

STATE OF FLORIDA

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DIVISION OF LEGAL SERVICES  
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(850) 413-6199

**Public Service Commission**

April 10, 1998

B. Kenneth Gatlin, Esquire  
Gatlin, Schiefelbein & Cowdery, P.A.  
3301 Thomasville Road, Suite 300  
Tallahassee, Florida 32312

Re: Docket No. 980057-WU - Petition of Gulf Utility Company for an interim and permanent increase in water rates, pursuant to Sections 367.0817, 367.082 and 367.0822, Florida Statutes, for service in Lee County, Florida.

Dear Mr. Gatlin:

Staff has become aware that an acquisition of Gulf Utility Company is pending. A need for additional information is vital in order for staff to determine whether this transaction may impact the petition currently under consideration in Docket No. 980057-WU. By this letter, we are requesting that the utility provide us with the following information:

1. Please identify the prospective buyer of Gulf Utility Company.
2. Please identify what type of entity the buyer is, as well as who owns or controls that entity.
3. Is it anticipated that the buyer will be exempt from regulation by the Public Service Commission, pursuant to Section 367.022(2) or Section 367.022(7), Florida Statutes? If so, please explain why.
4. An article in the Fort Myers News-Press on March 17, 1998 indicates that the buyer may implement rates lower than both Gulf's current and proposed rates. Please describe whether the possible rate fluctuations would be in the best interest of the customers.
5. Has the utility considered withdrawing or postponing the limited proceeding pending the outcome of the sale? Please include the rationale for your response.

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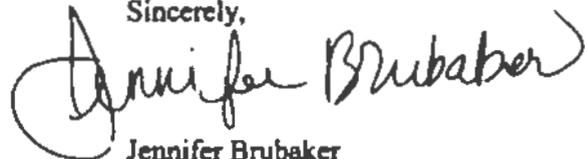
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6. Please describe what plans, if any, exist for the disposition of prepaid Contributions in Aid of Construction (CIAC) when the sale occurs.

Staff's recommendation is currently scheduled to be filed by June 18, 1998. In order to allow sufficient time for staff to analyze the data requested, we are requesting that responses to the above questions be provided, on an expedited basis, by May 15, 1998. We also request that the responses be provided on an earlier, piecemeal basis, to the extent possible. Please file the original and five copies of the requested information with Ms. Blanca Bayó, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. If you have any questions, please do not hesitate to contact me at (850) 413-6228 or Mr. Jan Kyle at (850) 413-6932.

Sincerely,



Jennifer Brubaker  
Staff Counsel

JB/k

cc: Division of Records and Reporting  
Division of Water and Wastewater (Willis, Merchant, Kyle, Bethea, Crouch, Fuchs)