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STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

July 17, 2013

Mr. Gary Deremer
The Woods Utility Company
5320 Captains Court
New Port Richey, FL 34652

Re: Docket No. 130171-WS - Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 507-W and 441-S of Aqua Utilities Florida, Inc. to The Woods Utility Company in Sumter County.

Dear Mr. Deremer:

The above-referenced Application has been received and reviewed by Commission staff. Please complete the following deficiencies and provide the requested additional information to clarify the application.

Deficiencies

1. **Assets and Liabilities.** Rule 25-30.037(2)(g)(2), Florida Administrative Code (F.A.C.), requires a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of non-regulated operations or entities. Please provide a list of the specific assets and liabilities including the dollar amounts allocated to each.

2. **Additional Consideration.** Rule 25-30.037(2)(g)(3), F.A.C., requires a description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, and assumption of obligations. Please provide a description of all consideration between the buyer and the seller.

3. **Contract for Sale.** Rule 25-30.037(2)(h)(2, 3, 4, and 6), F.A.C., requires that the contract for sale include the disposition of any guaranteed revenue contracts, developer agreements, customer advances, and leases. Please provide an explanation for the above-mentioned items.

4. **Income Tax Returns.** Rule 25-30.037(2)(o), F.A.C., requires a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns. Please identify all steps taken by the buyer to obtain copies of the federal income tax returns.

Additional Information

1. **Schedules.** Please refer to the transfer application filed on June 24, 2013. Please provide the following schedules which were referenced, but not provided, in the Asset Purchase Agreement (Exhibit D):

- (a) Schedule 1.1
- (b) Schedule 1.1(b)
- (c) Schedule 1.1(d)
- (d) Schedule 1.2(f)
- (e) Schedule 1.2(l)
- (f) Schedule 1.5(a)(ii)
- (g) Schedule 6.2

2. **Regulatory Assessment Fees.** Please refer to the transfer application filed on June 24, 2013. Please identify who "owner" refers to in Exhibit E.

3. **Other.** Please provide a three-year projected budget that includes rate base, cost of capital, and net operating income. Please provide all supporting documentation, including information regarding the assumptions and forecasts relied on, as well as work papers.

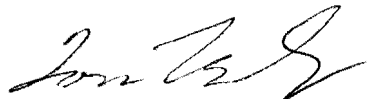
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Your application will not be considered complete until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than August 16, 2013. When filing the response, please include the docket number and direct the response to Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850. If you have any questions concerning the items identified above, please contact Stanley Rieger at (850) 413-6970, or by e-mail at srieger@psc.state.fl.us, or Julia Gilcher at (850) 413-6230 or by e-mail at jgilcher@psc.state.fl.us

Sincerely,



Tom Ballinger
Director of Engineering

TB:SDR:pz

cc: Division of Accounting & Finance (Prestwood, Mouring)
Division of Economics (Thompson)
Division of Engineering (Rieger)
Office of General Counsel (Gilcher)
Office of Commission (Cole)
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