

STATE OF FLORIDA

COMMISSIONERS:
E. LEON JACOBS, JR., CHAIRMAN
J. TERRY DEASON
LILA A. JABER
BRAULIO L. BAEZ
MICHAEL A. PALECKI



CAPITAL CIRCLE OFFICE CENTER
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

Public Service Commission

August 9, 2001

Mr. Ben Girtman
Attorney at Law
1020 East Lafayette, Suite 207
Tallahassee, Florida 32301

Re: Docket No. 010852-WS, Application by Sandy Creek Utility Services, Inc. for Approval to Transfer the Water and Sewer Utility Assets and Certificates Numbers 514-W and 446-S from Sandy Creek Utilities, Inc. in Bay County

Dear Mr. Girtman:

Per our telephone discussion on July 17, 2001, staff has identified the following deficiencies after reviewing the application in the above referenced docket. Please provide the requested information.

1. As required by Rule 25-30.037(2)(p), Florida Administrative Code, you indicated that you are not aware of any outstanding Notices of Violation or outstanding Department of Protection consent orders. However, you did not state that a reasonable investigation of the system was conducted. Please provide a statement indicating the condition of the system and if the system is in need of repair or improvement. The buyer should provide a list of the improvements and repairs needed and the approximate cost to make them.

2. Based on our telephone conversation on or about July 17, 2001, you stated that the closing occurred on June 15, 2001 and that Article III of the Contract indicates that the transfer is contingent upon Commission approval. However, Article III simply states that an application for approval of the transfer will be filed "Within ten (10) days following execution of the Agreement." It does not indicate that the sale is contingent upon Commission approval. Please provide documentation that the closing is contingent upon Commission approval or a statement as to why the transfer was not made subject to Commission approval pursuant to Section 367.071(1), Florida Statute which states a sale, assignment, or transfer of its certificate of authorization, facilities or any portion thereof, or majority organizational control may occur prior to commission approval if the contract for sale, assignment, or transfer is made contingent upon commission approval.

DOCUMENT NUMBER - 010852-WS
09752 AUG 10 2001

FPSC-COMMISSION CLERK

An Affirmative Action/Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

3. According to Exhibit 4 of the application, there is a promissory note that is secured by a mortgage on the real property which was to be satisfied at the closing. Please explain whether the note has been satisfied, since the closing has occurred.

4. According to Part II, Section D of the application, the Seller is responsible for the regulatory assessment fees (RAF's) associated with revenues collected up to and including the date of transfer. The Purchaser becomes responsible for the RAF's after the date of transfer. Which party to this transfer will be responsible for remitting the RAF's to the Florida Public Service Commission (PSC) or will each of the parties separately remit their share of the RAF's to the PSC?

5. The application included the required tariff sheets. However, the tariff sheets should be resubmitted with the following corrections:

A) Please remove the effective dates of September 29, 2000 and September 29, 2009, and the type of filing listed as "Transfer of Majority Organizational Control" from all tariff sheets.

B) Wastewater tariff original sheet no. 12.0 has the incorrect base facility charge of \$81.75 for a 1 inch meter. The correct base facility charge is \$61.75 for a 1 inch meter and \$123.49 for a 1 1/2 inch meter which is consistent with the current effective tariff.

C) According to tariff original sheet no. 24.0, which is the water service availability policy, the utility collects a \$150 meter installation fee. The corresponding tariff original sheet no. 17.0 lists the \$150 service availability policy charge as a customer connection (Tap-in) charge. Pursuant to PSC Order No. 24170, issued February 27, 1991, in Docket No. 900505-WS, the \$150 service availability charge is a meter installation charge. Please correct the tariff original sheet 17.0 to reflect that the \$150 charge is for meter installation and not a tap-in charge.

6. According to Part V, Section C of the application, the utility is going to provide a late filed exhibit of the utility's current certificates or, if not available, an explanation of the steps the applicant took to obtain the certificates. Please provide the information as to when you anticipate filing this exhibit.

Please file an original and five copies of the requested information no later than September 4, 2001 with the Director, Division of The Commission Clerk and Administrative Services 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. If you have any questions please call Ms. Cheryl Johnson at (850) 413-6984, Ms. Alice Crosby at (850) 413-6222 or Mr. Richard Redemann at (850) 413-6999.

Girtman
Page 3
August 9, 2001

Sincerely,

A handwritten signature in cursive script that reads "Patti Daniel". To the right of the signature, there are initials "LBm" written in a similar cursive style.

Patti Daniel, Chief
Bureau of Certification

CAJ: caj

cc: Division of Legal Services (Gervasi, Crosby)
Division of Regulatory Oversight (Hoppe, Johnson, Lowe, Redemann)
Division of Commission Clerk and Administrative Services (Bayó)