ORIGINAL

STATE OF FLORIDA

Commissioners: Lila A. Jaber, Chairman J. Terry Deason Braulio L. Baez Rudolph "Rudy" Bradley Charles M. Davidson

TIMOTHY DEVLIN, DIRECTOR DIVISION OF ECONOMIC REGULATION (850) 413-6900

Public Service Commission

October 29, 2003

Mr. Gary Winrow Sanibel Bayous Utility Corporation 13591 McGregor Boulevard, Unit #21 Fort Myers, FL 33919

Re: Application for Staff Assisted Rate Case by Sanibel Bayous Utility Corporation, Docket Nos. 020439-SU and 020331-SU

Dear Mr. Winrow:

AUS

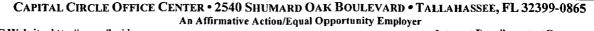
CMP

COM CTR ECR GCL OPC MMS

SEC OTH We received an insurance binder with an effective date of September 1, 2003 to November 1, 2003 with Sutton & Associates Insurance Agency, Inc. which you provided to us in response to our October 6, 2003 letter. We can not accept a binder as proof of insurance. Order No. PSC-03-0699-PAA-SU required the utility to provide staff with a signed contract with Sutton and Associates or other insurer and proof of an insurance policy within 90 days of the Consummating Order which was issued July 1, 2003. Therefore, please send a copy of the insurance contract and policy outlining the coverages and costs and a copy of your cancelled check for the premium. We would expect the coverage to extend for a period longer than two months. Insurance expense was included in the rates approved by the Commission. If the insurance is not purchased and proof is not provided, staff will recommend to the Commission that service rates be reduced.

Please mail the documentation to:

Ms. Blanca Bayo Division of Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0865



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Mr. Gary Winrow Page 2 October 29, 2003

If you have any questions, please call Sam Merta at (850) 413-6427.

Sincerely,

Troy Rendell Public Utilities Supervisor

TR:sm

William Broeder cc:

John Guastella

Division of the Commission Clerk and Administrative Services (Docket No. 020439-SU and 020331-SU)

Office of General Counsel (Jaeger)