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

Public Service Commission

March 26, 2008

Martin S. Friedman, Esq.
Rose, Sundstrom & Bentley, LLP
Sanlando Center
2180 W. State Road 434, Suite 2118
Longwood, FL 32779

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COMMISSION
CLERK

Re: Docket No. 080113-WS, Application for certificates to provide water and wastewater service in Duval County by Regency Utilities, Inc.

Dear Mr. Friedman:

Staff has reviewed the above-referenced application filed on behalf of Regency Utilities, Inc. (Regency). Listed below are the deficiencies and the additional information needed to complete staff's review of the application.

Deficiencies

1. Late Filed Exhibit J. The affidavit that notice of the application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of Regency remains to be filed.
2. Late Filed Exhibit K. The affidavit that notice of the application was published once a week in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code, remains to be filed.

Additional Information

3. Financial Ability. Please provide a copy of the utility's most recent financial statements in order to verify the utility's continued financial ability to provide service in accordance with Rule 25-30.034(d), Florida Administrative Code.
4. Fire Protection. The application indicates that Regency owns and operates a fire protection system serving the mall. According to the system maps, there are three water wells with a line to a fire pump, water storage building, and 10,000 gallon hydro tank. However, there is a comment on the map indicating that the line leaving the hydro tank has been cut. In addition, DEP does not believe that Regency's fire protection system is operational.

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- 4a. Please confirm whether the line from Regency's fire protection hydro tank to the fire lines serving the mall is currently usable for fire protection service.
 - 4b. If it is not currently usable, please explain when and under what circumstances the line was cut and how fire protection service to the mall is being provided.
 - 4c. Please provide a detailed description of the facilities and treatment required to provide fire protection service.
 - 4d. Please describe the frequency and type of maintenance required for the fire protection system.
5. Service Provider.
 - 5a. Please describe the number and size of the bulk meters from JEA for water and wastewater service to the mall.
 - 5b. Please provide a schedule showing the water and wastewater rates JEA charges Regency.
 - 5c. Please provide a copy of the most recent 12 months of bills from JEA to Regency for water and wastewater service to the mall.
6. Plant in Service UPIS and Accumulated Depreciation. Please provide a detailed schedule showing the original cost of all utility assets shown in Schedules B-5 and C-5 of Exhibit F to the application, along with the date the assets were placed into service. In addition, please provide a copy of Regency's most recent tax return, including the schedule showing depreciation of utility assets.
7. Materials and Supplies. Please provide the basis for the Material and Supplies expense shown on Schedules B-9 and C-9 of Exhibit F to the application.
8. Contractual Services. Please provide the basis for the Contractual expenses shown on Schedules B-9 and C-9 of Exhibit F to the application. The basis should include the number of contract employees, number of hours and rate of pay for each contract employee, and a description of the services provided by each contract employee.
9. Miscellaneous Expenses. Please provide the basis for the Miscellaneous expenses shown on Schedules B-9 and C-9 of Exhibit F to the application.
10. Lease Cost. A copy of the Utility Ground Lease Agreement (lease) between RS Properties, Inc. and Regency Utilities, Inc. was provided as Exhibit E to the application. The lease was entered into on May 21, 1992, for a term of 99 years and a cost of \$1.00 per year during the term. Please describe the utility facilities located on the property addressed in the lease.

Martin S. Friedman, Esq.


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11. Rental Expense. Schedules B-9 and C-9 of Exhibit F to the application list \$5,109 and \$6,617 as the annual cost of rental of building and real property. Please provide a description of the property being rented and how that property is used in the operation of the utility.

Please file the requested information in the docket on or before April 28, 2008. If you have any questions regarding the requested information, please feel free to contact either myself or a member of my staff, Ms. Patricia Brady, at (850) 413-6686 or pbrady@psc.state.fl.us.

Sincerely,



Patti Daniel
Public Utilities Supervisor
Division of Economic Regulation

PB:pb

cc: Andrew Burnham
Lisa Bennett, Esq.
Kathy Kaproth
Richard Redemann
Patricia Brady
Office of Commission Clerk