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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

December 4, 2000

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

Docket No. 001660-SU, Application for Amendment of Certificate No. 361-S to extend wastewater service area in Highlands County by Highlands Utilities Corporation

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 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. Although the utility has indicated that it has the technical and financial ability to render reasonably safe, sufficient, adequate and efficient service to the territory, no specific numbers were provided. Please provide some hard numbers to demonstrate the utility's financial ability. In addition, please list your operators by name, DEP identification numbers, and DEP certification level. Also, please expand on your discussion about the technical ability of the management of the utility by noting whether there are any outstanding DEP violations, citations, or notices of violations issued to the utility.

Also, the utility indicates in the application that the need for service is self evident by virtue of the fact that it is currently providing service in the proposed territory, and that overall the amendment will serve less than 2,000 ERC's. Please provide a breakdown as to the actual number, length of time served, and customer type of the existing connections the utility is presently serving in the proposed areas. In addition, please report the total 1999 revenues received from these customers as reflected in the utility's 1999 annual report.

2. Rule 25-30.036(3)(e), Florida Administrative Code, requires that the utility must provide a description of the territory proposed to be served, using township, range and section references as specified in Rule 25-30.030(2) Florida Administrative Code. Section (2)(b) of that rule states that

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the description shall not rely on references to government lots, local streets, recorded plats or lots, tracts, or other recorded instruments. Please provide a description which references the appropriate sections, and metes and bounds criteria as depicted in Rule 25-30.030(2), Florida Administrative Code. Please copy a description of the proposed territory on a diskette that is formatted in WordPerfect 6.1, Windows . Please provide the diskette in addition to the submittal of a hard copy of the appropriate description. Also, since the territory description as noted above must be redone, the submitted revised tariff sheets that describe the territory served, must also be resubmitted to reflect the appropriate description. In the future, if you would like to submit a draft description of the proposed territory, staff will be happy to review it.

3. As required by Rule 25-30.036(3)(i), Florida Administrative Code, the utility must provide a copy of the official tax assessment map, or other map, showing township, range, and section with a scale such as 1" = 200' or 1" = 400', with the territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning. The maps provided with the application did not clearly define the areas to be included. Please provide maps which coincide with the description requested in item 2.

In addition to the above, staff also requests the provision of a clearer, more legible copy of the "Competitive Zone" map referred to as Exhibit "A" in the settlement agreement between the utility and the City of Sebring. Please supply this map, along with your deficiency response.

Please file an original and five copies of the requested information no later than January 2, 2001, with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. Only one copy of the maps and diskette are required.

If you have any questions please call Mr. Stanley Rieger at (850) 413-6970 or Mr. Ralph Jaeger (850) 413-6234.

Sincerely,



Patti Daniel, Chief
Bureau of Certification

cc: Division of Regulatory Oversight (Hoppe, Lowe, Rieger)
Division of Legal Services (Jaeger)
Division of Records and Reporting (Bayo, Security File)