

STATE OF FLORIDA

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DIVISION OF ECONOMIC
REGULATION
(850) 413-6900

Public Service Commission

January 22, 2004

Mr. William R. Korp
Attorney at Law
Abel Band Attorneys and Counselors at Law
PO Box 49948
Sarasota, Florida 34230-6948

Re: Docket No. 020945-SU - Application For Transfer of Certificate No. 473-S in Highlands County from Creola, Inc. to Francis I Utility, L.L.C.

Dear Mr. Korp:

The above referenced application has been received and reviewed by staff. This letter is a follow up to the review and subsequent telephone call to you concerning deficiencies which need to be cured and additional clarifications or corrections necessary to process the application. For your convenience, a copy of Rule 25-30.037, Florida Administrative Code, is provided for your reference.

Deficiencies

1. Contract. Pursuant to Rule 25-30.037(2)(g) and (h), Florida Administrative Code (F.A.C.), provide a copy of the contract between the seller (Francis I Amenities Corporation, Inc., Trust) and buyer (Francis I Utility, L.L.C.) of the utility. Please note that the rules are very specific regarding the information to be included in the contract. Also, Section 367.071, Florida Statutes, states that no transfer is to take place without prior Commission approval unless the contract contains language stating that the transfer is contingent upon Commission approval.
2. Financing. Pursuant to Rule 25-30.037(2)(i) and (k), F.A.C., provide specific information as to the amount of the purchase price which is being financed, the terms of the financing, and those entities being relied upon for financing.

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3. **Public Interest.** Pursuant to Rule 25-30.037(2)(j), F.A.C., provide a statement as to why the transfer is in the public interest, including a summary of the buyer's experience in wastewater utility operations, a showing of the buyer's financial ability to provide service, and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.
4. **Utility Condition.** Pursuant to Rule 25-30.037(2)(p), F.A.C., provide a statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection (DEP) or, if the system is in need of repair or improvement, has any outstanding Notice of Violation of any standard set by the DEP or any outstanding consent orders with the DEP, the buyer shall provide a list of the improvements and repairs needed and the approximate cost to make them.
5. **Regulatory Assessment Fees.** Pursuant to Rule 25-30.037(2)(r), F.A.C., provide a statement regarding the disposition of any outstanding regulatory assessment fees, fines, or refunds owed.
6. **Notice of Actual Application.** Pursuant to Rule 25-30.030, F.A.C., provide copies of all notices and affidavits for the transfer to Francis I Utility, L.L.C. A copy of the list of water and wastewater utilities in Highlands County, which is valid for only 60 days, is enclosed. A copy of Rule 25-30.030, F.A.C., is provided for your convenience. You may wish to have staff review the notice in advance to insure that it includes the correct information.

Additional Information Needed

1. **Land Ownership.** Pursuant to Rule 25-30.037(2)(q), F.A.C., provide a recorded copy of the warranty deed and of the assignment of the 99-year lease to the buyer.
2. **Tariff Sheet.** Pursuant to Rule 25-30.037(2)(s), F.A.C., provide a copy of a customer bill in the utility's new name.

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 27, 2004. 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

Mr. William R. Korp
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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/sc

cc: Division of Economic Regulation (Clapp, Rieger, Romig)
Office of the General Counsel (Vining)
Division of Commission Clerk and Administrative Services
Mr. George C. MacFarlane
Regulatory Consultants, Inc.
401 Interstate Blvd
Sarasota, Florida 34240