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

Public Service Commission

December 11, 1998

Mr. John Leonette
Hunter Creek Utilities, LLC
902 Whispering Pines
Bloomingburg, NY 12721

Re: Docket No. 980731-WS, Application for certificate to provide water and wastewater service in Charlotte County by Hunter Creek Utilities, LLC.

Dear Mr. Leonette:

Thank you for your October 23, 1998 response to my second notice of deficiencies. However, further information is still needed to cure one of the deficiencies. In addition, based on the corrective plan you recently filed with the Florida Department of Environmental Protection (FDEP), staff will need verification of certain system information.

Deficiencies

- Financial Ability. Staff's analysis of the financial statements provided for Rivers Edge, Inc., indicates that the development company is being primarily subsidized by personal loans from you and your wife. To satisfy the requirement of Rule 25-30.034(1)(d), Florida Administrative Code, for a showing a financial ability, staff will need a copy of your individual or joint financial statement(s) for year-end 1997. In addition, staff will need a statement that you and your wife are willing to continue to use your personal financial assets to support the utility operation until appropriate rates can be established by the Commission.
- System Design Modifications. According to the plan to lower radioactive contaminants recently filed with the FDEP, the utility intends to take one well off line and use the best membrane on the remaining well. While this may solve the utility's environmental problems, it will half the system's water capacity limiting the territory that can be granted in the original application. As staff has previously explained, when the utility is ready to expand its systems to serve additional customers, an application for territory extension is filed. These applications can be administratively approved by staff if found to be straightforward and non-controversial.

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Meanwhile, staff needs to confirm where the utility is currently serving existing customers as well as where there are any additional water distribution and wastewater collection lines in the ground. For verification, staff is returning a copy of the system map called "Existing Sewer and Water Distribution Systems for River Edge" that was provided with your application. Please annotate the map as follows:

1. Outline Phase I in red.
2. Mark the lot numbers in Phase I. For lots receiving service, highlight the lot number in red. For constructed, but unsold lots, highlight the lot number in blue.
3. Mark the lot numbers in Phase II for which connections are already in the ground. If any Phase II lots are currently receiving service, highlight the lot number in red. If there are any Phase II constructed, but unsold lots, highlight the lot number in blue.
4. Please verify that this map represents all existing distribution and collection lines.
5. Please identify which well the utility intends to take off line.
6. Please indicate the anticipated effective date for completion of the well work.

An original and five copies of the utility's response to Item 1, above, along with the annotated system map should be filed with the Commission as soon as possible but no later than January 8, 1999. When filing the response, please be sure to reference the docket number and name and to direct the response to:

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

If you have any questions, or need any further assistance, please contact Ms. Patricia Brady, of my staff, at (850) 314-6686.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

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JDW:plb

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cc: Division of Water and Wastewater (Brady, Redemann, Casey)
Division of Legal Services (Ferguson)
Division of Records and Reporting