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COMMISSION CLERK

Hublic Service Commission

March 10, 2011

Howard E. Adams Pennington, Moore, Wilkinson, Bell & Dunbar, P.A. P.O. Box 10095 Tallahassee, FL 32302-2095

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. Adams:

On September 14, 2010, Commercial Utilities, Division of Grace and Company, Inc., filed an application for amendment of certificate. In the application, the Utility is seeking an extension of its service territory to areas whereby it is currently serving customers outside its Commission approved territory. Pursuant to subsection 367.045(2), Florida Statutes (F.S.), a utility may not delete or extend its service until it has obtained an amended certificate of authorization from the Commission. Because of the Utility's apparent modification of its territory without prior Commission approval, it may be subject to a penalty pursuant to Section 367.161(1), F.S. Please provide a detailed explanation as to where and under what circumstances the Utility came to provide service outside its authorized territory without prior Commission approval. This information should include the number of connections currently being served outside its unauthorized territory and the date when the utility first started to provide service to those customers. Your full cooperation would be appreciated in this matter.

Please submit the above information to the Office of Commission Clerk by March 25, 2011. If you have any questions, please contact me by telephone at (850) 413-6226 or by e-mail at kyoung@psc.state.fl.us.

Keino Young

Senior Attorney

Office of the General Counsel

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cc:

Office of Commission Clerk

Division of Economic Regulation (Simpson)

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