

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: February 25, 2002
TO: Division of Commission Clerk and Administrative Services
FROM: Patricia Brady, Division of Economic Regulation *pb*
RE: Docket No. 011651-WU - Application for transfer of majority organizational control of Pinecrest Ranches Inc., holder of Certificate No. 588-W in Polk County, to Water Supply, Inc.

Please add to the docket file the attached facsimile received February 25, 2002, from Kimberly A. Gossett, utility, to Patti Daniel, staff. The facsimile transmits the utility's January 28, 2002, partial response to staff's January 18, 2002, request for additional information. This is a re-transmission of an earlier facsimile misplaced during the recent office move.

Attachment:

cc: Division of Economic Regulation (Kaproth)
Office of General Counsel (Crosby)
Division of Commission Clerk and Administrative Services (Security File)

DOCUMENT NUMBER-DATE

02202 FEB 25 8

FPSC-COMMISSION CLERK

Pinecrest Ranches, Inc.

PO Box 2888
 Winkler Haven, FL 32883-2888
 Voice: (883) 293-2577
 Fax: (883) 293-2827

January 28, 2002

Public Service Commission
 Patti Daniel
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0865

Fax: (850) 413-~~5889~~
 6687

RE: DOCKET # 011651-WJ Deficiencies and Clarifications Letter Dated 1/18/2002

Ms. Daniel:

I would like to address some of the questions you have regarding Pinecrest Ranches, Inc. Hope this gets you started with the information you requested.

Late-File Exhibits:

2/21
 Attorney's
 are still
 making changes
 I have a draft
 If you would
 like, I will
 forward to
 you.

Exhibit B - Purchase Agreement. The buyer, Mr. Duncan, should have the initial purchase agreement to our attorney on 1/29/02. I'm sure there will be changes made, so perhaps by the beginning of next week we will have a complete document. The buyer also has the financial paperwork from the bank enclosed with the purchase agreement.

Exhibit C - Affidavit of Noticing. This should have been received in your office as of date.

Questions/Clarifications:

Name Change. There will not be a name change. Water Supply, Inc. is an S Corporation as is Pinecrest Ranches, Inc. The accountant suggested that Mr. Duncan and Mr. Little buy Pinecrest Ranches, Inc. and not involve Water Supply, Inc., for tax purposes. An "S" corporation cannot hold stock in another "S" corporation. Pinecrest Ranches, Inc. will continue with the same name. However, are there any changes I need to make now that Water Supply, Inc. is out of the purchase? The purchase agreement will not reflect Water Supply, Inc., only Richard Little and Norman Duncan and partners.

Rates. Meters have not been installed at this time. Whether the purchase of Pinecrest Ranches is completed or not, meters will be installed. The buyer will install meters after the closing is complete. If the closing falls through, the seller will start installing meters within a four to six month period. Both parties our in agreement as to

January 28, 2002

the filing of the SARC application. I intend to start working on the application within the next two weeks. I will have both parties sign the application.

Closing Date. The buyer will install a contingency upon PSC approval in the purchase agreement; we hope to close immediately upon agreement of both parties.

Financing. The buyers have decided to finance the purchase of Pinecrest Ranches through a financial institution. The information you require will be sent along with the purchase agreement.

Utility Inspection. The buyer will be responsible for any repairs that are necessary, including the damaged well casing.

I intend to make the changes you have requested to the water tariff. Please let me know if there are any additional alterations to be made. ✖ mailed revised tariff 2/18/02

If you have any questions, please feel free to call at 883-293-2577 our office hours are 9am – 2pm, Monday – Thursday. If you need to speak with me after office hours, you may reach me at 883-557-9497. Thank you for your assistance.

Sincerely,



Kimberly A. Gossett