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DIVISION OF ENGINEERING
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Public Service Commission

August 24, 2012

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RECEIVED-FPSC

Martin S. Friedman, Esquire
Sundstrom, Friedman & Fumero, LLP
766 N. Sun Drive, Suite 4030
Lake Mary, Florida 32746

Re: Docket No. 120207-WS, Application for amendment of Certificate Nos. 631-W and 540-S to extend service area in Sumter County by Central Sumter Utility Company, L.L.C.

Dear Mr. Friedman:

Staff has reviewed Central Sumter Utility Company, L.L.C.'s (CSU or Utility) application in the above referenced docket and determined it is not deficient. However, staff requests the following additional information or clarifications to process the application.

Additional Information or Clarifications

- Certificate Name.** According to the Florida Department of State, Division of Corporations (Div. of Corps), the registered name of the utility is "Central Sumter Utility Company, LLC." As you are aware, the name on CSU's water and wastewater certificates ends in "L.L.C." Please confirm whether the name, as currently recorded with the Div. of Corps, has always been the Utility's legal name. If so, staff will process a correction in this docket.
- Financial Ability.** Exhibit A to the application contains a letter from John F. Wise, Vice President Finance of "The Villages." The letter explains that CSU is an affiliate of the real estate developer, Holding Company of The Villages, Inc. (The Villages), through common ownership. The letter affirms The Villages will make the financial and operating commitment necessary for CSU to provide water and wastewater facilities to the residents of CSU's service territory. CSU's Annual Report indicates a liability of \$24,711,018 to Village of Lake Sumter, Inc. Please describe the terms and conditions of the loan. Also, please describe the relationship between The Villages, Inc. and The Villages of Lake Sumter, Inc.
- Utility Plant in Service.** According to the Utility's 2011 annual report, as of December 31, 2011, CSU was purchasing water and wastewater services from North Sumter County Utility Dependent District (NSU). The report stated that the water and wastewater treatment plants were scheduled to be on-line in April and May of 2012, respectively, with reuse service to commence when the wastewater treatment plant is placed into service. Please clarify whether the CSU water and wastewater treatment plants are operational and, if so, when were they completed. If the water and wastewater treatment plants are not yet operational, please provide

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an assessment of when they will become operational and a description of the terms and conditions of the water and wastewater purchase agreement with NSU.

4. **Capacity.** Exhibit H to the application provides the capacity of existing lines and treatment facilities along with design capacity of the proposed extension. In order to confirm gallons per day for residential usage, please provide CSU's residential billing data for the past six months. Also, in order to confirm that current excess usage is temporarily due to construction activities, please provide comparable billing data for the same period for The Villages' older developments of Little Sumter or North Sumter.

5. **Tariffs.** The tariffs provided with the application are sufficient. However, in reviewing CSU's existing wastewater tariff, staff noted it did not contain a tariff for Reuse Service. Order No. PSC-11-0113-PAA-WS, issued February 11, 2001, in Docket No. 050192-WS, approved a zero reuse rate for golf courses within The Villages development, only. In such cases, it is Commission practice to include a Reuse Service tariff sheet in the wastewater tariff specifying the approved charge and the customer(s) to which it is applicable. Please provide an original wastewater Sheet No. 13.1 for Reuse Service, along with a revised index on wastewater Sheet No. 11.0.

6. **Legal Description.** Please provide an electronic copy of the legal description for the proposed service territory.

If you have any questions regarding the information requested above, please contact Patricia Brady at (850) 413-6686, pbrady@psc.state.fl.us. If you have any legal questions, please contact Ralph Jaeger at (850) 413-6076, rjaeger@psc.state.fl.us. Otherwise, please file your response on or before September 21, 2012. Your response should identify Docket Number 120207-WS and either be filed electronically at filings@psc.state.fl.us or mailed directly to:

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

Sincerely,



Patricia Brady
Regulatory Analyst IV

cc: Division of Engineering (Brady, Ellis)
Office of the General Counsel (Jaeger)
Office of Commission Clerk