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

Public Service Commission

February 6, 2004

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

RECEIVED FPSC
FEB - 9 PM 2:07
COMMISSION
CLERK

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:

According to the staff audit the utility's books and records have not been maintained in accordance with NARUC. In addition, the auditors were not able to establish rate base because the utility did not have source documents to support plant balances. I understand that Grenelefe Resorts LLC purchased the system out of bankruptcy in 2002 and has not been able to obtain the original books and records of Sports Shinko. However, the audit indicated that an original cost study could be performed as a means of establishing rate base for the utility. Documents related to a 1993 cost study were discovered by the auditor and a copy was forwarded to you on September 5, 2003, but no response has been received.

Please advise my office as to whether you intend to pursue the original cost study. If you plan on providing a cost study in support of rate base, we need that information by March 8, 2004. If you do not plan on preparing an original cost study the staff may recommend that the Commission set rate base at \$0 since the utility has not offered any evidence supporting rate base.

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Mr. Marty Friedman

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Your response to this letter should be filed with the Commission on or before March 8, 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, 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)