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DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

March 3, 2003

Mr. Martin S. Friedman  
Attorney at Law  
Rose, Sundstrom & Bentley, LLP  
600 S. North Lake Blvd, Ste. 160  
Altamonte Springs, FL 32701

Re: Docket No. 030102-WS - Application for authority to transfer Certificate Nos. 620-W and 533-S in Polk County from The Woodlands of Lake Placid, L.P. to L.P. Utilities Corporation.

Dear Mr. Friedman:

The above referenced application has been received and reviewed by Commission staff. This letter addresses the deficiencies found by staff in the transfer application filed on January 29, 2003, and also notes additional clarifications. All items must be addressed in order to process the application.

Deficiencies

1. Contract for Sale. Pursuant to Rule 25-30.037(2)(g), Florida Administrative Code (F.A.C.), the application is to provide a copy of the contract for sale and all auxiliary or supplemental agreements, which include, purchase price and terms of payment; a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed; and a description of all consideration between the parties. Please provide a copy of the contract for sale of the utility from Highvest Corporation to L.P. Utilities Corporation.
2. Transfer Without Prior Commission Approval. Pursuant to Section 367.071, Florida Statutes, no transfer is to take place without prior Commission approval. This section allows for transfer prior to commission approval if the contract for sale, assignment, or transfer is made contingent upon commission approval. If the contract for sale does not contain language stating that the transfer is contingent on Commission approval, please provide an explanation as to why the contingency statement was not included.

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3. Customer Deposits. Pursuant to Rule 25-30.037(2)(h), F.A.C., the contract for sale shall also provide for the disposition of customer deposits and interest thereon. Please provide a statement addressing outstanding customer deposits and interest.
4. Financing of the Purchase. Pursuant to Rule 25-30.037(2)(i), F.A.C., the application is to contain a statement describing the financing of the purchase. According to information included in the application, Highvest Corporation financed the purchase with a loan for \$409,959. However, no information was provided regarding the interest rate, repayment schedule, or other conditions of the loan. Please provide a statement addressing the financing terms and conditions.
5. Public Interest. Pursuant to Rule 25-30.037(2)(j), F.A.C., the application is to contain a statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water or wastewater utility operations and a showing of the buyer's financial ability to provide service. The application did include paragraph 13 which indicated it would address public interest, however no specifics were provided as to the buyers experience in water or wastewater utility operations or a showing of the buyer's financial ability to provide service. Please provide a statement addressing the buyer's financial and technical ability. Specifically, provide a financial statement for the buyer and a detailed description of the operator's qualifications and licenses.
6. Land Ownership. Pursuant to Rule 25-30.037(2)(q), F.A.C., the application is to contain evidence that the utility owns the land upon which the utility treatment facilities are located. The application included a copy of an unrecorded warranty deed transferring the utility property from Highvest Corporation to L.P. Utilities Corporation. Please provide a recorded copy of the warranty deed.

#### Additional Clarifications

1. L.P. Utilities Corporation was filed with the Florida Department of State, Division of Corporations on June 15, 2001. What was the reason for incorporating at that time?
2. Who are the shareholders of Highvest Corp.?
3. Who are the trustees and beneficiaries of The Nancy Ayres Charitable Remainder Unit Trust? Is there any relationship between beneficiaries and trustees to any officer, director, or shareholder of Highvest Corporation, or The Woodlands of Lake Placid, L.P., or L.P. Utilities, Inc.? If so, describe the relationship.
4. What is the relationship of Anbeth Corporation's officers, directors, or shareholders to any officers, directors, or shareholders of Highvest Corporation, or The Woodlands of Lake Placid, L.P., or L.P. Utilities, Inc.?

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5. Please submit documentation of the bankruptcy and foreclosure of The Woodlands of Lake Placid, L.P. Is it the applicant's position that the utility's regulatory assessment fee (RAF) obligation is discharged in either a foreclosure or a bankruptcy proceeding?
6. Has Highvest Corporation or L.P. Utilities, Inc. obtained the books and records of The Woodlands of Lake Placid, L.P.?
7. Your application indicates wastewater capacity of 34 ERCs. Please verify that this is correct.

The original and four copies of the response to this letter should be filed with the Commission on or before **March 31, 2003**. When filing the response, please be sure to refer to the docket number and to direct the response to:

Division of Commission Clerk and Administrative Services  
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 Stephanie Clapp, of my staff, at 850-413-6997.

Sincerely,



Patti Daniel,  
Supervisor of Certification

PD:SAC

cc: Division of Economic Regulation (Clapp, Redemann)  
Office of the General Counsel (Harris)