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STATE OF FLORIDA



DIVISION OF
ACCOUNTING AND FINANCE
MARSHALL WILLIS
DIRECTOR
(850) 413-6900

Public Service Commission

January 18, 2013

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COMMISSION
CLERK

Mr. Gary Deremer
Lakeside Waterworks, Inc.
5320 Captains Court
New Port Richey, Florida 34652

Re: Docket No. 120317-WS – Application for approval to transfer water and wastewater Certificate Nos. 567-W and 494-S in Lake County from Shangri-La by the Lake Utilities, Inc. to Lakeside Waterworks, Inc.

Dear Mr. Deremer:

The above-referenced application for Shangri-La by the Lake Utilities, Inc. (Shangri-La or Utility) has been received and reviewed by my staff. Please complete the following deficiencies and provide the requested additional information to clarify the application.

Deficiencies

- Parties to Notify.** The cover letter to Exhibit L states that a copy of the notice and the list of entities in receipt of the notice was attached to the affidavit. However, the list of entities submitted as part of Exhibit L only contains the first two pages of the five-page list provided by the Commission. Please notify all parties on pages three through five of the attached document, as required by Rule 25-30.030(1), Florida Administrative Code (F.A.C.)
- Filing Fee.** The Utility did not remit the correct filing fee for the application to transfer pursuant to Rule 25-30.030(2)(c), F.A.C. According to the Utility's 2011 Annual Report, Shangri-La has the capacity to serve 381 water ERCs and 1063 wastewater ERCs. As such, the appropriate filing fee is: Water, up to 500 ERCs: \$750; Wastewater, 501 to 2,000 ERCs: \$1,500; for a total filing fee of \$2,250. The Commission has received Shangri-La's filing fee of \$1,500; therefore, please remit the remaining balance of \$750.
- Tariffs.** Rule 25-30.036(3)(o), F.A.C., Application for Amendment to Certificate of Authorization, requires the application to contain the original and two copies of sample tariff sheets reflecting the additional service area. Shangri-La's application did not specifically state that the amended service area would include additional territory. Please provide a statement clarifying the Utility's intent with respect to its Application for

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January 18, 2013

Amendment of Certificate. If applicable, please provide two copies of sample tariff sheets reflecting the additional service area.

4. **Contract for Sale.** Rule 25-30.037(2)(h)(1,2,3,4, and 6), F.A.C., Application for the Authority to Transfer, requires that the contract for sale include the disposition of customer deposits, any guaranteed revenue contracts, developer agreements, customer advances, and leases. Please provide an explanation for the above-mentioned items.
5. **Net Book Value.** Rule 25-30.037(2)(l), F.A.C., Application for the Authority to Transfer, requires the proposed net book value of the system as of the date of the proposed transfer. Staff notes that by Order No. PSC-96-0062-FOF-WS, the Commission established rate base of \$62,185 for water and \$84,367 for wastewater. Please identify all adjustments made to rate base subsequent to Order No. PSC-96-0062-FOF-WS.
6. **Books and Records.** Rule 25-30.037(2)(n), F.A.C., Application for the Authority to Transfer, states, if the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission, and/or detailed steps taken to obtain the books and records. Please provide a statement that the buyer has obtained the books and records. If the buyer has not obtained the books and records, please provide a statement that a good faith, extensive effort has been made to obtain the books and records and the detailed steps taken to obtain the books and records.
7. **Land Ownership.** Rule 25-30.037(2)(q), F.A.C., Application for the Authority to Transfer, requires 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. Staff has received a copy of the lease for land associated with the wastewater treatment facilities. Please submit a copy of the lease or proof of ownership of the land where the water treatment facilities are located.

Additional Information

1. **Affidavit.** There was no affidavit stating that a copy of the transfer notice was sent to the customers as required by Rule 25-30.030(6), F.A.C. Please provide all customers with a copy of the transfer notice, and submit an affidavit attesting to this notification.

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before February 18, 2013. As noted above, only the original and two copies of the tariff are required. When filing the response, please refer to Docket Number 120317-WS, and direct the response to:

Mr. Gary Deremer, President

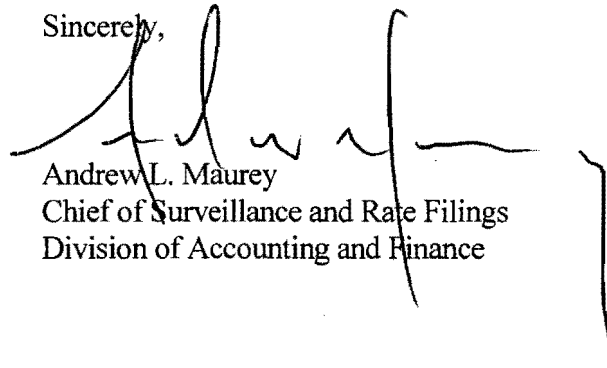
Page 3

January 18, 2013

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 Martha Barrera at (850) 413-6212 for legal questions, Melinda Watts at (850) 413-6952 for engineering questions, or Avy Smith at (850) 413-6425 for all other questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew L. Maurey', is written over the typed name and title. The signature is fluid and cursive.

Andrew L. Maurey
Chief of Surveillance and Rate Filings
Division of Accounting and Finance

ALM/as

cc: Division of Accounting and Finance (Fletcher)
Division of Engineering (Ballinger, Watts)
Office of Auditing and Performance Analysis (Daniel)
Office of the General Counsel (Barrera)
Office of Commission Clerk (Docket No. 120317-WS)

Attachment

**LIST OF WATER AND WASTEWATER UTILITIES IN LAKE COUNTY
(VALID FOR 60 DAYS)
01/09/2013 - 03/09/2013**

<u>UTILITY NAME</u>	<u>LAKE COUNTY</u>	<u>MANAGER</u>
AQUA UTILITIES FLORIDA, INC. (WS881) P. O. BOX 2480 LADY LAKE, FL 32158-2480		TERRY RAKOCY (352) 674-2828
BLACK BEAR RESERVE WATER CORPORATION (WU940) P. O. BOX 13 MOUNT DORA, FL 32757-0013		DEB SPICER (321) 947-4300
BRENDENWOOD UTILITIES, LLC. (WU951) P. O. BOX 350065 GRAND ISLAND, FL 32735-0065		GERARD P. CONNOLLY, JR. (352) 602-4170
CENTURY ESTATES UTILITIES, INC. (WU725) 114 EUCLID AVENUE LEESBURG, FL 34748-7509		JOSEPH LINARTAS (352) 450-1450
COL UTILITY SYSTEMS, L.L.C. (WS946) 5100 WEST LEMON STREET, SUITE 308 TAMPA, FL 33609-1129		JORDAN RUBEN (813) 282-6754
CWS COMMUNITIES LP (WU839) 14 CORAL STREET EUSTIS, FL 32726-6710		MICHAEL MATHISEN (352) 589-1190
HARBOR WATERWORKS, INC. (WU956) 5320 CAPTAINS COURT NEW PORT RICHEY, FL 34652-3089		GARY DEREMER (727) 848-8292
HARBOR WATERWORKS, INC. (SU957) 4939 CROSS BAYOU BLVD. NEW PORT RICHEY, FL 34652-3089		GARY DEREMER (727) 848-8292
HIDDEN VALLEY SPE LLC D/B/A ORANGE LAKE (WS892) 15840 STATE ROAD 50, LOT 32 CLERMONT, FL 34711-8715		GARY MORSE (352) 382-3414
LAKE UTILITY SERVICES, INC. (WU553) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4027		PATRICK C. FLYNN (407) 869-1919 EXT 1359
LAKE UTILITY SERVICES, INC. (WS641) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4027		PATRICK C. FLYNN (407) 869-1919 EXT 1359

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(VALID FOR 60 DAYS)
01/09/2013 - 03/09/2013**

UTILITY NAME

MANAGER

LAKE COUNTY

LAKE YALE TREATMENT ASSOCIATES, INC. (WS823)
38141 MAYWOOD BAY DRIVE
LEESBURG, FL 34788-8134

DANNY ELLIS
(352) 589-9214

MFL UTILITY SYSTEMS, L.L.C. (WS948)
5100 WEST LEMON STREET, SUITE 308
TAMPA, FL 33609-1129

JORDAN RUBEN
(813) 282-6754

OAK SPRINGS, LLC (WU875)
1886 CANOVA STREET S.
PALM BAY, FL 32909-2931

MICHAEL CAMPBELL
(321) 837-0565

PINE HARBOUR WATER UTILITIES, LLC (WU921)
P. O. BOX 447
FRUITLAND PARK, FL 34731-0447

SANDRA S. WESSON
(352) 787-2944

RAINTREE HARBOR UTILITIES, LLC (WU953)
P. O. BOX 350065
GRAND ISLAND, FL 32735-0065

GERARD P. CONNOLLY, JR.
(352) 459-8747

SHANGRI-LA BY THE LAKE UTILITIES, INC. (WS728)
1214 WEST IL ROUTE 72
LEAF RIVER, IL 61047-9614

JAY E. WERNER
(815) 738-2508

SOUTHLAKE UTILITIES, INC. (WS638)
2215 RIVER BLVD.
JACKSONVILLE, FL 32204-4647

WILLIAM J. DEAS
(904) 387-9292

SUN COMMUNITIES FINANCE, LLC D/B/A WATER OAK UTILITY (WS755)
THE AMERICAN CENTER
27777 FRANKLIN ROAD, SUITE 200
SOUTHFIELD, MI 48034-8205

JIM HOEKSTRA
(248) 208-2554

TLP WATER, INC. (WU924)
12315 U.S. HIGHWAY 441
TAVARES, FL 32778-4515

WILLIAM CAREY
(352) 450-1706

UTILITIES, INC. OF PENNBROOKE (WS861)
200 WEATHERSFIELD AVENUE
ALTAMONTE SPRINGS, FL 32714-4027

PATRICK C. FLYNN
(407) 869-1919 EXT 1359

W.B.B. UTILITIES, INC. (WU639)
4223 BAIR AVENUE
FRUITLAND PARK, FL 34731-5618

RICHARD S. BAIR
(352) 787-3107

**LIST OF WATER AND WASTEWATER UTILITIES IN LAKE COUNTY
(VALID FOR 60 DAYS)
01/09/2013 - 03/09/2013**

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

ADMINISTRATOR, CITY OF UMATILLA
P. O. BOX 2286
UMATILLA, FL 32784-2286

CLERK, BOARD OF COUNTY COMMISSIONERS, LAKE COUNTY
P. O. BOX 7800
TAVARES, FL 32778-7800

DEP CENTRAL DISTRICT
3319 MAGUIRE BLVD., SUITE 232
ORLANDO, FL 32803-3767

DEP SOUTHWEST DISTRICT
13051 N. TELECOM PARKWAY
TEMPLE TERRACE, FL 33637-0926

EAST CENTRAL FLORIDA PLANNING COUNCIL
631 NORTH WYMORE ROAD, SUITE 100
MAITLAND, FL 32751

MAYOR, CITY OF CLERMONT
P. O. BOX 120219
CLERMONT, FL 32712-0219

MAYOR, CITY OF EUSTIS
P. O. DRAWER 68
EUSTIS, FL 32727-0068

MAYOR, CITY OF FRUITLAND PARK
506 WEST BERCKMAN STREET
FRUITLAND PARK, FL 34731-3229

MAYOR, CITY OF GROVELAND
156 SOUTH LAKE AVENUE
GROVELAND, FL 34736-2597

MAYOR, CITY OF LEESBURG
P. O. BOX 490630
LEESBURG, FL 32749-0630

MAYOR, CITY OF MASCOTTE
100 EAST MYERS BLVD.
MASCOTTE, FL 34753-9766

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01/09/2013 - 03/09/2013**

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

MAYOR, CITY OF MINNEOLA
P. O. BOX 678
MINNEOLA, FL 34755-0678

MAYOR, CITY OF MOUNT DORA
P. O. BOX 176
MOUNT DORA, FL 32756-0176

MAYOR, CITY OF TAVARES
P. O. BOX 1068
TAVARES, FL 32778-1068

MAYOR, TOWN OF ASTATULA
P. O. BOX 609
ASTATULA, FL 34705-0609

MAYOR, TOWN OF HOWEY-IN-THE-HILLS
P. O. BOX 128
HOWEY-IN-THE-HILLS, FL 34737-0128

MAYOR, TOWN OF LADY LAKE
409 FENNELL BLVD.
LADY LAKE, FL 32159-3159

MAYOR, TOWN OF MONTVERDE
P. O. BOX 560008
MONTVERDE, FL 34729-0008

ST. JOHNS RIVER UTILITY, INC.
P.O. BOX 77
ASTOR, FL 32102

ST. JOHNS RIVER WTR MANAGEMENT DISTRICT
P.O. BOX 1429
PALATKA, FL 32178-1429

**LIST OF WATER AND WASTEWATER UTILITIES IN LAKE COUNTY
(VALID FOR 60 DAYS)
01/09/2013 - 03/09/2013**

UTILITY NAME

STATE OFFICIALS

MANAGER

OFFICE OF PUBLIC COUNSEL
111 WEST MADISON STREET
SUITE 812
TALLAHASSEE, FL 32399-1400

OFFICE OF COMMISSION CLERK
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850