

ORIGINAL

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JOHN L. WHARTON

ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL

November 4, 2002

VIA HAND DELIVERY

Check received with filing and forwarded
to Fiscal for deposit. Fiscal to forward
deposit information to Records.

initials of person who forwarded check:

SOE

Gerald Edwards
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Sun Communities Finance LLC d/b/a Water Oak Utility
PSC Docket No. 010087-WS; Application for Approval of Reuse Plan
Our File No. 33013.01

Dear Gerald:

As a follow up to my letter of October 23, 2002, I am writing to provide additional comments on Audit Exception Nos. 5 and 6, based upon the additional information provided by the staff. Attached hereto is a copy of a letter from Bob Nixon of Cronin, Jackson, Nixon & Wilson, the Utility's outside accountant, speaking to each of these issues.

As you can see from Mr. Nixon's letter and the attachments thereto, we believe that additional adjustments and modifications to Audit Exception Nos. 5 and 6 are required.

If you or any members of the Commission staff disagree with our proposals for modification of the audit either in this, Mr. Nixon's attached letter, or in my original audit response dated October 23, 2002, please let us know as soon as possible, as we would like to work with the staff to try and resolve any outstanding issues before this matter goes before the Commission for Proposed Agency Action.

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

DOCUMENT NUMBER-DATE

12130 NOV-5 02

FPSC-COMMISSION CLERK

Gerald Edwards
November 4, 2002
Page 2

I look forward to hearing from you. If you have any need for further information or if you have any further concerns with the exceptions we have filed, please let me know.

Sincerely,

ROSE, SUNDBSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tms

cc: Ralph Jaeger, Esquire
Ms. Denise Vandiver
Mr. Ryan Fitch
Mr. Troy Rendell
Marshall Willis, CPA
Julian Coto, P.E.
Gabriele Umbel
Mary Petrella
Gary Morse, P.E.
Brian Fannon
Robert C. Nixon, CPA

wateroak\2edwards.ltr

Cronin, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

JAMES L. CARLSTEDT, C.P.A.
CHRISTINE R. CHRISTIAN, C.P.A.
JOHN H. CRONIN, JR., C.P.A.
ROBERT H. JACKSON, C.P.A.
ROBERT C. NIXON, C.P.A.
JEANETTE SUNG, C.P.A.
HOLLY M. TOWNER, C.P.A.
REBECCA G. VOITLEIN, C.P.A.
JAMES L. WILSON, C.P.A.

2560 GULF-TO-BAY BOULEVARD
SUITE 200
CLEARWATER, FLORIDA 33765-4419
(727) 791-4020
FACSIMILE
(727) 797-3602
e-Mail
cpas@cjnw.net

November 1, 2002

F. Marshall Deterding, Esq.
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

BY Fax (850) 656-4029 and Regular Mail

Re: Sun Communities Finance, LLC
d/b/a Water Oak Utility

Dear Marty:

This letter is a response to the documentation we received from the Commission Staff related to our request for documents for Audit Exceptions No. 5 and No. 6.

Audit Exception No. 5

Staff provided two invoices from Russell Aerial Photography, Inc. totaling \$930. The auditors recommend removal of these amounts as below the line expenses related to the sale of the Utility. After review of these invoices and discussions with company personnel, we agree that the \$650 invoice should be removed. This is allocated - \$342 to water and \$308 to sewer. The second invoice totaling \$280 should not be removed from above the line operation and maintenance expenses. This invoice was for a second set of color prints to be used by management in the overall operation and maintenance of the system. This invoice is allocated - \$147 to water and \$133 to sewer.

The auditors also recommended removal of an expense from Roznowski Construction totaling \$1,000 for removal of trash and concrete from the spray field. The auditors believed this invoice also related to the potential sale of Utility assets. After review of the invoice and contact with company personnel, this amount should not be removed from normal operation and maintenance expenses. The removal of trash and debris from the spray field is a normal and recurring maintenance expense. Apparently, the bookkeeper at the time made a notation on the invoice that this invoice was related to the sale. This was an error since this expense was prudent, recurring, and needed to maintain the operational integrity of the disposal system.

Audit Exception No. 6

In the Utility's response to Audit Exception No. 6, Staff was requested to provide copies of those invoices which, in the opinion of the auditor, did not qualify as conservation expenditures. In response, Staff provided four schedules, but no invoices. Three of the schedules were prepared by the Utility and previously filed with the Commission. The fourth schedule (Audit Workpaper 44) is a summary schedule comparing the original estimated costs of the conservation program with the expenditures reported by the company for 2001, and an audit adjustment to meters. Thus, none of the information furnished to the company was of any help in understanding the basis of the audited amount.

F. Marshall Deterding, Esq.
Rose, Sundstrom & Bentley
November 1, 2002
Page Two

In an effort to finalize the company's response to this exception, we reviewed the audited conservation amounts shown on Audit Workpaper 44, as described above. The company agrees with each of the audited balances except for the audited balance of \$4,226 for "irrigation audits" and the zero balance for "additional expenditures per Order". Attached to this letter is Schedule A, which shows total expenditures for irrigation audits of \$4,390 and \$4,756 of additional conservation related expenditures. Invoices supporting these amounts are attached to Schedule A. As a result, the company believes that the audited balance of \$26,208 should be increased by \$4,920 to result in total test year conservation expenditures of \$31,128 as follows:

| | |
|---|------------------|
| Total irrigation audit and other conservation expenses per Schedule A | \$ 9,146 |
| Total per Staff Audit Workpaper 44 | <u>4,226</u> |
| Increase required | 4,920 |
| Total expenses per audit | <u>26,208</u> |
| Total conservation expenses per utility | <u>\$ 31,128</u> |

Please contact me if you have any questions regarding this additional response to the Commission audit.

Very truly yours,

CRONIN, JACKSON, NIXON & WILSON



Robert C. Nixon

cc: Julian Coto, P.E.
Gabriele Umbel
Mary Petrella
Gary Morse, P.E.
Brian Fannon

RCN/dij

Enclosures

SUN COMMUNITIES FINANCE d/b/a WATER OAK UTILITY
DOCKET NO. 010087 - WS
RESPONSE TO PSC AUDIT
ADDITIONAL EXPENDITURES FOR IRRIGATION AUDITS AND OTHER
QUALIFIED CONSERVATION ACTIVITIES
YEAR ENDED DECEMBER 31, 2001

| LINE NO. | | |
|-------------|---|-----------------|
| 1 | (A) <u>IRRIGATION AUDITS</u> | |
| 2 | ENVIRONMENTAL CARE, INC. (INVOICE 1 OF 6) | \$ 955 |
| 3 | ENVIRONMENTAL CARE, INC. (INVOICE 2 OF 6) | 1,835 |
| 4 | ENVIRONMENTAL CARE, INC. (INVOICE 3 OF 6) | <u>1,600</u> |
| 5 | TOTAL IRRIGATION AUDITS | <u>4,390</u> |
| 6 | (B) <u>OTHER CONSERVATION EXPENSES</u> | |
| 7 | WATER DISTRIBUTION SYSTEM ANALYSIS - EXCEL ENGINEERING (INVOICE 4 OF 6) | 2,574 |
| 8 | WATER LEAK REPAIRS - KILEY AND SONS, INC. (INVOICE 5 OF 6) | 986 |
| 9 | LEGAL EXPENSE - REVIEW CONSERVATION REPORT & ORDER & TRANSMIT WITH | |
| 10 | COVER LETTER TO PSC (INVOICE 6 OF 6) | 260 |
| 11 | COMMON AREA LEAK CHECKS (ATTACHED DOCUMENT/RECORD REQUEST NO.19) | <u>936</u> |
| 12 | TOTAL OTHER CONSERVATION EXPENSES | <u>4,756</u> |
| 13 | TOTAL IRRIGATION AND OTHER CONSERVATION EXPENSES | 9,146 |
| 14 | TOTAL PER PSC AUDIT WORKPAPER 44 | <u>(4,226)</u> |
| 15 | INCREASE IN CONSERVATION EXPENSES | <u>\$ 4,920</u> |



*
INVOICE

ENVIRONMENTAL CARE, INC.

Landscape Management • Water Management • Interiorscape • Arborist Services • Golf Course Maintenance
4777 Old Winter Garden Road, Orlando, Florida 32811 / (407)292-9600
a subsidiary of ENVIRONMENTAL INDUSTRIES, INC., an equal opportunity employer by choice

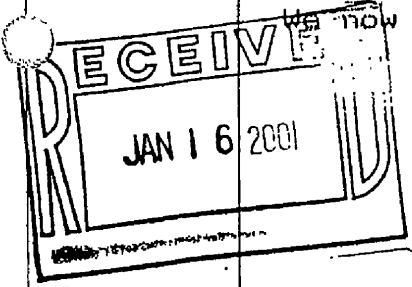
2656177
Water Oak Utility
106 Evergreen Lane
Lady Lake FL 32159

Invoice No. 720920

| | | |
|--------------------------|------------------------------|--|
| Invoice Date 01/11/01 | Client Purchase Order Number | Payment Terms: Payment due 15 days following the date of this invoice. |
|--------------------------|------------------------------|--|

| Job No. | Description | Amount |
|----------------------|--------------------------------|--------|
| R830546 | Water Oak Utility AEW 26104 | 955.00 |
| Total Invoice Amount | | 955.00 |
| Tax Amount | | |
| Balance Due | | 955.00 |

We now accept Mastercard, Visa, Discover and American Express!



Exp to 675

| | |
|--------------------------------|-------------------|
| Water Oak Utility | Comm Code: WAU |
| Account #: 1620 | Amount: \$\$ |
| TOTAL | 955.00 |
| Description: Water Audits | |
| Community Manager: [Signature] | Regional Manager: |
| Initials: [Signature] | Initials: |
| Date: 1/13 | Date: |
| A/P Use Only | G/L Month: |

NO
PSC 334
ERR Audits
x 8
per PSC order

PLEASE RETURN PINK COPY WITH YOUR REMITTANCE

invoice 106



INVOICE

ENVIRONMENTAL CARE, INC.

Landscape Management • Water Management • Interiorscape • Arborist Services • Golf Course Maintenance
4777 Old Winter Garden Road, Orlando, Florida 32811 / (407)292-9600
a subsidiary of ENVIRONMENTAL INDUSTRIES, INC. an equal opportunity employer by choice

2656177
Water Oak Utility
106 Evergreen Lane
Lady Lake FL 32159

Invoice No. 778168

Invoice form with columns for Job No., Description, and Amount. Includes a 'RECEIVED' stamp dated JUN 14 2001, a 'Water Oak Utility' stamp with handwritten details, and a 'PLEASE RETURN PINK COPY WITH YOUR REMITTANCE' instruction.

INVOICE 2066



* INVOICE

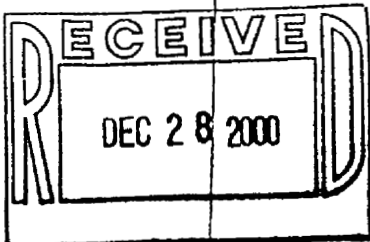
ENVIRONMENTAL CARE, INC.

Landscape Management • Water Management • Interiorscape • Arborist Services • Golf Course Maintenance
4777 Old Winter Garden Road, Orlando, Florida 32811 / (407)292-9600
a subsidiary of ENVIRONMENTAL INDUSTRIES, INC., an equal opportunity employer by choice

2656177
Water Oak Utility
106 Evergreen Lane
Lady Lake FL 32159

Invoice No. 714712

| | | | | | | | | | | | | | | | | | | | | |
|---|---|---|-------------------|----------------|------------|--------------|------|--|-------|------|-----------------------------------|--|--------------------------|-------------------------|---------------------|-----------------|--------------------|--------------------|----------------|-----------------|
| Invoice Date 12/22/00 | Client Purchase Order Number | Payment Terms: Payment due 15 days following the date of this invoice. | | | | | | | | | | | | | | | | | | |
| Job No. R830546 | Description Water Oak Utility AEW 26369 | Amount 1,600.00 | | | | | | | | | | | | | | | | | | |
| | Total Invoice Amount | 1,600.00 | | | | | | | | | | | | | | | | | | |
| | Tax Amount | | | | | | | | | | | | | | | | | | | |
| | Balance Due | 1,600.00 | | | | | | | | | | | | | | | | | | |
| We now accept Mastercard, Visa, Discover and American Express! | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <tr> <td>Water Oak Utility</td> <td>Comm Code: WAU</td> </tr> <tr> <td>Account #:</td> <td>Amount: \$\$</td> </tr> <tr> <td>1620</td> <td></td> </tr> <tr> <td>TOTAL</td> <td>1600</td> </tr> <tr> <td>Description: <u>Water Utility</u></td> <td></td> </tr> <tr> <td>Community Manager: _____</td> <td>Regional Manager: _____</td> </tr> <tr> <td>Initials: <u>by</u></td> <td>Initials: _____</td> </tr> <tr> <td>Date: <u>12/29</u></td> <td>Date: <u>12/29</u></td> </tr> <tr> <td>A/P Use Only /</td> <td>GL Month: _____</td> </tr> </table> | | | Water Oak Utility | Comm Code: WAU | Account #: | Amount: \$\$ | 1620 | | TOTAL | 1600 | Description: <u>Water Utility</u> | | Community Manager: _____ | Regional Manager: _____ | Initials: <u>by</u> | Initials: _____ | Date: <u>12/29</u> | Date: <u>12/29</u> | A/P Use Only / | GL Month: _____ |
| Water Oak Utility | Comm Code: WAU | | | | | | | | | | | | | | | | | | | |
| Account #: | Amount: \$\$ | | | | | | | | | | | | | | | | | | | |
| 1620 | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 1600 | | | | | | | | | | | | | | | | | | | |
| Description: <u>Water Utility</u> | | | | | | | | | | | | | | | | | | | | |
| Community Manager: _____ | Regional Manager: _____ | | | | | | | | | | | | | | | | | | | |
| Initials: <u>by</u> | Initials: _____ | | | | | | | | | | | | | | | | | | | |
| Date: <u>12/29</u> | Date: <u>12/29</u> | | | | | | | | | | | | | | | | | | | |
| A/P Use Only / | GL Month: _____ | | | | | | | | | | | | | | | | | | | |
| <p>112. AUDITS X15 PER PSC ORDER</p> | | | | | | | | | | | | | | | | | | | | |



PLEASE RETURN PINK COPY WITH YOUR REMITTANCE

EXCEL ENGINEERING CONSULTANTS, INC.

Invoice

122 Wilshire Blvd.
Casselberry, FL 32707

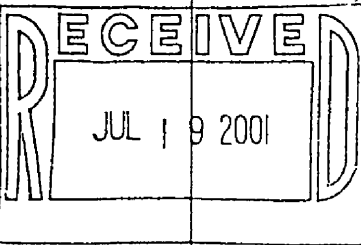
| | |
|---------|-----------|
| DATE | INVOICE # |
| 7/18/01 | 3058 |

| |
|--|
| BILL TO |
| Mrs. Gabrielle Umbel Water Oak Utility 106 Evergreen Lane Lady Lake, FL 32159 |

| | | |
|----------|---------|-----------------------|
| P.O. NO. | TERMS | PROJECT |
| WAT01011 | 15 DAYS | Water Oak Country Cl. |

| QUANTITY | DESCRIPTION | RATE | AMOUNT |
|----------|--|----------|----------|
| | WATER OAK COUNTRY CLUB WATER DISTRIBUTION SYSTEM | | |
| | Review Water Distribution Plans, Site Visit | 640.00 | 640.00 |
| | Prepare Reproducible Velum of existing proposed valves Engineering Report | 1,250.00 | 1,250.00 |
| | | 650.00 | 650.00 |
| | REIMBURSABLE EXPENSES: | | |
| | Blueprints | 4.00 | 4.00 |
| | WAT01011-UPS: plans to K. Bennett, 6/29/01 | 15.00 | 15.00 |
| | Wat01011/UPS, plans to G. Umbel, 6/27/01 | 15.00 | 15.00 |
| | Total Reimbursable Expenses | | 34.00 |

| | |
|---------------------------------|-------------------------|
| Water Oak Utility | Comm Code: WAU |
| Account #: 1210 | Amount: \$\$ |
| | |
| | 2574.00 |
| Description: water distribution | Reports |
| Community Manager: _____ | Regional Manager: _____ |
| Initials: _____ | Initials: _____ |
| Date: _____ | Date: 7/18/01 |
| A/P Use Only | G/L Month: _____ |



Thank you and God Bless

Total \$2,574.00

PSC 665 1287.00
765 1287.00
Invoice 4 of 6



KILEY and SONS, INC. 1245

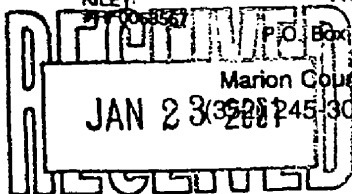
24 Hr. Plumbing Service

Repairs • Alterations • New Construction

KILEY

771-00-8567

P.O. Box 782 • Hwy. 27-441 • Lady Lake, FL 32158-0782



Marion County
352-245-3000

Lake County
(352) 753-5301

Sumter County
(352) 748-9500

| | | | | | | | |
|--|--|--|--------------------|--|----------------------|--|-----------------------------------|
| Phone: 753-3000 | | | Mechanic: Tit/mark | | Helper: 352/kutiskel | | Date of Order: 1/17/01 |
| Bill To: Water Oaks Estates | | | | | | | Order Taken By: |
| Address: 106 Eucalyptus | | | | | | | <input type="checkbox"/> Day Work |
| City: Lady Lake, FL | | | | | | | <input type="checkbox"/> Contract |
| Job Name and Location: Beeman Dr. near ballfield | | | | | | | <input type="checkbox"/> Extra |
| Work Ordered By: | | | | | | | Job Phone: |

DESCRIPTION OF WORK

Customer reported leak in ground near ball field used backhoe to dig up. Found 2" galv valve w/center pipe cut out & replaced w/new valve. Used mechanical coupling to put back together. Turned water back on - Found no further leaks. Back filled ditch. Customer to clean up & make curbs.

| | |
|------------------------------|----------------------|
| Water Oak Utility | Comm Code: WAU |
| Account #: | Amount: \$\$ |
| 6200WAT | |
| TOTAL | 986.00 |
| Description: Repair to valve | |
| Community Manager: | Regional Manager: |
| Initials: [initials] | Initials: [initials] |
| Date: 1/15 | Date: [blank] |
| A/P Use Only | G/L Month: |

PSC 630
3 1/2 hrs @ 3 hrs
+ Touch 2 hrs
Backhoe operator 4 hrs +
emergency parts
off of Beeman Dr.

| | | |
|--------------------------------------|-------------------------|----------------------|
| <input type="checkbox"/> No One Home | Date Completed: 1/17/01 | TOTAL AMOUNT: 986.00 |
|--------------------------------------|-------------------------|----------------------|

Finance Charge of 1.5% per month will be added to all past due accounts.
Customer is also liable for all legal and/or collection fees.

INVOICE
5 of 6

ROSE, SUNDSTROM & BENTLEY, P.A.

P. O. BOX 1567
TALLAHASSEE, FLORIDA 32302-1567

(850) 877-6555

PLEASE REFER TO INVOICE NUMBER
WHEN REMITTING

F.E.I. # 59-2783536

WATER OAK UTILITIES CO., INC
C/O JIM HOEKSTRA
31700 MIDDLEBELT RD, SUITE 145
FARMINGTON HILLS, MI 48334

INVOICE # 24006
AUGUST 15, 2001
FILE # 33013-0001

PAGE 1

| | | | |
|-------------|--|-------|----------|
| MATTER | CUP RENEWAL/PSC RATE RESTRUCTURING | | |
| 07/09/01 | REVIEW LETTER FROM PSC RE: SALE AND BEGIN DRAFT SYNOPSIS. | 1.50 | |
| 07/10/01 | FINISH FIRST DRAFT OF SYNOPSIS; LETTER TO JULIAN COTO RE: SAME. | 2.20 | |
| 07/11/01 | TELEPHONE CONFERENCE WITH UMBEL; REVIEW FAX AND MAKE CHANGES TO SYNOPSIS; REVIEW QUARTERLY REPORT; REVIEW ORDER; DRAFT COVER LETTER TO PSC RE: MONEY HELD SUBJECT TO REFUND. | 1.60 | |
| 07/12/01 | REVIEW CONSERVATION REPORT AND ORDER AND SEND CONSERVATION REPORT WITH COVER LETTER TO PSC. | 1.30 | \$260 |
| 07/16/01 | REVIEW NOTES AND STATUTE AND FILING; TELEPHONE CONFERENCE WITH STAFF ATTORNEY AND ANALYST; DRAFT LETTER TO PSC RE: DELAY AND SEND. | 1.80 | |
| | | 8.40 | |
| | | | 1,680.00 |
| TELECOPIER | | 60.00 | |
| PHOTOCOPIES | | 35.50 | |

TOTAL COSTS ADVANCED 95.50

TOTAL STATEMENT 1,775.50

PLEASE REFER TO INVOICE # WHEN REMITTING

| | | | |
|----------------------------|-------------------|------------|------------|
| San Communities Account #: | Comm Code: WAD | Amount: \$ | \$1,775.50 |
| 1210 | | 1775.50 | |
| TOTAL | | 1775.50 | |
| Description: Utility | SALE MATTERS | | |
| Community Manager: | Regional Manager: | | |
| Initials: | Initials: | | |
| Date: | Date: | | 8/27/01 |
| A/P Use Only | G/L Month: | | |

INVOICE
6 of 6

Sun Communities Finance, LLC
d/b/a Water Oak Utility
Limited Proceeding Docket No. 010087-WS
Audit Document /Record Request Number Nineteen

Based on Document Request No. Nineteen, we have enclosed the following:

- A. The Utility's general ledger for the twelve-month period ended December 31, 2001. Cost transactions identified by vendor, invoice number, date, and general ledger account have been identified by an "*" symbol relating to the conservation cost expenditures.
- B. Replacement meter and associated costs capitalized have been submitted to the Commission in Document Request response Numbers Eleven and Twelve, Schedule No. 3. For your convenience, we have summarized the following related to Schedule No. 3.

| | |
|--|-----------------|
| Total costs capitalized - meters '01 | \$13,723 |
| Factor for replacement meters (225 replacements/248 total meters) | <u>90.73%</u> |
| Cost of replacement meters | <u>\$12,451</u> |

- C. Employee costs not segregated as conservation cost in account 601 are as follows:

Common area irrigation leak checks
8 man hour/month @\$9.75
for 12 months (1)

\$ 936

Note (1): Labor costs do not include payroll taxes and employee benefits. No costs associated to transportation have been allocated to the conservation program.

Should you have any additional questions, please do not hesitate to contact us.

Very truly yours,

Priscilla Farn
Senior V.P.
8/19/02
248-932-7416

*Audit/Document
Request 19*

LAW OFFICES
ROSE, SUNDSTROM & BENTLEY, LLP

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DIANE D. TREMOR, P.A.
JOHN L. WHARTON
ROBERT M. C. ROSE, OF COUNSEL
WAYNE L. SCHIEFELBEIN, OF COUNSEL

CENTRAL FLORIDA OFFICE
650 S. NORTH LAKE BLVD., SUITE 420
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

November 5, 2002
VIA HAND DELIVERY

Patti Daniel, Supervisor
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Mad Hatter Utility, Inc.; PSC Docket No. 020982-WS
Application for Amendment of Water and Wastewater Certificates
Our File No. 28023.01

Dear Patti:

I have outlined below the answers to each of the questions from your October 14, 2002 letter. These follow the format of the questions raised.

Deficiencies

1. **Exhibit F, the Affidavit of Noticing the customers and property owners, is not dated, either by the affiant or the notary.**

Response - Attached hereto is a copy of a revised notice with the appropriate dating contained therein.

2. **Exhibit G, the Notice of Application published in the newspaper, has not been received.**

Response - The Notice of Publication was sent to the Commission Clerk on September 27, 2002. I am attaching a copy for your ready reference.

3. **Numbers and dates of permits from the DEP for the system(s) proposed to be constructed (see Rule 25-30.036(3)(k), Florida Administrative Code).**

Response - No DEP permits have yet been applied for, much less proposed for construction at this time. It is unclear at this time the exact configuration of the properties exchanged between the two entities and as such, no plans for location of facilities have been made. However, attached hereto is a copy of a map showing the location of the "Apex" property which is proposed to be included within Mad Hatter's territory. It also shows the location of the water and wastewater lines, color coded for your ready reference. As you can see, there are facilities immediately adjacent to this territory to allow easy access and availability of service once the property is developed.

Ms. Patti Daniel
November 5, 2002
Page 2

Additional Information

1. **The filing fee is insufficient. Rule 25-30.020(2)(b)(2), F.A.C., addresses the filing fee requirements for areas with the capacity to serve from 101 to 200 ERCs. This rule requires a \$200 filing fee for each water and each wastewater application for extension, and a \$200 filing fee for each water and each wastewater application for deletion. The utility's application on Page 4 states that the area to be deleted involves 187 lots, and the number of lots to be added is 174. We would equate one lot to one ERC for filing fee purposes, which means the filing fee should be \$800.**

Response - Attached to the Clerk's copy of this letter is an additional check in the amount of \$600 for additional filing fees. While we do not agree with your logic and interpretation of the statute and rule, rather than debate the issue, we are attaching the additional fee.

2. **Exhibit B, which is part of the Territorial Transfer Agreement between Mad Hatter Utility, Inc. and Pasco County, has a map included, which apparently is the apex property. The map is essentially not readable. If there is a better copy, please provide one.**

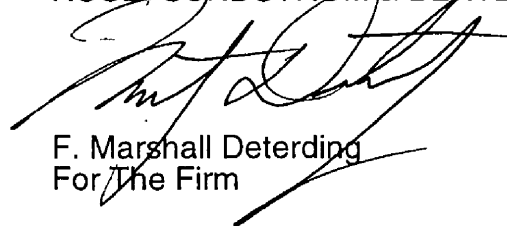
Response - Please see the attached map referenced in Issue No. 3 above and a separate small map showing that area with Township, Range and Section references. I believe this provides you with the additional information you are seeking. If necessary, this can be substituted as Exhibit B for that originally filed.

If you have any further questions in this regard or need any further information, please let me know.

Until such time as we receive approval for this territorial exchange, the developments within the areas which are proposed will be held up. As such, we request that you and members of your staff work as quickly as possible to approve this extension application. As you can see from the attached notice, the protest period has expired and no protests have been received. As such, this is an uncontested application and one that is supported by the utility entities within the area.

Sincerely,

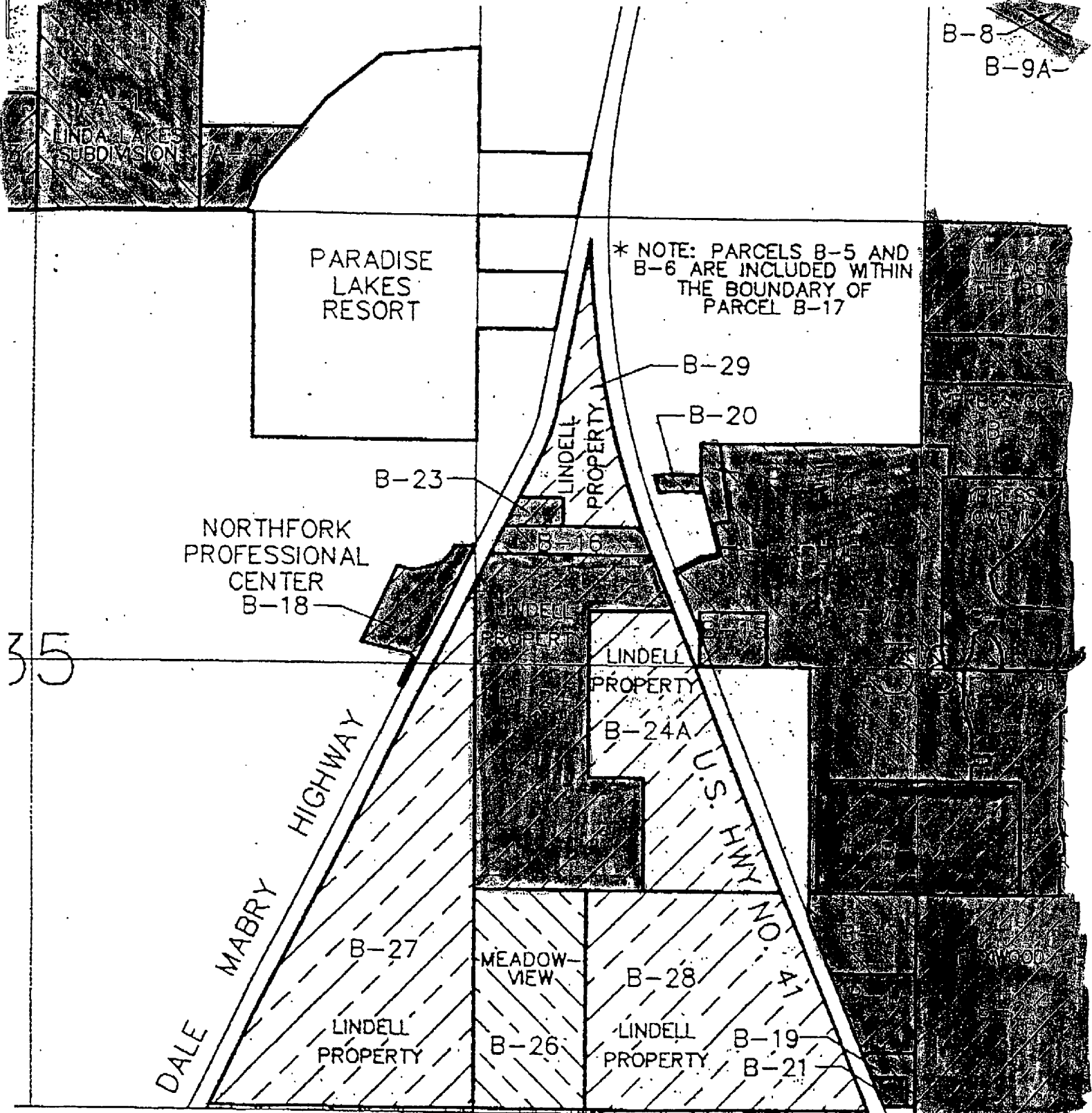
ROSE, SUNDBLUM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD\tms
cc. Blanca S. Bayo, Director
Mr. Tom Walden
Ms. Alice Crosby
Mr. Larry DeLucenay

mad\daniel.ltr



Existing Territory ~~-----~~ Proposed

INSHIP 26 SOUTH - RANGE 18 EAST

| | | |
|--|-----------------|----------------|
| | PARTY CHIEF | PREPARED FOR |
| | DRAWN BY ROW | MAD |
| | CHECKED BY | 19 |
| | | (813) 949-2167 |

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CENTRAL FLORIDA OFFICE
650 S. NORTH LAKE BLVD., SUITE 420
ALTAMONTE SPRINGS, FLORIDA 32701
(407) 830-6331
FAX (407) 830-8522

September 27, 2002
VIA HAND DELIVERY

Blanca S. Bayo, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Mad Hatter Utility, Inc.
Application for Extension and Deletion of Territory
Our File No. 28023.01

Dear Ms. Bayo:

Enclosed please find the original and fifteen (15) copies of the Affidavit of newspaper publication, which is Late-Filed Exhibit G to the above-referenced Application.

Should you have any questions or comments regarding this matter, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD\tms
cc. Larry DeLucenay

mad\4bayo.ltr

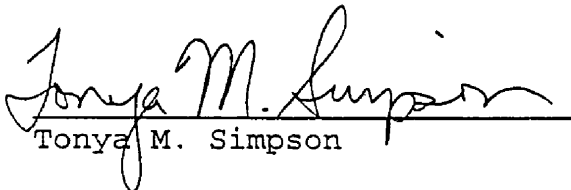
AFFIDAVIT OF MAILING

STATE OF FLORIDA

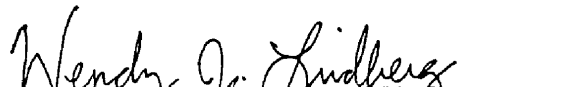
COUNTY OF LEON

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared TONYA M. SIMPSON who, after being duly sworn on oath, did depose on oath and say that she is the secretary of F. Marshall Deterding, attorney for Buttonwood Bay Utilities and that on August 15, 2002 she did send by regular mail, a copy of the notice attached hereto to each of the utilities, governmental bodies, agencies, or municipalities, in accordance with the list provided by the Florida Public Service Commission, which is also attached hereto.

FURTHER AFFIANT SAYETH NAUGHT.


Tonya M. Simpson

Sworn to and subscribed before me this 15th day of August, 2002, by Tonya M. Simpson who is personally known to me.


Print Name Wendy J. Lindberg
NOTARY PUBLIC
My Commission Expires:

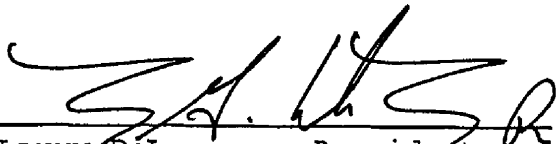


Wendy J. Lindberg
MY COMMISSION # DD053945 EXPIRES
August 30, 2005
BONDED THRU TROY FAIR INSURANCE, INC.

Territory Extension and Deletion Notice

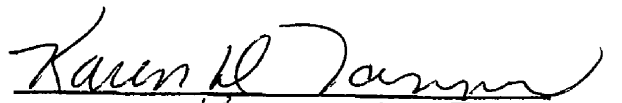
AFFIDAVIT

I, Larry DeLucenay, President of Mad Hatter Utility, Inc., do hereby certify and swear that I have mailed the Notice to all the customers of the Utility and property owners within the territory affected by the proposed extension and deletion on this 4 day of October, 2002, in accordance with the requirements of PSC Rule 25-30.030, Florida Administrative Code


Larry DeLucenay, President

STATE OF FLORIDA)
COUNTY OF pasco)

The foregoing instrument was acknowledged before me this 4th day of October, 2002 by Larry DeLucenay, who is personally known to me.


Print Name Karen D Tanner
Notary Public
State of Florida at-Large
My Commission Expires:

