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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

November 1, 2004

Robert and Janet McBride
FIMC Hideaway, Inc.
P.O. Box 1435
Gainesville, FL 32612-1435

Mary Louise Weber
7206 NW 47th Court
Gainesville, FL 32606

Re: Docket No. 040152-WS, Application for transfer of majority organizational control of FIMC Hideaway, Inc. in Levy County from Florida Investors Mortgage Corporation, a Florida corporation, to Robert and Janet McBride

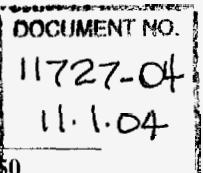
Dear Applicants:

As you may be aware, the audit report was filed on September 13, 2004. A copy of the audit report is enclosed. The workpapers may be obtained by contacting the Division of the Commission Clerk and Administrative Services at (850) 413-6330.

According to the audit findings, the utility's books and records had not been maintained in accordance with the National Regulatory Utility Commissioners' (NARUC) Uniform System of Accounts (USOA). In addition, no documentation in support of plant additions for the twelve years from January 1, 1992 through December 31, 2003 was provided. Therefore, plant additions were not included in the audited rate base for that period. In addition, the utility had not charged its approved service availability charges and the clubhouse was not billed for monthly service.

In staff's July 12, 2004 letter to Mr. Deterding and Ms. Weber, both the buyer and seller were encouraged to fully cooperate with staff to provide the information necessary to process the transfer. Due to the seriousness of the audit findings, staff is again encouraging a cooperative and expeditious effort by the buyer and seller to respond to the audit findings. Staff also requests the following information in order to complete its review of the application.

1. The reason the seller failed to maintain the utility's books and records in accordance with NARUC's USOA.



Robert and Janet McBride and Mary Louise Weber

Page 2

November 1, 2004

2. Whether the utility's books and records are now being maintained in compliance with NARUC's USOA. If the books and records are not yet in compliance, when will compliance be achieved? If a professional consultant has been retained to assist in this matter, that information should also be disclosed.
3. Whether the buyer understands that Rule 25-30.110, Florida Administrative Code, requires utilities to follow NARUC's guidelines for preservation of records which requires continuing property records.
4. The reason the seller failed to charge the utility's approved service availability charges and whether refunds have been issued. If refunds of the over collections of service availability charges have not yet been issued, when this will be done?
5. Whether the buyer understands that it may only charge the utility's approved rates and charges.
6. Whether the buyer understands that all customers must be metered and billed, including the park's clubhouse.

The audit response should be filed with the Commission Clerk on or before December 1, 2004. If you have any questions, please feel free to contact either me or a member of my staff, Ms. Patricia Brady, at (850) 413-6900.

Sincerely,



Patti Daniel
Supervisor of Certification

Enclosure

cc: F. Marshall Deterding
Rose, Sundstrom & Bentley, LLP
Division of Economic Regulation (Brady, Rieger, Kaproth)
Division of Regulatory Compliance & Consumer Assistance (Vandiver)
Office of the General Counsel (Jaeger)
Division of the Commission Clerk & Administrative Services