

STATE OF FLORIDA

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# Public Service Commission

February 20, 2003

F. Marshall Deterding, Esquire  
Rose Law Firm  
2548 Blairstone Pines Drive  
Tallahassee, FL 32301

Re: Docket No. 010869-WS - Application for Staff-Assisted Rate Case in Marion County by East Marion Sanitary Systems, Inc.

Dear Marty:

I know you came late into representing Mr. Hein and East Marion Sanitary Systems, Inc. (East Marion). However, pursuant to Order No. PSC-02-1168-PAA-WS, issued August 26, 2002, which was consummated on September 18, 2002, East Marion was ordered to either "purchase the land on which its facilities are located or enter into a long-term lease, such as a 99-year lease, pursuant to Section 367.1213, Florida Statutes, and submit either a warranty deed or copy of a long-term lease in the utility's name within six months of August 6, 2002," i.e., February 6, 2003. On February 6, 2003, Mr. Hein faxed staff a copy of a lease.

Upon initial review of the lease, by letter dated February 14, 2003, I wrote Mr. Hein expressing my concern with how Sections 4 and 32 worked together. Also, I advised him that he should mail a copy of the lease to our Division of the Commission Clerk and Administrative Services, and that pursuant to Section 695.01, Florida Statutes, the lease must be recorded, and that he should submit proof of recording.

Upon further review of the lease, I have discovered two more concerns. Order No. PSC-02-1168-PAA-WS required that the lease be in the name of the utility whose full name is East Marion Sanitary Systems, Inc. However, on the first page of the lease, the lessee is listed as East Marion Sanitary Services, Inc. Under Section 10, and in the signature portion the lessee is correctly listed as East Marion Sanitary Systems, Inc. Therefore, it appears that the first page reference should be corrected.

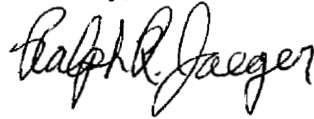
Finally, it was staff's understanding that Universal Sonlight, Inc., had an ownership interest in the land on which the utility's facilities are located, and yet the lessors are listed as East Marion Water Distribution Trust & East Marion Sanitary System Trust. Please explain and provide proof of how these lessors have an ownership interest in the land.

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F. Marshall Deterding, Esquire  
Page 2  
February 20, 2003

For these latter two concerns (correct name of lessor and ownership interest), please respond by no later than March 20, 2003. If you have any questions, or if I can be of any further assistance, please contact me.

Sincerely,



Ralph R. Jaeger  
Senior Attorney

RRJ:jb

cc: Division of the Commission Clerk and Administrative Services  
Division of Economic Regulation (Fitch)

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