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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

September 5, 2003

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COMMISSION
CLERK

Mr. Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Boulevard, Suite 160
Altamonte Springs, FL 32701

Re: Docket No. 030123-WS, Application for Transfer of Majority Organizational Control of Sports Shinko Utility, Inc. d/b/a Grenelefe Utilities in Polk County and for name change on Certificate Nos. 589-W and 507-S to Grenelefe Resort Utility, Inc.

Dear Mr. Friedman:

This letter is in response to your July 15, 2003 meeting with staff and the remaining deficiencies that have not been addressed in the transfer application by Grenelefe Resort Utility, Inc. All items must be addressed in order to process the application.

Deficiencies

- 1. Evidence of Land Ownership. Pursuant to Rule 25-30.037(2)(q), Florida Administrative Code (F.A.C.), the application is to include evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative. These documents must be in the name of the utility.

There are three parcels of land on which the utility facilities are located. One parcel is owned by the condominium association and the other two are owned by Grenelefe Resort, LLC. To date, staff has received a map showing an easement and a lease agreement for the parcel owned by the condominium association. At the meeting with staff you indicated that the parcels of land owned by Grenelefe Resort, LLC would be surveyed and recorded in the name of Grenelefe Resort Utility, Inc. Please submit the recorded documents as evidence of land ownership for the property located at the water and wastewater plant facilities.

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Mr. Martin S. Friedman, Esquire

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Additional Information

1. One of the topics we discussed in the meeting was establishing rate base. However, because the utility's books and records are insufficient for determining rate base, an original cost study will need to be prepared by the utility owner. I have enclosed some data the staff auditor found that can be used to assist you with the original cost study.
2. For your information, I have attached a copy of a lease agreement between the condominium association (lessor) and Sports Shinko (lessee), for the parcel for which a perpetual easement was given. The lease agreement expires in six years, but there is a clause that states the lease will automatically renew for an additional twenty years without the necessity of a notice given by the lessor or to the lessee. I was not clear from our meeting whether you were aware of the lease agreement.

Your response to this letter should be filed with the Commission on or before October 6, 2003. Please be sure to refer to the docket number and direct the response to 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, Mr. Ralph Jaeger at (850) 413-6234, or Mr. Stan Rieger at (850) 413-6970.

Sincerely,



Patti Daniel, Supervisor
Bureau of Certification & Tariffs

CAJ: caj

Enclosure

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