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

Public Service Commission

June 14, 2001

Ms. Laura Griffith
Tevalo, Inc.
PO Box 2898
Winter Haven, Florida 33883-2898

RE: Docket No. 001381-WU: Application for certificate to operate water utility in Polk County by Tevalo, Inc.

Dear Ms. Griffith:

Upon a review of your response to my deficiency letter to you of February 8, 2001, we have determined that deficiencies still exist in your application. Until these deficiencies have been resolved, the staff cannot process your application.

Deficiencies

- Utility's Complete Name and Address. Pursuant to Rule 25-30.034(1)(a), Florida Administrative Code (F.A.C.), the application is to contain the utility's complete name and address. Your letter of March 20, 2001, stated that the correct name of the utility is "Tevalo, Inc. d/b/a McLeod Gardens Water Company." A check with the Florida Department of State as late as June 13, 2001, does not show McLeod Gardens Water Company registered as a fictitious name. In your memorandum of March 15, 2001, you stated that the correct name of the utility is "McLeod Gardens Water Company, Inc." but that your accountant advised against activating that corporation until 2002. Please provide a statement as to the correct name of the utility. Be advised that we must be able to verify that the correct name has been registered with the Florida Department of State.

Land Ownership. Pursuant to Rule 25-30.034(1)(e), F.A.C., the application must contain evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The rule further states that the Commission may consider a written easement or other cost-effective alternative. You have provided a recorded warrantee deed showing that the property on which the utility facilities are located is owned by McLeod Gardens Water

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FPSC - RECORDS REPORTING

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Company, Inc. Your response to the name deficiency identified in Item 1 will determine the necessity for a new recorded warranty deed. No modification would be required, should you decide to activate the "McLeod Gardens Water Company, Inc." name. However, should you decide to register the fictitious name "McLeod Gardens Water Company", the warranty deed should be in the name of "Tevalo, Inc. d/b/a McLeod Gardens Water Company."

3. Rates and Charges. Pursuant to Rule 25-30.034(1)(g), F.A.C., you are to provide a statement specifying on what date and under what authority the current rates and charges were established. Your March 20, 2001, deficiency response letter included a letter from Mr. James O. Vaughn, President of Tevalo, Inc. which stated how the water rate was determined and that the water utility began service to one customer on March 31, 1997. In your memorandum of March 15, 2001, you stated that you were unable to find copies of utility bills sent in 1997. You then asked if a copy of the general ledger and a statement from your CPA would be acceptable as a billing summary report. We need proof that the rates have been consistent since you started billing customers. Therefore, we would like copies of the general ledger and a statement from your CPA. Upon receipt of these documents we will be able to determine if they meet the requirements of the Rule.
4. Tariff. Pursuant to Rule 25-30.034(1)(f), F.A.C., you are to provide an original and two copies of a model tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. The tariff you provided has the utility name as Tevalo, Inc. The name on the tariff needs to be the same as the name of the utility. Therefore, the decision you make for the deficiency identified in Item 1 above, may require the submission of new tariffs. Should new tariffs be submitted, please provide a copy on a 3.5" diskette in WordPerfect 6.1 format.

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before **August 24, 2001**. When filing the response, please be sure to reference the docket and to direct the response to:


**Director, Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

It is important to remember that the utility has been subject to the Public Service Commission jurisdiction since Polk County transferred jurisdiction on May 14, 1996. As such, the utility is responsible for submitting annual reports and Regulatory Assessment Fees (RAFs) for each year even though the utility has experienced a delay in its formal certification by the Commission. Pursuant to Section 367.161, Florida Statutes, delinquent RAFs and annual reports are subject to fines and penalties. Delinquencies will be addressed in the recommendation submitted in this docket.

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Should you have any questions concerning the information requested in this letter, please contact Ms. Stephanie Clapp, of my staff, at (850) 413-6997.

Sincerely,



Patti Daniel
Chief, Bureau of Certification

PD/sc

cc: Division of Water and Wastewater (lowe, Messer, Clapp, Walden)
Division of Legal Services (Brubaker, Crosby)
Division of Records and Reporting