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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

January 29, 2004

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Mr. F. Marshall Deterding
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Re: Docket No. 030948-WS, Application for Transfer of Majority Organizational Control of Paradise Lakes Utility, L.L.C., holder of Certificate Nos. 458-W and 392-S in Pasco County, from Paradise Lakes, Inc., to Larry and Janice DeLucenay.

Mr. Deterding:

The above referenced application has been received and reviewed by Commission staff. This letter addresses the deficiencies found by staff in the transfer application filed on September 29, 2003, and requests additional clarifications. All items must be addressed in order to process the application.

Deficiencies

1. Evidence of Land Ownership. Pursuant to Rule 25-30.037(3)(i), 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. According to the application, the land for the water and wastewater facilities was to be transferred by warranty deed or by perpetual easement no later than the date of closing of the transfer of the membership interest agreement. The application included one quit claim deed for water as evidence of land ownership. Please provide either a recorded deed or other evidence of the utility's long term access to the property for the utility's facilities for both water and wastewater. If a quit claim deed is submitted, please provide proof of title insurance with the quit claim deed. These documents must be in the exact name of the utility.
2. Tariff Sheets. Pursuant to Rule 25-30.037(3)(j), F.A.C., the applicant shall provide an original and two copies of the sample tariff sheets reflecting the change in ownership. A copy of the cover sheet with the contact information tariff sheets were provided in the application. Please provide one original and two copies of a complete set of tariff sheets reflecting the change in ownership and issuing officer. A copy of the Commission's model water tariff can be accessed on line at the Commission website at www.floridapsc.com. To obtain a copy of model tariff, click on the water and wastewater icon under regulated utilities, next click on water and wastewater application packages, and then click model water tariff. In addition, staff noticed that the 3,000 maximum gallonage cap wasn't listed on the tariff page for residential wastewater rates and it should appear on the tariff page. Please include the 3,000 maximum gallonage cap on the tariffs that you submit.

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3. Notice to Customers. Rule 25-30.030(6), F.A.C., requires the applicant to provide an affidavit that the actual notice of the application was given to each customer in accordance with the Section 367.045(l)(a), Florida Statutes. Please provide the affidavit of customer noticing.

Other Information

1. Exhibit A of the application, indicates that reclaimed (reuse) water can be provided to the Phases 1, 2, and 3 of Paradise Lakes, Paradise Lakes double wide mobile home section, single family residential section, The Palms Lots 1-4, and the RV Park section. Currently the utility's tariff does not have a reuse rate. It is Commission policy, in cases where a utility proposes to provide reuse, to establish a rate for reuse and to identify the proposed customers. Please provide a wastewater tariff sheet, and explain what the utility's plans are for charging reuse customers. It appears that the Phases 1, 2, and 3 of Paradise Lakes and some other areas of Paradise Lakes can receive reuse water. Will reuse be made available at any other location? If so, please indicated the name of the subdivision or customer that will be receiving the reuse.
2. According to Order No. PSC-98-0130-FOF-WS, issued January 26, 1998, in docket 970633-WS, the utility has wastewater land valued at \$12,600. Does the utility own the land that the wastewater facilities are located on and is the utility currently using this land?

Your response to this letter should be filed with the Commission by February 17, 2004. 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, or Mr. Cochran Keating at (850) 413-6193.

Sincerely,



Patti Daniel, Supervisor
Bureau of Certification & Tariffs

PD: caj

cc: Office of General Counsel (Cochran)
Division of Economic Regulation (Johnson)
Division of Commission Clerk and Administrative Services (Bayó)
Mr. Larry and Janice DeLucenay
1900 Land O'Lakes Blvd. Suite 107
Lutz, Florida 33549