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PLEASE REPLY TO: SARASOTA

March 30, 2001

The Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32299-0850

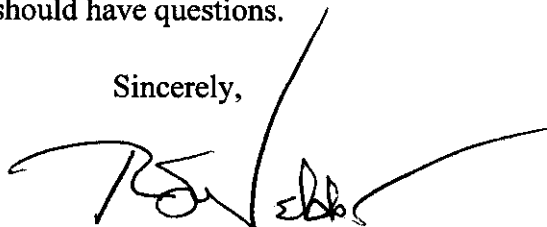
Re: PSC Docket No. 000545-WS, Application for original certificates to operate a water and wastewater utility in Pasco County by Labrador Services, Inc.

Dear Sir/Madam:

Enclosed for filing please find an original and five copies (with enclosures) of the response to Patti Daniel's 2/12/01 deficiency letter.

Please feel free to contact us if you should have questions.

Sincerely,



Richard S. Webb, IV

RSW:cd  
Encs.

cc: Patti Daniel via fax #850-413-6809

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PLEASE REPLY TO: SARASOTA

March 30, 2001

Patti Daniel, Chief  
Bureau of Certification  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 000545-WS, Application for original certificates to operate a water and wastewater utility in Pasco County by Labrador Services, Inc.

Dear Ms. Daniel:

In speaking with Pat Brady, we have determined to answer your February 12, 2001 letter with the information available at this time and plan to supplement the letter as additional information becomes available.

I will respond to the items presented in your February 12, 2001 letter in the order presented:

**DEFICIENCIES:**

1. **Ownership.** Mr. Viau died in Canada on or about August 8, 2000. An official probate proceeding in Quebec has been initiated and Ms. Sylvie Viau, the decedent's daughter, has been appointed administrator of the Viau estate. A copy of the certificate of death and order appointing Ms. Viau is enclosed.
2. **Financial Ability.** I enclose a letter from Canadian counsel attesting as to financial accounts of the Viau Estate as well as a statement of intent as to committing those resources, as needed, to maintain the utility and comply with applicable laws.
3. **Technical Ability.** Todd Hiscock, a FDEP licensed operator, continues to operate the facility as he has since December 1997. I am aware of no outstanding complaints or

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initiations or investigations initiated by FDEP and Mr. Hiscock advises me that he is aware of none. Ms. Viau has chosen to retain Mr. Hiscock as the facility operator. Mr. Hiscock is a full time employee of Labrador. Mr. Hiscock's full name is Todd D. Hiscock whose FDEP operator number is 007294. A copy of Mr. Hiscock's license, which was attached to my August 9, 2000 letter is attached. Mr. Hiscock advises that he has recently qualified as a Class B operator.

4. **Rate Authority.** We have obtained integrated P1 and P2 prospectuses for the park from DBPR. The P1 integrated prospectus does set forth the prospect of a separate water charge and the integrated P2 prospectus provides for separate water and sewer charges based on usage. No flat rate structure is mentioned in either prospectus. The plant operator has advised me that a \$15 flat rate was charged to mobile home residents since he was first employed in December 1997. He has no knowledge of charges to the R.V. park residents. The existing flat rates were continued in the utility lease agreement negotiated between Labrador and the resident Co-op purchasing the park at the time the park was sold. It is apparent from reading the existing utility lease between Labrador and the Co-op that the lease contemplated that the flat rate was a temporary rate to be used until a certificate of authority was issued or the Co-op purchased the utility pursuant to an option set forth in the utility lease agreement. Section 6 of the lease provides in part:

"...The foregoing rates and charges shall remain unchanged until Lessee (Labrador) obtains a certificate from the Florida Public Service Commission ("PSC") for the Systems or until the Systems are sold to a PSC licensed utility who will assess rates in accordance with applicable law..."

Therefore, Labrador and the Co-op negotiated to continue the flat rate that apparently had been charged by the park owner, on an interim basis until the PSC application and approval process was concluded or the utility was earlier sold.

#### **ADDITIONAL INFORMATION OR CLARIFICATION:**

5. **Utility Authorization.** In speaking with Pat Brady, it is now clear to Labrador that any actions of the park owner (a separate entity with a different ownership structure) in charging residents for utility services separate from the base rent, would not fall within any recognized exemption from PSC regulation and would be an apparent non-compliance of Chapter 367. Pat Brady has explained that the exemption the park owner believed to apply is limited to those parks where the cost of utility services is included in the base rent. This apparently was not the case at Forest Lake Estates, at least since December 1997, where a separate flat rate was charged for utility services.

In mitigation of the apparent non-compliance, Labrador would offer the following:

- (1) The park owner operated without a certificate of authority in the good faith belief that it fell within a recognized exemption of Chapter 367.
- (2) The referenced prospectuses did provide for separate utility charges to the residents and were approved by DBPR.
- (3) The park owner's good faith belief at the time that such charges were permitted under Chapter 723 and its good faith belief that such charges were exempt due to the common ownership of the park and the utility.
- (4) It is clear that the utility lease contemplates that the flat rate structure is a temporary one to be used until PSC issued a certificate of authority and usage rates could be established.
- (5) Some interim charges were necessary in the utility lease to cover the utility's operating costs until PSC approval.
- (6) The rates charged are proving to be below the cost of providing the utility services and the lease provides that any profits from the utility would be remitted to the Co-op (see §6 of utility lease). Therefore, while the current flat rates are apparently not in compliance with Chapter 367, the residents are not paying excessive rates and, in fact, are obtaining utility services at less than cost.
- (7) Applicant has diligently pursued its application despite complications and delays due to the death of its principal, Mr. Viau.

The Applicant understands that these facts do not excuse any non-compliance, but offer same as a mitigating factors. The Applicant now understands that the park owner's reliance on the foregoing exemption was misplaced due to the fact that the utility charges, at least from December, 1997 to the sale of the park in June, 1999, were separately charged to residents and were not included in base rent.

As explained in my August 10, 2000 letter, the filing with the PSC was delayed due to an option to purchase the utility given to the residents in the utility lease agreement. That option expired December 31, 1999. Shortly thereafter, the undersigned obtained the

March 30, 2001

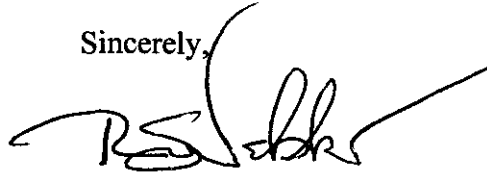
Page 4

necessary PSC forms, met with the PSC staff in early March, 2000 and filed the PSC application shortly thereafter.

6. **Water Meters.** 6.a. - 6.f. (This will be answered in subsequent correspondence)
7. **Water and Wastewater Tariffs.**
  - a. **Cost Allocation.** Regulatory Consultants of Sarasota is reviewing the cost allocations and rate differentiations. This will be answered in subsequent correspondence.
  - b. **Rate Differentiation.** Regulatory Consultants of Sarasota is reviewing the cost allocations and rate differentiations. This will be answered in subsequent correspondence.
8. **Flat Rates.** It is Labrador's intent to apply for usage rates and file for rate review once the application is considered officially filed.

Please contact me if you should have any questions concerning this response.

Sincerely,



Richard S. Webb, IV

RSW:cd

Encs.

cc: Paul Le Blanc, Esq.  
George MacFarlane  
Sylvie Viau  
Jennifer Brubaker, Esq.  
Pat Brady

I:\RSW\Labrador Services\Daniel 3-27-01 ltr.wpd

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

NO: 500-14-015514-011

The 16 day of February, 2001

PRESENT :  
Me PIERRE JOLICOEUR  
CLERK, S.C.M.

COPIE CONFORME  
TRUE COPY  
*[Signature]*  
OFFICIER AUTORISÉ  
AUTHORIZED OFFICER

IN THE MATTER OF: The Estate of the  
late HENRI PAUL VIAU.

DAME SYLVIE VIAU,

Petitioner,

AND

DAME SHIRLEY CAMPBELL ET ALS,

Mises-en-cause.

*Réjean Lefebvre*

JUDGMENT

THE CLERK, to whom the Motion for Appointment of Liquidator and Letters of Verification for use outside of the Province of Québec (Articles 887 et seq and 892 et seq C.P.Q.);

SEEING the affidavits, the exhibits filed thereto and the proof made thereof;

SEEING article 772 C.C.Q. and article 887 and following C.P.Q.;

FOR THESE REASONS :

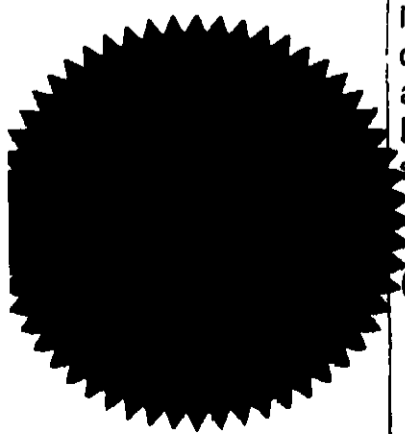
DECLARES that according to the Laws of the Province of Québec, the heirs may, in the absence of a Will, choose a Liquidator (Executor) to liquidate the succession, and have expressed their wish to have DAME SYLVIE VIAU appointed Liquidator (Executor) of the succession to exercise all of the powers provided by law for the settlement of the said succession through a Declaration of Survivorship under private writing and signed in counter-parts on October 11, 2000;

ISSUES Letters of Verification attesting that the succession of the late HENRI PAUL VIAU has opened in the Province of Québec; that the latter died ab intestate in the City of Repentigny, Province of Québec, Canada, on the 9<sup>th</sup> day of August, 2000; that Dame Shirley Campbell is recognized as a legal heir of the succession in a proportion of 33-1/3%; that Dame Sylvie Viau, Henri Michel Viau and Richard Viau are recognized as legal heirs of the succession in a total proportion of 66-2/3% to be shared equally;

DESIGNATES DAME SYLVIE VIAU as sole Liquidator (Executor) of the said succession with all powers provided by Law.

PIERRE JOLICOEUR  
Greffier adjoint  
J.J. 0072

*[Signature]*  
ME PIERRE JOLICOEUR,  
CLERK, S.C.M.



**DECLARATION OF SURVIVORSHIP**

**IN THE MATTER OF THE ESTATE OF THE LATE HENRI VIAU, deceased ab intestate on August 9, 2000, in his lifetime of the City of Repentigny, Province of Québec and therein residing at 130 Deschamps Street (J6A 2X9).**

**SURVIVORS**

We, the undersigned, **DAME SHIRLEY CAMPBELL**, wife of the late **HENRI VIAU**, domiciled and residing at 130 Deschamps, in the City of Repentigny, Province of Québec, J6A 2X9, Canada, **DAME SYLVIE VIAU**, daughter of the late **HENRI VIAU**, domiciled and residing at 2171 Principale Street, in the City of St-Michel, Province of Québec, J0L 2J0, Canada, **RICHARD VIAU**, son of the late **HENRI VIAU**, domiciled and residing at 895, Route 219, in the City of Hemmingford, Province of Québec, J0L 1H0, Canada, and **HENRI MICHEL VIAU**, son of the late **HENRI VIAU**, domiciled and residing at 965 Dogwood Street, in the City of North Palm Beach, in the State of Florida, one of the United States of America, declare:

- 1) **THAT** the late **HENRI VIAU** (the "Deceased"), in his lifetime domiciled at 130 Deschamps Street, in the City of Repentigny, Province of Québec, J6A 2X9, Canada, died ab intestate at the City of Montreal, Province of Québec, on the 9<sup>th</sup> day of August, 2000;
- 2) **THAT** at the time of his death, the Deceased was married to **DAME SHIRLEY CAMPBELL** under the matrimonial regime of partnership of Acquests;
- 3) **THAT** the Deceased was born in Lacolle, Québec, on October 17, 1936, issue of the marriage between the late **SIMÉON VIAU** and the late **DAME EVA RYAN** who both predeceased him;
- 4) **THAT** the Deceased had one daughter, namely **DAME SYLVIE VIAU**, born on January 27, 1965, issue of the marriage between the late **HENRI VIAU** and **DAME DENISE DAME**;
- 5) **THAT** the Deceased also had two sons, namely **HENRI MICHEL VIAU**, born on December 30, 1976, issue of the marriage between the late **HENRI VIAU** and **DAME CAROLE FRIEDBURG** and **RICHARD VIAU**, born on July 22, 1958, issue of the marriage between the late **HENRI VIAU** and **DAME DENISE DAME**;



- 6) THAT according to the laws of the Province of Québec, Canada, the said DAME SHIRLEY CAMPBELL therefore becomes entitled to inherit from the Deceased in a proportion of 33 <sup>1/3</sup> %;
- 7) THAT according to the laws of the Province of Québec, Canada, the said daughter and sons become entitled to inherit from the Deceased in a total proportion of 66 <sup>2/3</sup> % to be shared equally;
- 8) THAT the Deceased's said three (3) children and the said DAME SHIRLEY CAMPBELL are the only four (4) legal heirs to the Estate of the Deceased;
- 9) THAT according to the Laws of the Province of Québec, the heirs may, in the absence of a Will, choose a Liquidator to liquidate the Estate;
- 10) THAT the above heirs jointly wish to elect DAME SYLVIE VIAU to act as Liquidator of the Estate and to exercise all of the powers provided by law for the settlement of the said Estate, the said DAME SYLVIE VIAU accepting;

**MORE SPECIFICALLY BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE SAID DAME SYLVIE VIAU BE ENTITLED TO ACT AS LIQUIDATOR AS FOLLOWS:**

**TO RECEIVE**, in her capacity, all of the assets of the Estate of the Deceased;

**TO MAKE** an inventory of the said Estate and make the declarations and proceedings required by law;

**TO MAKE** all declarations with the fiscal and administrative authorities of Canada and of any other states or countries;

**TO MAKE** all statutory declarations concerning the Estate, to sell or otherwise alienate all assets movable and immovable of the Estate, to receive the price thereof and to give appropriate releases therefor;

**TO RECEIVE** any and all debts due to the Estate and pay those of the Estate;

**TO ENGAGE** any professional(s) required for the administration of the Estate;



- 3 -

TO MAKE all the necessary divisions of assets between the heirs according to the Laws of the Province of Québec;

TO DETERMINE which assets form part of the partnership of Acquests and to remit same accordingly to the said DAME SHIRLEY CAMPBELL;

TO DO all things necessary under law to properly settle the Estate and to administer it until the definite partition of the Estate;

TO RENDER an account on a yearly basis to the heirs as to the administration including that of any professional(s) hired to assist in the administration and settlement of the said Estate including accountants, notaries or lawyers as may be indicated.

AND I HAVE SIGNED

*Shirley Campbell*  
SHIRLEY CAMPBELL

DECLARED BEFORE ME AT THE CITY OF MONTREAL, IN THE PROVINCE OF QUÉBEC, THIS 11<sup>th</sup> DAY OF NOVEMBER, 2000

*Carole Pérois 1293176*  
Signature of Officer authorized to take Oaths

Print name *Carole Pérois*  
Address *500 Front St. E. #1100*  
Title *RSBP*  
My Commission expires *Mai 2003*

CERTIFICATION: I, the undersigned, an officer authorized to take Oaths in the Province of Québec, hereby certify that I have been presented with proper identification, copies of which are annexed hereto, and that DAME SHIRLEY CAMPBELL is of the full age of majority.

SEAL

*[Handwritten mark]*


*[Handwritten mark]*

- 4 -

AND I HAVE SIGNED

  
\_\_\_\_\_  
SYLVIE VIAU

DECLARED BEFORE ME AT THE CITY  
OF Hammingford, IN THE PROVINCE OF  
QUÉBEC, THIS 11<sup>m</sup> DAY OF NOVEMBER, 2000

  
\_\_\_\_\_  
Signature of Officer authorized  
to take Oaths

Print name Carol Peers  
Address 500 Fronteée Hammingford Dr. 6L1H6  
Title RSDP

My Commission expires May 2003

CERTIFICATION: I, the undersigned, an  
officer authorized to take Oaths in the Province  
of Québec, hereby certify that I have been  
presented with proper identification, copies of  
which are annexed hereto, and that DAME  
SYLVIE VIAU is of the full age of majority.

\_\_\_\_\_  
SEAL





- 5 -

AND I HAVE SIGNED

*[Handwritten Signature]*  
RICHARD VIAU

DECLARED BEFORE ME AT THE CITY  
OF HEMMINGFORD, IN THE PROVINCE OF  
QUÉBEC, THIS 11<sup>th</sup> DAY OF NOVEMBER, 2000

*[Handwritten Signature]* 129312  
Signature of Officer authorized  
to take Oaths

Print name Carole Perras  
Address 500 Frontière Hemmingford Qc J0L 1H0  
Title RSVP

My Commission expires May 2003

CERTIFICATION: I, the undersigned, an officer authorized to take Oaths in the Province of Québec, hereby certify that I have been presented with proper identification, copies of which are annexed hereto, and that RICHARD VIAU is of the full age of majority.

SEAL

COPIE CONFORME  
TRUE COPY  
*[Handwritten Signature]*  
OFFICER AUTORISÉ  
AUTHORIZED OFFICER

*Rajcan Lafabum*

- 6 -

AND IN COUNTER-PARTS:

I HAVE SIGNED

Henri M. Viau  
HENRI MICHEL VIAU

DECLARED BEFORE ME AT THE CITY  
OF Coconut, IN THE STATE OF  
FLORIDA, U.S.A., THIS 17<sup>th</sup> DAY OF NOVEMBER, 2000

[Signature]

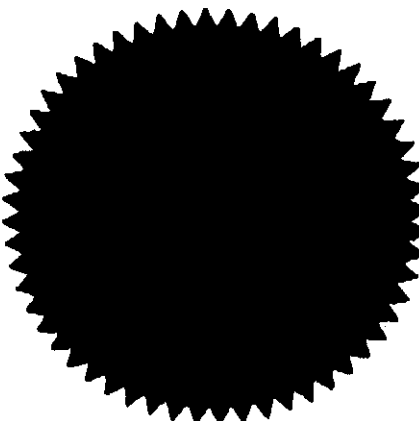
Signature of Officer authorized  
to take Oaths

Print name Gary D. Dolphus  
Address 3901 W. Federal Hwy Boca Raton FL 33437  
Title Manager Bank

My Commission expires 7-12-03

CERTIFICATION: I, the undersigned, an  
officer authorized to take Oaths in the State of  
Florida, U.S.A., hereby certify that I have been  
presented with proper identification, copies of  
which are annexed hereto, and that HENRI  
MICHEL VIAU is of the full age of majority.

[Signature]  
SEAL  
GARY D. DOLPHUS  
MY COMMISSION # CC 854119  
EXPIRES: JULY 12, 2003  
Bonds To, From, Public Underwriter



COPIE CONFORME  
[Signature]  
Greffier adjoint

COPIE CONFORME  
TRUE COPY  
[Signature]  
OFFICER AUTORISÉ  
AUTHORIZED OFFICER  
Rajean Lefebvre