

STATE OF FLORIDA

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

# Public Service Commission

December 12, 2002

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

**Re: Docket No. 020892-WS, Application for transfer of Facilities and Certificate Nos. 431-W and 364-S in Highlands County from Buttonwood Bay Water & Sewer Company, LLC to Sun Communities Acquisition, LLC d/b/a Buttonwood Bay Utilities.**

Dear Mr. Deterding:

On September 18, 2002, Staff sent you a deficiency letter, which had a response date of October 18, 2002. You indicated to Staff in a prior telephone conversation that a response would be filed with the Commission; however, to date no response has been filed. Please address the deficiencies listed below, so that we may complete our review of the application.

1. Rule 25-30.030, F.A.C., requires the utility to provide a legal notice of the transfer application. The copy of the notice included in the transfer application does not state the name of the transferee/buyer of the utility. Please reissue the notice and include the name of the transferee/buyer of the utility. In addition correct the typo in the territory description to correctly identify Parcel No. 2 as the water plant site.

2. Rule 25-30.037(2)(q), F.A.C., requires the utility to provide evidence that it owns the land where the utility treatment facilities are located or a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. Please provide a **recorded** copy of the Certificate of Title as evidence that the utility owns the land for the water and wastewater treatment facilities.

3. Pages 4 and 5 of The Summary Judgement (Exhibit B) reference three separate notes, the Venture note, Majestic Oaks note and the Buttonwood Bay note. Please clarify what these represent.

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4. Please provide a copy of the engineering report and supporting documentation that was used to prepare the original cost study.

5. According to the original cost study for the wastewater system, the estimated costs are based on the Handy Whitman indices. Typically the Handy Whitman index is not used for trending wastewater system costs. Please explain why the Handy Whitman index was used for trending the wastewater costs.

6. In reviewing the original Order No. 13672, in Docket No. 840177-WS, dated 9/11/84, the territory description describes the water plant as Parcel 2 with .92 acres, and the wastewater plant as Parcel 1 comprising of 6.2 acres. The original cost study indicates the water plant is located on .08 acres and the wastewater plant is located on 12.53 acres based on a 1999 aerial photograph. Please provide the 1999 aerial photograph and explain the difference in acreage between the order and the original cost study. The descriptions provided in docket number 840177-WS are listed below.

PARCEL NO. 1 (WASTEWATER TREATMENT PLANT SITE, I-2 CU)

The East 750 feet of the North 2560 feet of Section 28, Township 35 South, Range 29 East, Highlands County, Florida, less the North 2200 feet thereof. Said Parcel No.1 containing 6.2 Acres, more or less.

PARCEL NO. 2 (WATER PLANT SITE, I-2 CU)

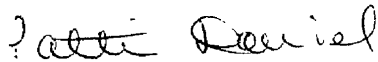
Commence at the Northeast corner of Section 28, Township 35 South, Range 29 East, Highlands County, Florida, and run Southerly along the East boundary of said Section 28, a distance of 1360 feet; thence run Westerly and parallel to the North boundary of said Section 28, a distance of 720 feet to the Point of Beginning; thence continue to run Westerly 200 feet; thence run Southerly 200 feet; thence run Easterly 200 feet; thence run Northerly 200 feet to the Point of Beginning. All parallel to the North and East boundary lines of Section 28, Township 35 South, Range 29 East, Highlands County, Florida. Said Parcel No. 2 containing 0.92 Acres, more or less.

Distribution site together with a right-of-way over and upon all streets, alleyways and utility easements located within the subdivision for the purpose of installing and maintaining water and sewage distribution systems.

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Please file an original and five copies of the requested information no later than January 10, 2003 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 (850) 413-6222 or Mr. Richard Redemann at (850) 413-6999.

Sincerely,



Patti Daniel, Supervisor  
Bureau of Certification & Tariffs

CAJ: caj

cc: Office of General Counsel (Crosby)  
Division of Economic Regulation (Johnson, Redemann)  
Division of Commission Clerk and Administrative Services (Bayó)