

STATE OF FLORIDA

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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

June 30, 2000

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FPSC-RECORDS/REPORTING

Mr. F. Marshall Deterding, Esq.
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Docket No. 000732-WS; Application of Spruce Creek South Utilities, Inc. of water and wastewater certificates in Marion County, Florida.

Dear Mr. Deterding:

After reviewing the application in the above referenced docket, the staff has identified the following deficiencies. Please correct and/or provide additional information as requested.

1. As required by Rule 25-30.036(3)(b), Florida Administrative Code, the utility must provide a statement showing the financial and technical ability of the utility to provide service and the need for service in the area requested. Although the utility indicates the utility's parent companies have access to immense financial resources well in excess of anything necessary to meet the utility's needs or expansion of facilities to serve the existing and proposed territories, no specific number were provided. Please provide some hard numbers to demonstrate the immense financial resources. In addition, although the utility indicates that the utility has the technical ability, please list your operators, and discuss the management of the utility to provide the technical ability of the utility.

2. As required by Section 367.045(2)(d), Florida Statutes and Rule 25-30.036(3)(q), Florida Administrative Code, the utility must provide an affidavit that the utility has tariffs and annual reports on file with the Commission. Although this has been filed, our records indicate that the 1999 Annual Report is past due. (See Attachment A) Please advise and correct this situation immediately.

3. As required by Rule 25-30.036(3)(i), Florida Administrative Code, the utility must provide one copy of the official county tax assessment map or other map showing township, range and section, with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning. We

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Mr. Deterding
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were not able to correlate your two page territory description with your map. Please resubmit a map and label all bearings and distances necessary to provide a continuous description.

4. As required by Rule 25-30.036(3)(j), Florida Administrative Code, the utility must provide a statement describing the capacity of the existing lines, the capacity of the treatment facilities, and the design capacity of the proposed extension. The application does not provide details of the size of the water lines/distribution lines that exist or the size of lines that are proposed in the development. The wastewater collection system, the size of the collection lines, and the proposed collection system for the new development was not described. Also, the design capacity of the proposed extension was not calculated. Please resubmit.

5. As required by Rule 25-30.036(3)(l), Florida Administrative Code, the utility must provide a detailed statement regarding the proposed method of financing the construction, and the projected impact of the utility's capital structure. The application indicates that the utility has not yet determined whether infusion of additional equity would be more appropriate. Please provide an update to the information and indicate any impact to the utility's capital structure.

We have received your June 29, 2000 letter describing the increased plant capacity and the proposed changes in the effluent disposal method, which will allow effluent to be used on the golf course. We will address that issue in another letter.

Please file an original and five copies of the requested information no later than July 31, 2000 with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. Only one copy of each map is required.

If you have any questions please call Mr. Richard Redemann at (850) 413-6999 or Mr. Jason Fudge at (850) 413-6236.

Sincerely,



Patti Daniel, Chief
Bureau of Certification

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cc: Division of Regulatory Oversight (Hoppe, Lowe, Redemann, Rieger, T. Williams)
Division of Economic Regulation (Devlin, Mailhot, McCaskill, Peacock)
Division of Legal Services (Fudge)
Division of Records and Reporting (Bayo, Security File)