

STATE OF FLORIDA

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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

December 7, 1998

Douglas H. Reynolds, Esquire
Cox & Reynolds
4875 North Federal Highway, 10th Floor
Ft. Lauderdale, FL 33308

Re: Docket No. 961321-WS, Application of Point Water and Sewer, Inc. for transfer of water and wastewater facilities in Clay County to Clay County Utility Authority.

Dear Mr. Reynolds:

Your application to transfer Point Water and Sewer, Inc.'s (PWS's) facilities to Clay County Utility Authority (CCUA) was received on November 17, 1998. The application is being processed in Docket 961321-WS which was originally established to process PWS's application for water and wastewater certificates. The docket title has now been changed to reflect the new petition. In any further correspondence, please refer to the above referenced docket number and name.

Staff has preliminarily reviewed the application for transfer. While the application is not deficient, staff requests the following statements and clarifications in order to process a recommendation and close the docket.

- ACK _____
 - AFA _____
 - APP _____
 - CAF _____
- Statements:

CMU 1 Notice Withdrawing Protest. As you are aware, the original petition in Docket No. 961321-WS was protested by the Point Property Owners Association, Inc. (PPOA). As such, Section 120.57 hearing is pending. In order to close the docket, the hearing must be canceled.

LEG _____

LIN _____ Please ensure the PPOA files a withdrawal of its protest to the issuance of certificates of authorization for PWS as the matter is now moot. A copy of this letter is being sent to the attorney for the PPOA so they may be advised of the need for a notice of withdrawal.

- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

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DOCUMENT NUMBER DATE

13820 DEC-86

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2. Transfer Prior to Acknowledgment. Although the sale of facilities to a governmental authority is approved as a matter of right in accordance with Section 367.041(4)(a), Florida Statutes, no utility shall sell, assign, or transfer its facilities without prior determination and approval of the Commission.

Therefore, provide a statement as to why the transfer of utility facilities occurred prior to the Commission taking action.

Clarifications:

3. Retained Assets. In Article 6(a)(1) and Exhibit Q to the sales agreement, PWS's easement route for the effluent discharge (outfall) line from the existing wastewater treatment plant to the St. Johns River is expressly excluded from conveyance to CCUA. For clarification, please answer the following questions with respect to this provision of the sales agreement once PWS's systems have been connected to CCUA:
 - a) Does the PWS intend to use the excluded easement to discharge into the St. Johns River?
 - b) If so, for what purpose?
 - c) If so, after utility dismantlement, will continued use of the easement to discharge into the St. Johns River need the approval of the Florida Department of Environmental Protection (FDEP)?
 - d) If not, what is the current expiration date of PWS's FDEP permit to discharge into the St. Johns River?

It is staff's intention to take a recommendation on acknowledgment of the transfer to the earliest possible agenda. Therefore, staff would request that the statements and clarifications listed above be faxed to staff at (850) 413-6687 by the morning of December 14, 1998. The original and five copies of the response should then be filed with the:

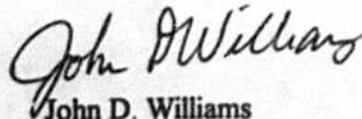
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Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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Also, by letter dated November 24, 1998, Ms. JoAnn Chase advised the PWS that \$126.72 in penalty and interest is due from late-filed 1997 regulatory assessment fees. Please ensure that payment is remitted as soon as possible so there will be no outstanding regulatory issues in the recommendation on the transfer.

If you have any questions, please contact a member of my staff, Ms. Patricia Brady, at (850) 413-6686 or Ms. Rosanne Gervasi at (850) 413-6224.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

JDW:plb

cc: J. Michael Lindell, Esquire
Hayes & Lindell
233 East Bay Street, Suite 620
Jacksonville, FL 32202

Division of Water and Wastewater (Chase, Brady, Redemann)
Division of Legal Services (Gervasi)
Division of Records and Reporting