

STATE OF FLORIDA

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DIVISION OF LEGAL SERVICES  
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(850) 413-6199

Public Service Commission

July 19, 2001

Mr. Edward A. Walsh  
13000 Air Way  
Sandy Creek Air Park  
Panama City, Florida 32404-2835

VIA CERTIFIED MAIL  
No. 7000-0600-0027-1507-2771

Re: Docket No. 010852-WS - Application for transfer of Certificate No. 514-W and 446-S in Bay County from Sandy Creek Utilities, Inc. to Sandy Creek Utility Services, Inc.

Dear Mr. Walsh:

Thank you for your letter dated June 28, 2001, regarding the application for transfer filed in the above-referenced docket. From the information in your letter and our telephone conversation of July 13, 2001, you appear to be unhappy that Sandy Creek Utility Services, Inc. is not a local company with a local office to handle the day to day problems. You also indicated that a group of the residents intend to take the Commission to court to explain why it is giving an Illinois company preference over the local Gulf Coast Cooperative.

As discussed in our telephone conversation of July 13, 2001, this Commission does not have the authority to determine which entity a company enters into a contract with to purchase a utility. Certainly, no preference is ever given to one entity over another. Pursuant to Section 367.071, Florida Statutes, when this Commission receives an application for transfer, all information is reviewed to determine if the transfer is in the public interest and if the purchaser has the financial and technical ability to continue to provide satisfactory service to the customers. The Commission will not approve a transfer of a utility system if it determines that the transfer is not in the public interest.

In the instant docket, the system is being transferred to Sandy Creek Utility Services, Inc., which is a subsidiary of Utilities, Inc. As the owner of the utility, Sandy Creek Utility Services, Inc. will be required to provide a telephone number for twenty-four hour coverage of the system to ensure that all problems are handled promptly. Also, pursuant to Rule 25-30.225(2), Florida Administrative Code, each utility is required to "maintain and operate its plant and facilities by employing qualified operators in accordance with the rules of the Department of Environmental Protection." However, the Commission's rules do not require a utility to maintain a local office.

DO NOT WRITE IN THESE SPACES  
DATE  
JUL 19 2001  
8:30  
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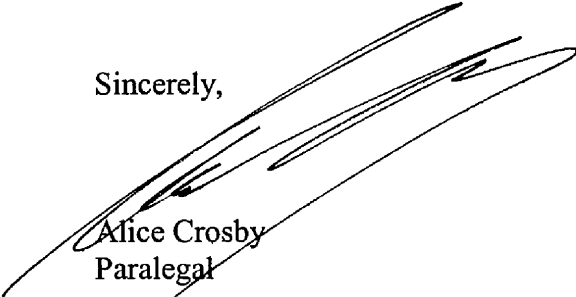
Although you may feel that service by a local entity would be more community conscious and accommodating in the event of utility problems, we have not received any indication from the Gulf Coast Cooperative that it wishes to protest the transfer or if, in fact, it is interested in purchasing the system.

The Commission will consider your concerns when reviewing the application to determine if approving the transfer is in the public interest. However, the Commission needs to know your intent regarding your objection to this application. If you choose to pursue the objection, a hearing will be scheduled in which you will be required to provide testimony and other evidence to support your protest. Although the Commission allows individuals to represent themselves at hearing, you may wish to hire an attorney to represent you.

Please advise this Commission by August 6, 2001, if you intend to pursue your objection and request a hearing. Your request should be made in writing and should be addressed to Blanca Bayó, Director, Division of Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. If we do not hear from you by August 6, 2001, we will assume that you do not wish to pursue a hearing and your letter will be placed on the correspondence side of the docket file in this case for informational purposes.

If you have any questions, you may contact me at (850) 413-6222 or Ms. Cheryl Johnson at (850) 413-6984.

Sincerely,



Alice Crosby  
Paralegal

ALC/dm

cc: Ben E. Girtman, Esquire  
Division of Commission Clerk and Administrative Services  
Division of Regulatory Oversight (Johnson)

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