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**Howard E. "Gene" Adams**  
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March 25, 2011

Mr. Keino Young, Senior Attorney  
Office of the General Counsel  
Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket No. 100398-SU – Application for Amendment of Certificate No. 164-S to Extend Territory in Duval County by Commercial Utilities, Division of Grace and Company, Inc.

Dear Mr. Young

On June 9, 2010, Commercial Utilities, A Division of Grace & Company, Inc., filed an application for a staff assisted rate case. Mr. Jeff Small with the PSC was assigned to the case docket. Commercial Utilities provided him complete access to all information concerning the Utility. During the audit, Mr. Small made the Utility aware that several of the customers were not located within the certificated territory. These customers were interconnected into Commercial Utilities' utility lines. These wastewater lines were within the certificated area, but the business's physical address was outside Commercial Utilities' territory. Immediately upon learning this from PSC staff, the utility contacted its attorney, Mr. Gene Adams, to file the Application for Amendment of Certificate No. 164-S to extend the utility territory so the utility would be in compliance with the PSC rules and statutes.

The Utility was originally constructed when Grace & Company, Inc. developed Colonial Park for Mobile Homes in 1964. At that date, the City of Jacksonville did not provide sanitary sewer service in the area. As the surrounding properties developed commercially, other developers requested to interconnect with Commercial Utilities' sanitary sewer system. All of Commercial Utilities' customers filed appropriate applications and permits with the JEA prior to connecting to Commercial's system. All impact fees were paid to the Jacksonville Electric Authority. JEA continued to encourage connection to Commercial Utilities in order to interconnect to JEA facilities. JEA has recently informed Commercial Utilities it had no objection to the extension of territory and has not filed any objection within the allotted time frame.

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Mr. Keino Young, Sr. Attorney

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Commercial Utilities has never run sanitary sewer lines outside of its certificated area to a prospective customer. It was not the Utilities intention to extend or modify its territory without the permission of the Florida Public Service Commission. Any connections were made with the intent to assist developers and to provide a connection to JEA facilities through Commercial Utilities wastewater line. As soon as it was made aware of the error, Commercial Utilities has proactively taken the necessary measures to come into compliance. Commercial Utilities does not actively advertise for new customers. Attached is the list of customers that it is presently serving which are outside of its territory and the approximate date on which they connected. Please let me know if you have further questions or if we can provide further information in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "Howard E. Adams", with a long horizontal line extending to the right.

Howard E. Adams

Attorney for Commercial Utilities

Enclosure

HEA/kra

1. Evangel Temple & Office 1984
2. Lane Ave. food Mart 1983
3. Pep Boys 1990
4. KFC 1987
5. Dr. Akel Professional Bldg. 1985
6. CVS 1985
7. Arby's 1987
8. Popeye's 1987
9. Allied Tire 1989
10. Rally's 1987
11. Synovus Bank 2004
12. Potter's House 1983
13. Pru Care 1985
14. Sun Trust 1987
15. Cross Creek 1985
16. Hess 2001
17. Andy' Shoppe 1986

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