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TIMOTHY DEVLIN, DIRECTOR
 DIVISION OF ECONOMIC REGULATION
 (850) 413-6900

Public Service Commission

August 16, 2002

Martin S. Friedman, Esquire
 Rose, Sundstrom & Bentley, LLP
 650 S. North Lake Boulevard, Suite 420
 Altamonte Springs, Florida 32701

Re: Docket No. 020746-WU, Application for certificate to provide water service in Charlotte County by Knight Water Utility, Inc.

Dear Mr. Friedman:

Staff has preliminarily reviewed the above referenced docket and found several items which appear to be deficient. In addition, there are a number of items for which additional information, clarification, or corrections are needed.

DEFICIENCIES

1. Noticing. Within 7 days of filing the application, Rule 25-30.030(6) and (7), Florida Administrative Code, requires that notice be given to each customer of the utility and published at least once in a newspaper of general circulation in the area of the utility. Rule 25-30.030(8), Florida Administrative Code, requires that an affidavit of these notices be filed no later than 15 days of filing the application. As of this date, these affidavits have not been filed. Please advise as to the status of the notices.
2. Long-Term Lease. Thank you for your August 5, 2002, letter in which you clarify that the lease provided in the application will be terminated upon Commission approval, but that Knight Water Utility, Inc. will continue to lease the land upon which its facilities are located. Rule 25-30.034(1)(e), Florida Administrative Code, requires a copy of an agreement which provides for the continued long-term use of the land, such as a 99 year lease. Please provide a copy of the agreement for the continued use of the land which the parties intend to implement upon Commission approval. If the proposed lease is for a period of less than 99 years, please provide ample justification.
3. Rates and Charges. Rule 25-30.034(1)(g), Florida Administrative Code, requires a statement specifying on what date and under what authority the current rates and charges were established. Since the utility predecessor is a non-profit corporation, please provide the

AUS _____
 CAF _____
 CMP _____
 COM _____
 CTR _____
 ECR _____
 GCL _____
 OPC _____
 MMS _____
 SEC 1 _____
 OTH _____

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- documentation in the form of the minutes for the meeting(s) in which all the current water rates and charges were established. For instance, if the \$3,000 system capacity charge was established by earlier vote, please provide the minutes for the earlier vote. Also, please provide a copy of a previous bill which verifies the existing rates and charges.
4. Schedule of Customers. Rule 25-30.034(1)(n), Florida Administrative Code, requires a schedule showing the number of customers currently served, by class and meter size, as well as the number of customers projected to be served when the requested service territory is fully occupied. Please provide the required schedule.
 5. Territory Not Served. If the applicant is requesting any territory not served at the time of the application, Rule 25-30.034(2)(a), Florida Administrative Code, requires a showing of the need for service. Please describe the steps the applicant took to determine other options for service.
 6. Territory Map. Also, Bocilla Utilities, Inc. (Bocilla) has filed an objection to Knight Island Water Utility, Inc. receiving a certificate on the basis that part of the proposed territory is in Bocilla's service area. Rule 25-30.034(1)(i), Florida Administrative Code, requires a system map with the territory plotted thereon in metes and bounds or in quarter section references. Please provide a territory map on the scale of 1"=200' or 1"=400' in which the territory is plotted thereon.

ADDITIONAL INFORMATION, CLARIFICATION, CORRECTIONS

7. Knight Island Utilities, Inc. (KIUI). The application indicates that KIUI, a not-for-profit corporation, decided "it" did not want to continue to provide water service to its members. The use of the pronoun "it" is confusing in light of staff's understanding that KIUI is controlled solely by members. Please provide minutes from the meeting(s) in which the members decided they no longer wished to serve themselves.
8. Tariff Questions / Modifications:
 - a. Sheet No. 15.0, Customer Deposits. Please explain why the month in which the utility will pay interest on deposits is marked, "N/A."
 - b. Sheet No. 18.0, Service Availability Fees and Charges. The system capacity charge in Knight Water Utility, Inc.'s tariff is the same amount as in Island Environmental Utility, Inc.'s tariff. It appears that this may be a combined charge. Please confirm whether or not the service capacity charge is the same for both services. If so, please explain the basis for the charges.
 - c. Sheet No. 21.0, Sample Application Form. The current Sample Application Form on the Commission's website, has a modification to Item 3, as follows:

In addition, the Customer has received from the Company a copy of the brochure "Your Water and Wastewater Service" produced by the Florida Public Service Commission.

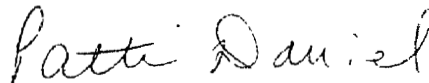
Please add the new language to the Sample Application Form. In addition the Sample Application Form should be changed to reflect that it is Knight Water Utility's Application Form.

- d. Sheet No. 23.0, Copy of Customer's Bill. A copy of a sample customer bill must be provided for the tariff.
9. Master Commission Directory. For purposes of the Master Commission Directory, please complete the following for the utility and for a primary and, if applicable, secondary utility liaison:

<u>Utility Information</u>	<u>Liaison Information</u>
<input type="checkbox"/> Mailing Address	<input type="checkbox"/> Name
<input type="checkbox"/> Street Address	<input type="checkbox"/> Title
<input type="checkbox"/> Phone Number	<input type="checkbox"/> Mailing Address
<input type="checkbox"/> Fax Number	<input type="checkbox"/> Street Address
<input type="checkbox"/> E-Mail Address	<input type="checkbox"/> Phone Number
	<input type="checkbox"/> Fax Number
	<input type="checkbox"/> E-Mail Address

An original and five copies of the information requested above should be provided as soon as possible but no later than, September 20, 2002. Until Items 1 through 6 are satisfied, the application will not be considered filed. The response should be filed directly with the Director, Division of the Commission Clerk and Administrative Services. Should you have any questions, please call Patricia Brady at (850) 413-6686, pbrady@psc.state.fl.us or Rosanne Gervasi at (850) 413-6224, rgervasi@psc.state.fl.us.

Sincerely,



Patti Daniel
Supervisor of Certification

PD:PB

- cc: Division of Economic Regulation (Brady, Redemann)
Office of the General Counsel (Gervasi)
Division of the Commission Clerk and Administrative Services (Docket)