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Public Service Commission

September 3, 2008

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COMMISSION
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Ms. Darcie Maldonado
Cedar Acres Inc.
P. O. Box 13726
Tampa, Florida 33681

Re: Docket No. 080098-WU: Application for certificate to provide water service in Sumter County by Cedar Acres Inc.

Dear Ms. Maldonado:

Staff has reviewed the deficiency response of August 8, 2008, for the above referenced application by Cedar Acres Inc. We have determined that there are still some deficiencies and requests for additional information which need to be addressed for this application.

Deficiencies

1. Noticing. Pursuant to Rule 25-30.030, Florida Administrative Code (F.A.C.), the application is to contain three notices and three affidavits of noticing. An affidavit of noticing Cedar Acres Inc. water customers has not been received. Please provide the affidavit and copy of the notice actually issued to the customers.
2. Ownership or continued use of land. Pursuant to Rule 25-30.034(1)(e), F.A.C., the application is to include evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The deficiency response letter of June 19, 2008, indicated that the land lease for the utility was still being revised and signed. Please provide a copy of the executed and recorded lease.

Additional Information

1. Please provide a copy of the most recent income tax return for the corporation, including a depreciation schedule showing whether the utility assets are being depreciated. The information for tax year 2006-2007 would be fine.
2. Please provide a schedule showing the revenue and expenses for the utility operations for 2007. The information for tax year 2006-2007 would be fine.
3. It is staff's understanding that the utility is included within a larger entity known as Cedar Acres Inc. Please provide a statement from the appropriate representative of the corporation that the corporation will continue to provide financial support to the utility.

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4. Did the utility check with the Sumter County health department for a copy of the utility's system map?
5. When did the current owner buy the utility?

It has come to our attention that the applicant would like the Commission to set new rates for the utility. If so, then additional data would need to be provided in order to support the utility's proposed new rates. In the alternative, in order to expedite the process for approving a certificate of authorization in this docket, we recommend that you complete the requirements of this application and, upon receiving a water certificate, then apply for a staff assisted rate case. If you prefer to seek a rate change in this docket, please let us know and we will advise you of the additional filing requirements.

Please note that, pursuant to Section 367.031, Florida Statutes, each utility subject to the jurisdiction of the commission must obtain from the commission a certificate of authorization to provide water service. In addition, Section 367.161(1), Florida Statutes, authorizes us to assess a penalty up to \$5,000 per day for knowingly refusing to comply with, or willfully violating any provision of Chapter 367, Florida Statutes. This is the third deficiency letter we have issued with many of the same items included. It is imperative that these deficiencies be completed by the deadline given below.

The original and four copies of the response to the deficiencies and other information requested in this letter should be filed with the Commission on or before **September 30, 2008**. When filing the response, please be sure to refer to the docket number and to direct the response to:

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Should you have any questions concerning the information in this letter, please contact Stephanie Clapp, of my staff, at (850) 413-6997.

Sincerely,



Patti Daniel
Public Utilities Supervisor
Bureau of Certification, Economics & Tariffs

pd/sc

cc: David Welch
Division of Economic Regulation (Clapp, Walden, Marsh)
Office of the General Counsel (Young)
~~Office of Commission Clerk~~