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REPLY TO CENTRAL FLORIDA OFFICE

March 17, 2008

VIA HAND DELIVERY

CENTRAL FLORIDA OFFICE
SANLANDO CENTER
2180 W. STATE ROAD 434, SUITE 2118
LONGWOOD, FLORIDA 32779
(407) 830-6331
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.
BRIAN J. STREET

CHRISTIAN W. MARCELLI, OF COUNSEL
(LICENSED IN NEW YORK ONLY)

Jan B. Kyle, Regulatory Analyst IV
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 080024-WS; Continental Utility, Inc.'s Application for Limited Proceeding
Wastewater Rate Increase in Sumter County, Florida
Our File No.: 42060.01

Dear Mr. Kyle:

This correspondence is in response to the Staff's First Data Request in the above-referenced docket dated February 26, 2008 as follows:

1. The Utility did solicit bids for the lift station rehabilitation project and enclosed is a copy of the Invitation For Bids.

a. Continental Utility, Inc., received three bids, copies of which are enclosed. As you can see, the Utility chose the lowest bid.

2. The Utility does not have the ability to obtain financing in its own name as its assets are encumbered by a mortgage to Wachovia Bank and a refinancing of that mortgage would have incurred termination expenses approaching \$200,000.00. In addition, the Wachovia Mortgage not only encumbers the utility assets, but also those of the parent and related party. Thus, the Utility funded the improvements through a loan from the parent at prime plus one percent, which is a more than competitive interest rate.

3. Not applicable.

4. The cost of common equity on Schedule 11 of 12.07% was apparently a typographical error, and should have been 12.01% utilizing the current leverage formula

DOCUMENT NUMBER DATE

01963 MAR 17 08

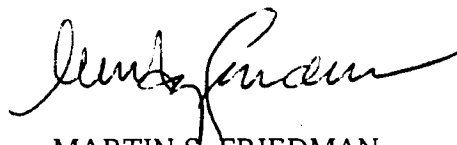
FPSC-COMMISSION CLERK

Jan B. Kyle, Regulatory Analyst IV
Florida Public Service Commission
March 17, 2008
Page 2

rate. The difference is immaterial. Incidentally, the last rate of return set for this Utility in Commission Order No. 25347 was 13.11% which is probably the rate of return which should have been used in calculating the cost of capital. However, the difference in using this higher rate of return is immaterial.

Should you have any questions regarding this response, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/tlc
Enclosures

cc: Thomas E. Eaton, CAM (w/o enclosures)
Robert C. Nixon, CPA (w/enclosures)
Ann Cole, Commission Clerk (w/enclosures) (via hand delivery)

M:\1 ALTAMONTE\CONTINENTAL UTILITY, INC\Kyle, Jan (PSC) 01.ltr (Limited Proceeding).wpd

CONTINENTAL

COUNTRY CLUB



A RESIDENT OWNED COMMUNITY

INVITATION FOR BIDS FOR CONTINENTAL COUNTRY CLUB WASTEWATER LIFT STATIONS

Continental Country Club will receive bids up to the hour of 2:00 pm on May 22, 2007 to rehabilitate seven lift stations. Scope of Work is included with your package.

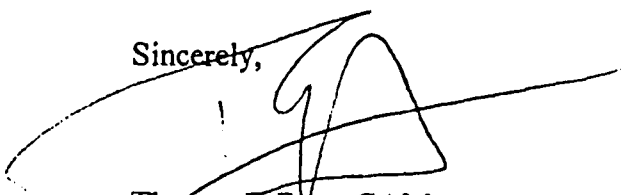
Bids will be received at Continental Country Club Administration Office, 50 Continental Blvd, Wildwood, FL 34785.

A non-mandatory pre-bid conference will be held on May 15th at 10:00 am at Continental Country Club Administration Office, 50 Continental Blvd, Wildwood, FL 34785.

Interested parties are encouraged to attend.

Continental reserves the right to reject any and all bids and to waive any and all irregularities in any bid.

Sincerely,



Thomas E. Eaton CAM
General Manager
For the Board

CC: Board of Directors

Continental Country Club

BID SCHEDULE FOR

LIFT STATION IMPROVEMENTS

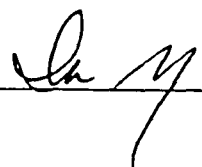
Contractor's Name Rainey Construction Co. Contact Person Ricky Farring

Address 4477 East CR 462 Wildwood, FL 34785

Phone 352-748-0955 Fax 352-748-4372 E-mail rfarring@raineyconstruction.com

Bidder acknowledges receipt of the following addendums; #1

Base Bid Item			
Lift Station #	Description	Base Bid	Total Bid
Lift Station #1	Recommended base scope of work.	\$ <u>37,434.00</u>	
Lift Station #2	Recommended base scope of work.	\$ <u>38,907.00</u>	
Lift Station #3	Recommended base scope of work.	\$ <u>51,528.00</u>	
Lift Station #4	Recommended base scope of work.	\$ <u>68,691.00</u>	
Lift Station #5	Recommended base scope of work.	\$ <u>54,472.00</u>	
Lift Station #6	Recommended base scope of work.	\$ <u>71,500.00</u>	
Lift Station #7	Recommended base scope of work.	\$ <u>48,671.00</u>	
	Sub-Total for all 7 stations		\$ <u>371,203.00</u>
	Optional Additions		
Lift Station #4	Replace wet well top slab with new 8" concrete top slab and 36" x 48" aluminum hatch cover	\$ <u>3,219.00</u>	
Lift Station #4	Replace the existing pump riser pipe with new HDPE piping	\$ <u>6,160.00</u>	
Lift Station #4	Remove the above ground piping and valves and install a concrete valve pit with new ductile iron piping, valves and valve pit drain.	\$ <u>29,009.00</u>	
	Sub-Total for all additions		\$ <u>38,388.00</u>
	Total		\$ <u>409,591.00</u>


Signature

5/22/07
Date



AQUA PURE WATER & SEWAGE SERVICE, INC.

10865 EAST STATE RD. 40
SILVER SPRINGS, FL 34488
PHONE: (352) 625-2822
FAX: (352) 625-6638

May 25, 2007

Mr. Thomas Eaton,

We apologize for the delay in responding to your request for bid. At this time we must submit a refusal to bid. We are unable to give your job the attention it deserves due to our schedule. Considering our previous working relationship with you, it would be unconscionable to submit a bid when we haven't had the time to do pre-inspections of the site or meet with you to discuss options to perform this work in the most appropriate way.

We hope that in the future, you will consider us for other work opportunities.

Per your request to supply information about Aqua Pure: We do rehabilitation of pump stations, including by-pass pumping. We also do new pump station construction and water system construction including custom ASME tank supply. We have been in business for the past 34 plus years in the Ocala area providing construction, sales, laboratory and service. I am a state certified water and wastewater operator, happy to consult on upcoming projects.

Thank you for your time and consideration.

Sincerely,


Richard P. Blake

Continental Country Club BID SCHEDULE FOR LIFT STATION IMPROVEMENTS

Contractor's Name Utility Technicians, Inc Contact Person Scott Purvis

Address 630 Goodbar Ave., Umatilla, Fl. 32784

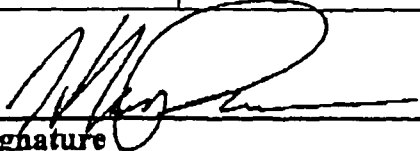
Phone 352-669-5822 Fax 352-669-6037 E-mail spurvis@utilitytechnicians.com

Bidder acknowledges receipt of the following addendums;

Addendum #1, Dated May 17, 2007

Base Bid Item

Lift Station #	Description	Base Bid	Total Bid
Lift Station #1	Recommended base scope of work.	\$ 34,762.00	
Lift Station #2	Recommended base scope of work.	\$36,712.00	
Lift Station #3	Recommended base scope of work.	\$48,743.00	
Lift Station #4	Recommended base scope of work.	\$61,901.00	
Lift Station #5	Recommended base scope of work.	\$49,164.00	
Lift Station #6	Recommended base scope of work.	\$43,538.00	
Lift Station #7	Recommended base scope of work.	\$43,168.00	
	Sub-Total for all 7 stations		\$317,988.00
	Optional Additions		
Lift Station #4	Replace wet well top slab with new 8" concrete top slab and 36" x 48" aluminum hatch cover	\$3,068.00	
Lift Station #4	Replace the existing pump riser pipe with new HDPE piping	\$5,941.00	
Lift Station #4	Remove the above ground piping and valves and install a concrete valve pit with new ductile iron piping, valves and valve pit drain.	\$27,455.00	
	Sub-Total for all additions		\$36,464.00
	Total		\$354,452.00


Signature _____

5/19/2007
Date _____

Continental Country Club BID SCHEDULE FOR LIFT STATION IMPROVEMENTS

Contractor's Name GWP CONSTRUCTION INC Contact Person CHERYL RIGGS

Address 4125 NW 44TH AVE OCALA FL 34482 (MAILING ADDRESS PO BOX 190 ANTHONY FL 32617)

Phone 352 351 2412 Fax 352 351 2430 E-mail estimating@gwpconstruction.com

Bidder acknowledges receipt of the following addendums; #1

Base Bid Item

Lift Station #	Description	Base Bid	Total Bid
Lift Station #1	Recommended base scope of work.	38,492.00	38,492.00
Lift Station #2	Recommended base scope of work.	41,175.00	41,175.00
Lift Station #3	Recommended base scope of work.	53,962.00	53,962.00
Lift Station #4	Recommended base scope of work.	73,258.00	73,258.00
Lift Station #5	Recommended base scope of work.	55,634.00	55,634.00
Lift Station #6	Recommended base scope of work.	53,474.00	53,474.00
Lift Station #7	Recommended base scope of work.	52,565.00	52,565.00
	Sub-Total for all 7 stations		\$ 368,560.00
	Optional Additions		
Lift Station #4	Replace wet well top slab with new 8" concrete top slab and 36" x 48" aluminum hatch cover	3,396.00	3,396.00
Lift Station #4	Replace the existing pump riser pipe with new IDDPB piping	6,437.00	6,437.00
Lift Station #4	Remove the above ground piping and valves and install a concrete valve pit with new ductile iron piping, valves and valve pit drain.	29,820.00	29,820.00
	Sub-Total for all additions		\$ 39,653.00
	Total		\$ 408,213.00

Cheryl P Riggs
signature CHERYL P RIGGS

May 22, 2007

Date