

ORIGINAL
Dixie Groves Utility Company

P.O. Box 398
New Port Richey, Florida 34652
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Gary Deremer, Pres.
Cell: 727-919-0408

January 15, 2004

030656

Director, Division of Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED - FPSC
JAN 20 AM 10:36
COMMISSION
CLERK

RE: Dixie Groves Utility System / Docket
Pending Asset Transfer Approval

Dear Director:

In follow up to information provided by electronic mail to the Public Service Commission staff over the past few months by U.S. Water Services Corporation on my behalf, please accept this letter confirming the answers to the questions raised in correspondence dated August 15, 2003. We are forwarding hard copy per the request of Cheryl Johnson:

- Item 1: The exchange of land ownership was not recorded at the time of sale by the attorney, recently we were able to rectify this situation and have forwarded fax and hard copy to Cheryl Johnson.
- Item 2: Rough draft Tariff has been forwarded to Cheryl for her review.

Other Information:

1. Wastewater service is provided by Pasco County Utilities.
2. Penalty owed by previous owner was paid by my office last week and forwarded to Christine Romig.
3. PAA request can be eliminated from the asset transfer application, as it is not applicable after closer review. This system is in need of major improvements and a formal engineering study is underway at this time.
4. While I have been able to address meter change outs on an ongoing basis since 01/01/03, there are more that are needed and will be included in the engineering estimate for improvements and recommendations. We expect the report to be completed this month.
5. Regarding the improvement of customer deposit handling, this question is best addressed by the former owner, Mr. Potter since we are limited by our knowledge of their particular activities.

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I am hopeful that our delay in providing a more formal response has not created a great inconvenience for the Commission. We are grateful for the support and guidance provided to U.S. Water Services Corporation during the transfer process. Please do not hesitate to contact me for additional clarification. U.S. Water is working closely with Ms. Johnson to meet current deadlines and produce any additional documentation required.

DOCUMENT NUMBER - DATE

00748 JAN 20 03

FPSC-COMMISSION CLERK

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01/16/04

Sincerely,

A handwritten signature in black ink, appearing to read 'Gary Deremer', with a long horizontal flourish extending to the right.

Gary Deremer
President

Cc: Cheryl Johnson
Victoria Penick