

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(904) 413-6900

ORIGINAL
THE COPY

Public Service Commission

August 20, 1997

Mr. Martin S. Friedman
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Re: Docket No. 970897-WS; Application for a Amendment of Certificate No. 515-W and 447-S by Steeplechase Utility in Marion County.

Dear Mr. Friedman:

After reviewing the application in the above referenced docket, the staff has identified the following deficiencies. Please correct and/or provide additional information as requested.

1. As required by Section 367.045(1)(a), Florida Statutes (F.S.), and Rule 25-30.030, Florida Administrative Code (F.A.C.), the utility must provide notice of the application and provide affidavits that the notice was given. The notice must be given to the governmental entities and all utilities in the county, all cities located in the county, and to each of the customers in the proposed territory. The notice must be published in a newspaper. We determined that besides Marion County the notice must also be filed in Sumter and Lake Counties. We have provided you those lists. Please file the affidavits for those counties and the newspaper when the noticing is complete.

2. As required by Rule 25-30.036(3)(b), Florida Administrative Code, the utility must provide a statement showing the financial and technical ability of the utility to provide service and the need for service in the area requested. The application stated that the utility has the financial and technical ability to provide the needed service in the proposed territory. The respective developments within the proposed territory will construct the wastewater collection and water distribution systems within their respective developments, and connect them to the utility's existing systems so the utility's financial obligation to serve the proposed territory are minimal. However, review of the utility's 1996 Annual Report shows water revenues of \$61,067 and wastewater revenues of \$42,044. The utility has a net loss of \$50,760, and \$66,648 for water and wastewater respectively. The tariff indicates the rates have not changed since August 23, 1989 when the original rates were granted, which means no index of pass thru has been granted. Also, the tariffs reflect a \$900 water system capacity charge, a \$1,175 wastewater system capacity charge, and a service availability policy that states that the utility will install all plant and lines receiving no property contributions. Please provide additional information to support the utility has the financial

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG _____
LIC _____
OL _____
RGH _____
ST _____
WAS _____
OTH _____

RECEIVED - PSC
08600 AUG 26 6
PSC-RECORDS/REPORTING

Mr. Martin S. Friedman
Page 2
August 20, 1997

ability and the appearance of the application to accept donated lines when the tariff does not allow contributions.

We also have a question about the ownership of the utility. The application states that the name of the utility is Steeplechase Utility Company, Inc, located in Summerfield, Florida. The 1996 Annual Report was filed as Steeplechase Utility Company, Inc. and further states the utility was organized in May, 1991 and is 100% owned by Stonecrest of Marion County Ltd with Mr. L. Hall Robertson as the President. Order No. 21063, dated April 18, 1989, in Docket No. 890145-WS, granted certificates to Steeplechase Utility Company, Inc. c/o The Shultz Corporation in Amarillo, Texas. The tariff reflects Mr. Zachary L. Shultz as the President. Based on this information, it appears that a transfer of some type has taken place. Please advise and/or request a transfer application.

Please file an original and twelve copies of the requested information no later than September 22, 1997 with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399.

If you have any questions please call.

Sincerely,



Richard Redemann, P.E.

C:\WP6\970897A.RPR

cc: Division of Water and Wastewater (Hill)
Division of Legal Services (Brubaker)
Division of Records and Reporting (Bayo)
Division of Records and Reporting (Security File)