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Public Service Commission

November 9, 2006

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2180 W. State Road 434, Suite 2118
Longwood, Florida 32779

Re: Docket No. 060698-SU; Joint application for authority to transfer facilities of Del Tura Phase I, LLC d/b/a Del Tura Utilities and Certificate No. 298-S to North Fort Myers Utility, Inc., request for cancellation of Certificate No. 298-S, amendment of Certificate No. 247-S, and limited proceeding for authority to charge customers of Del Tura Utilities its authorized rates, fees and charges.

Dear Mr. Friedman:

Staff has reviewed the above referenced application for transfer of Del Tura Phase I, LLC d/b/a Del Tura Utilities (Del Tura) to North Fort Myers Utility, Inc. (NFMU). Please complete the following deficiencies and provide the requested additional information to clarify the application.

Deficiencies

Although many of the provisions of Rule 25-30.445, Florida Administrative Code, are not applicable to your limited proceeding application, supporting documentation must be provided to justify your request to charge the Del Tura residents the current NFMU's rates and charges. Please provide the following information in support of your request including a statement regarding the appropriateness of use of the NFMU service availability charge and cost justification, including calculations, assumptions, and descriptions of all revenue, expenses, rate base, and cost of capital items, using the National Association of Regulatory Utility Commissions (NARUC) uniform system of accounts (USOA), as appropriate:

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 - CTR _____
 - ECR _____
 - GCL _____
 - OPC _____
 - RCA _____
 - SCR _____
 - SGA _____
 - SEC 1
 - OTH _____
- a. the 2005 rate base, weighted average cost of capital, revenue, expenses, and net operating income for NFMU;
 - b. the additional rate base expected to be transferred to NFMU from Del Tura;
 - c. the number of customers and total plant capacity charges expected to be collected in the future from new connections in Del Tura;
 - d. the estimated cost to NFMU to interconnect the Del Tura system;

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e. a comparison of the Del Tura 2005 revenue and expenses with the revenue and expenses that would have been incurred had NFMU owned and operated the Del Tura system in 2005 using the NFMU rates; and

f. a description of all cost savings that will result from the interconnection with Del Tura.

Additional Information

1. Financing of Purchase. Describe the terms of the industrial revenue bond issue.
2. Closing. The agreement for purchase and sale of wastewater assets was signed by the parties in October of 2006. According to paragraph 10.1 of that document, the closing is to take place on or before November 1, 2006. What was the actual closing date?
3. Schedules Missing. The agreement for purchase and sale of wastewater assets provided in the transfer application package is missing the following schedules: C, D, and E. Please provide copies of the missing schedules.
4. Customer Meeting. Has the buyer or seller conducted a customer meeting to discuss the proposed sale and implementation of NFMU's current rates and charges?
5. Continuing Records. Please provide a statement that NFMU has or will obtain the Del Tura supporting documentation for all rate base additions since the last time rate base was set for all assets that will be transferred to NFMU.
6. Why was the decision made to dismantle the Del Tura treatment plant rather than to use it as a back-up facility for NFMU?
7. Tariff Modifications. Twelfth Revised Sheet No. 3.0 should be corrected to Fourteenth Revised Sheet No. 3.0.

A response to the above deficiencies and questions should be filed with the Director, Division of Commission Clerk and Administrative Services on or before **December 15, 2006**. If you have any questions please contact Ms. Stephanie Clapp at (850) 413-6997, or Mr. Tom Walden at (850) 413-6950.

Sincerely,

Patti Daniel
Patti Daniel, Supervisor
Certification Section

cc: Division of Economic Regulation (Clapp, Walden)
General Counsel (Jaeger)

~~Division of the Commission Clerk and Administrative Services~~