("UIS").

In their letter, the Travis' express concern about the issues listed below.

1. Reconveyance of the assets and utility facilities back to Sandalhaven Utility, Inc. from CHP Utilities, Inc.

I was able to discuss this issue with Sandalhaven this morning. It is my understanding that the reconveyance documents require one last signature before the documents are in order. That signature will be obtained today or tomorrow. The documents will then be filed with the Commission.

2. Plant capacity and permit renewal.

This issue was addressed in the attached letter from Mr. Bill Lowe dated October 15, 1998.

DOCUMENT NUMBER-DATE

13463 DEC-18

FD-301 RECORDS/REPORTING

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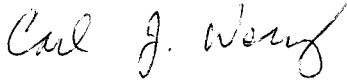
3. Plant operation and property valuation.

This issue was also addressed in Mr. Bill Lowe's October 15, 1998 letter.

In his response letter to the Travis', Mr. Lowe poses the question regarding any plans UIS has to improve the operation and maintenance of the facility. As verified by Mr. Barienbrock at the DEP, there are no current deficiencies at the wastewater treatment plant. As such, we have no immediate plans for significant changes to the actual facility. However, it is our belief that the operation and maintenance of the facility will be improved by applying our ownership philosophy to the Sandalhaven facility. The foundation of our ownership philosophy is to provide excellent utility service in the most efficient manner possible. To achieve this goal, our facilities are operated and maintained with diligent adherence to routine and preventative maintenance practices. Additionally, our certified operating personnel have hands-on experience with the varied types of Utilities, Inc. facilities. This enhances our ability to achieve economies of scale and broadens the base of knowledge of our staff.

If the Travis', the Commission, or Commission Staff would like any additional information, please feel free to contact me.

Respectfully submitted,



Carl J. Wenz
Vice President, Regulatory Matters

cc: Mr. and Mrs. Travis
Ms. Samantha McRae
Mr. Ben Girtman

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

October 15, 1998

Mr. John and Mrs. Mary Lou Travis
6800 Placid Road Unit #140
Englewood, Florida 34224

Re: Docket No. 981221-SU; Application for Transfer of Certificate No. 495-S from Sandalhaven Utility, Inc. to Utilities, Inc. of Sandalhaven - CATS 231718L/WAW 667

Dear Mr. and Mrs. Travis:

We received your letter on October 15, 1998 in which you indicate the requirements for Order No. PSC-98-1248-FOF-SU in Docket No. 970381-SU have not been completed. In your letter, you indicate concerns that the wastewater treatment plant is operating above 70% of its capacity, the plant does not have a valid operating permit, raw sewage flowed from the wastewater treatment plant and lift station, and that your property has been devalued. Order No. PSC-98-1248-FOF-SU in Docket No. 970381-SU was issued on September 21, 1998, and allowed 45 days for the utility to provide proof that all facilities and assets have been conveyed back to Sandalhaven Utility, Inc. (Sandalhaven). After receipt of proof of the reconveyance, Certificate No. 495-S shall be reinstated. The 45-day time period expires on November 5, 1998. Therefore, Sandalhaven still has time to comply with the order. We will ask Utilities, Inc. when they believe Sandalhaven will file the necessary documentation to comply with the order. (Please see the attached letter).

With respect to the capacity issue, we have contacted the Department of Environmental Protection (DEP) in Ft. Myers. We spoke with Mr. Andy Barienbrock at the DEP, and he stated that the wastewater treatment plant is currently not under any enforcement action. He indicated that the plant has a valid operating permit that was issued on December 28, 1995 and expires on December 28, 2000. With respect to the wastewater treatment plant flow, the peak period is during the winter, during which the average peak flows are about 80,000 - 90,000 gallons per day (gpd). The wastewater treatment plant has a capacity of 150,000 gpd, which is well within the treatment plant's capacity.

With respect to the raw sewage flow from the wastewater treatment plant and lift station, Mr Barienbrock stated his records show that the wastewater treatment plant has not overflowed. He did agree that in 1997 an overflow occurred at a lift station, because underwear was caught in a pump.

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Also, in April, 1998 an overflow at a lift station occurred when an electrical breaker was struck by lighting. These overflows do not appear to be as a result of neglect from the owners.

Mr. Barienbrock indicated that even though there are no current deficiencies at the facility, a more aggressive operation and maintenance schedule would improve the facility. We will ask Utilities, Inc. what plans, if any, they have to improve the operation and maintenance of the facility. Mr. Barienbrock can be contacted at (941) 332-6975, ext. 117, should you have any further questions regarding the wastewater treatment plant. With respect to your devalued property, you need to talk to your property appraiser's office to determine the reason for the devaluation.

The Commission needs to know your intent regarding your objection to this extension of territory application. If you choose to pursue the objection, a hearing will be scheduled in which you must provide testimony or other evidence in support of your protest. Although the Commission allows individuals to represent themselves at hearing, you may wish to hire an attorney to represent you. If you decide not to pursue your objection to formal hearing, we can place your letter in the correspondence file for the Commission's consideration, and it will be treated as a comment letter.

Please advise our Legal Counsel, Ms. Samantha McRae, at (850) 413-6202 by November 20, 1998, if you intend to pursue the objection, and therefore, a hearing. After November 20, 1998, if a response from you is not received, we will move forward in processing this transfer without a hearing.

Sincerely,



bill lowe
Assistant Director

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cc: Department of Environmental Protection (Barienbrock)
Utilities, Inc. (Girtman, Wenz)
Division of Water and Wastewater (Hill, Johnson, Redemann)
Division of Legal Services (McRae, Brubaker)

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