

STATE OF FLORIDA

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Public Service Commission

August 13, 2003

Mr. Kenneth Wankowski
W353 N5984 Lisbon Road
Oconomowoc, WI 53066-2422

Re: Docket No. 030471-WS - Application for transfer of Certificate Nos. 598-W
513-S in Polk County from Bieber Enterprises, Inc. d/b/a Breeze Hill
Utilities to Cal Clair, Inc. d/b/a Breeze Hill Utility

Dear Mr. Wankowski:

Thank you for your letter dated July 21, 2003, in which you state that you do not intend to request a formal hearing in this matter. Accordingly, you have been listed as an "Interested Person" for the purposes of this docket.

Your letter further states that Mr. Sheppard did not receive a copy of my previous letter to you dated July 8, 2003. Please be advised that in addition to providing Mr. Sheppard with copy of this letter, I have resent a copy of my previous letter, along with its attachment, to Mr. Sheppard's address in Michigan.

Your letter also raised additional issues regarding the approval of operating expenses in the utility's last rate case, information in the notice of transfer; and the utility's street address. Below is a summary of staff's findings on these matters.

- (1) Mr. McNabb's position. Please be assured that the Commission did not ignore your comment at the July 23, 2002, Agenda Conference in which you indicated that Mr. McNabb had been fired a month earlier and not replaced. The expense for Mr. McNabb's position was included in the utility's approved rates because it was a verified expense item in the test year. However, test year expense items are representative and subject to change due to any number of events. If Mr. McNabb is no longer performing the duties of his position, then it is likely those duties are being performed by either another employee or by a contract operator.

In addition, the utility's 2002 annual report was reviewed for overearnings. The utility reported a return on earnings of approximately 2%, which indicates that they are not overearning. However, as you are aware, the utility's new rates and charges went into effect September 14, 2002. Therefore, the utility's 2002 annual report may not be indicative of whether the failure to replace Mr. McNabb may cause the utility to overearn. The utility's 2003 annual report is due to be filed by March 31, 2004. Please be assured that staff will continue to monitor the utility for overearnings and, if necessary, will initiate an overearnings investigation.

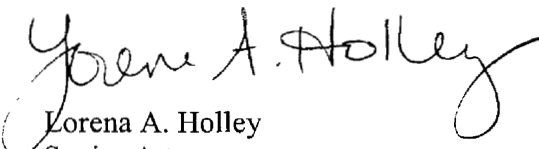
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- (2) Notice of transfer. Technical staff has determined that the attachment to your letter was a cover letter to the official notice of transfer. The main purpose of the cover letter was to advise customers where to send their bills during the pendency of the docket. The official notice of transfer appropriately indicated that the transfer before the Commission was that of the water and wastewater certificates. It appears that the cover letter mischaracterized the transfer as that of the entire mobile home park. A representative of Cal Clair, Inc. has been contacted about the mistake and a corrected letter will be sent to residents in the next billing cycle.
- (3) 360 Breeze Hill. Technical staff also contacted a representative for Cal Clair, Inc. regarding the use of the "360 Breeze Hill" address. It was learned that is the address for the clubhouse. While the utility office is connected to the clubhouse, its street address is "362 Breeze Hill." The application has been corrected to reflect the address change. In addition, a notice will be posted on the office door giving residents a telephone number to use to obtain access to the utility office as well as a number for utility emergencies. Finally, the utility bill is being modified to include a telephone number for customer service and for utility emergencies.

I hope this letter responds to the concerns you have raised. We appreciate your participation in this matter. Currently, staff is planning to file a recommendation on the proposed transfer on September 4, 2003, to be considered at the Commission's September 16, 2003, Agenda Conference. You will receive a copy of staff's recommendation once it has been filed.

Sincerely,


Lorena A. Holley
Senior Attorney

cc: Representative Baxter G. Troutman
Office of Public Counsel
Bieber Enterprises, Inc. d/b/a Breeze Hill Utilities
Charles Sheppard
Division of Commission Clerk and Administrative Services
Division of Economic Regulation (Rendell, Mailhot)