

STATE OF FLORIDA

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

Public Service Commission

December 18, 1998

Mr. Martin S. Friedman
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Docket No. 981780-WS - Application for transfer of majority organizational control of Jasmine Lakes Utilities Corporation, in Pasco County, to AquaSource Utility, Inc.

Dear Mr. Friedman:

Staff has detected no deficiencies in your application to transfer majority organizational control pursuant to Rule 25-30.037(3), Florida Administrative Code. However, staff believes that supplemental information is needed to further explain this transfer. When stock is transferred, submission of the purchase agreement is not a prescribed filing requirement. However, because this transaction concerns a relatively new company in Florida, we believe a copy of the purchase agreement is needed for this docket. That document may disclose relevant information regarding the timing and full cost of this acquisition and how those matters affect the public interest. This request for supplemental information is not a technical deficiency.

In addition, if the closing of the purchase agreement has taken place, please provide the date of the closing and an explanation as to why it was necessary to close prior to obtaining Commission approval. The application indicates that AquaSource Utility, Inc. will fulfill the commitments, and obligations of Jasmine Lakes Utilities, therefore, does this mean that AquaSource will be responsible for filing the 1998 annual report and regulatory assessment fees or will the fees be prorated between the buyer and seller?

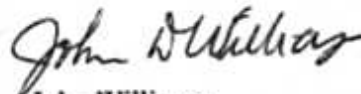
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Thank you for your assistance in this matter. If you have further questions regarding this letter, please call Cheryl Johnson at 413-6984.

Respectfully,



John Williams
Bureau Chief
Policy Development and Industry Structure

JW:cj

cc: Division of Records and Reporting
Division of Legal Services (McRae)
Division of Water and Wastewater (Walker, Redemann)