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Public Service Commission

ORIGINAL

May 8, 2002

F. Marshall Deterding, Esquire
Rose, Sunstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

RE: Docket No. 010087-WS - Application for approval of reuse plan in Lake County by Sun Communities Finance, LLC d/b/a Water Oak Utility.

Dear Mr. Deterding:

This letter is in response to your letter dated April 15, 2002, requesting a 60-day extension before staff begins its audit and a 30-day extension in which to respond to Staff's Second Data Request. Staff does not oppose starting the audit on June 1, 2002, nor does staff oppose an extension until May 28, 2002, in which to respond to Staff's Second Data Request.

However, staff is concerned about the statutory time frame in which to "approve or disapprove the utility's reuse project plan," as set out in §367.0817(2), Florida Statutes. While the utility has submitted a complete filing, your latest letter indicates that the utility will be significantly revising that filing. It has been Commission practice to treat such revisions as a new filing, which would restart the statutory time frame. Consequently, staff believes that there are presently two options.

The first is to present a recommendation on the utility's current filing within the current statutory time frame. However, because the utility's current filing is insufficient to determine "whether the projected costs are prudent and the proposed rates are reasonable and in the public interest" in accordance with Section 367.0817(2), Florida Statutes, the Commission would be unable to either "approve or disapprove the utility's reuse project plan."

The second option is for the utility to waive the statutory time frame until the utility re-files its application with the updated information, at which time the statutory time frame would restart. Under this scenario, staff would present a recommendation in late 2002 on the utility's current earnings level and whether it is prudent for the utility to continue to pursue the "Reuse Project Plan." If the Commission determines that it is prudent for the utility to continue pursuing the "Reuse Project Plan," then the utility would re-file its application with the updated information.

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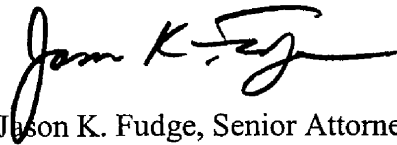
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Please be advised that the information contained in this letter represents the informal opinion of the Office of the General Counsel, and in no way binds the Commission.

If you have any questions, or if I can be of any further assistance please feel free to contact me at (850) 413-6236.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason K. Fudge". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jason K. Fudge, Senior Attorney

JKF/anc

cc: Division of Commission Clerk and Administrative Services
Division of Economic Regulation (Rendell, Merta, Fitch, Lingo)