

ORIGINAL

Virginia City Utility Company

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Gary Deremer, Pres.
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January 15, 2004

Director, Division of Commission
Clear and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

COMMISSION
CLERK

JAN 20 AM 10:31

RECEIVED FPSC

RE: Virginia City Utilities, Inc. / Docket # 030655-WU
Pending Asset Transfer Approval

Dear Director:

In follow up to information provided by electronic mail to the Public Service Commission staff over the past few months by U.S. Water Services Corporation on my behalf, please accept this letter confirming the answers to the questions raised in correspondence dated August 15, 2003. We are forwarding hard copy per the request of Cheryl Johnson:

- Item 1: Tariff sheets are being forwarded to Ms. Johnson – rough draft forwarded for her review.
- Item 2: As far as we have been advised, previous owner Mr. Potter has indicated that the original certificate has been lost.

Other Information:

1. Wastewater service is provided by Pasco County Utilities.
2. Penalty owed by previous owner was paid by my office last week and forwarded to Christine Romig.
3. PAA request can be eliminated from the asset transfer application, as it is not applicable after closer review.
4. As new owner, I do not plan to implement a standby charge.
5. Lead and copper: We switched this utility over from a Pasco County water tie-in, to a back up situation only vs. being the main water supply. The utility is leasing well rights to pump own water from a local source, which should help the lead and copper results. The system is currently dosing a chemical additive to control corrosion. Initial water testing indicates that this measure will be effective in controlling levels of both lead and copper as well. We continue to monitor the water quality as required by FDEP.
6. The gate valve replacement program was completed under my ownership and all are in proper working order at this time.

I am hopeful that our delay in providing a more formal response has not created a great inconvenience for the Commission. We are grateful for the support and guidance provided to

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DOCUMENT NUMBER-DATE

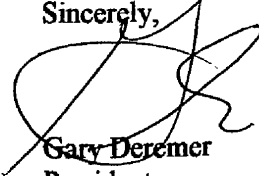
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U.S. Water Services Corporation during the transfer process. Please do not hesitate to contact me for additional clarification. U.S. Water is working closely with Ms. Johnson to meet current deadlines and produce any additional documentation required.

Sincerely,

A handwritten signature in black ink, appearing to be "Gary Deremer", written over a horizontal line.

Gary Deremer
President

Cc: Cheryl Johnson
Victoria Penick