

STATE OF FLORIDA

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TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

March 16, 2004

Ms. Amanda Chambers  
Keen Sales, Rentals and Utilities, Inc.  
685 Dyson Road  
Haines City, Florida 33844

Re: Docket No. 040160-WU: Application for transfer of portion of Certificate No. 582-W by Keen Sales, Rentals and Utilities, Inc. to Alturas Utilities, LLC, in Polk County.

Dear Ms. Chambers:

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, copies of Rules 25-30.030 and 25-30.037, Florida Administrative Code, are provided for your reference.

Deficiencies

1. Contract. Pursuant to Rule 25-30.037(2)(g) and (h), Florida Administrative Code (F.A.C.), the application is to contain a copy of the contract between the seller and buyer of the utility. The rule is very specific regarding the minimum requirements of such a contract. Please provide an addendum to the contract for Sale and Purchase, signed by the two parties, which addresses disposition of:
  - a. Customer deposits and interest thereon;
  - b. Any guaranteed revenue contracts;
  - c. Developer agreements;
  - d. Customer advances;
  - e. Debt of the utility; and
  - f. Leases.
  
2. Financing. Pursuant to Rule 25-30.037(2)(i) and (k), F.A.C., the application is to contain 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. The application stated that "initial funding is being provided by a personal investor who has no ownership interest in the utility." Please provide detailed information regarding the financing and repayment requirements of the personal investor.

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3. **Public Interest.** Pursuant to Rule 25-30.037(2)(j), F.A.C., the application is to contain a convincing statement as to how the transfer is in the public interest, including a statement that the buyer will “fulfill the commitments, obligations, and representations of the seller with regard to utility matters.” Please provide such a statement. In addition, please provide a copy of the buyer’s financial statement which demonstrates buyer’s ability to provide service.
4. **Evidence of Land Ownership.** Pursuant to Rule 25-30.037(2)(q), F.A.C., the application is to contain proof that the buyer owns the land upon which the utility treatment facilities are located. According to paragraph 4 of the Contract for Sale and Purchase, the Alturas real property was to be conveyed to the buyer by general warranty deed. Please provide a copy of the recorded warranty deed.
5. **Original Certificate.** Pursuant to Rule 25-30.037(2)(t), F.A.C., the application is to contain the utility’s current certificate. Please provide current Water Certificate No. 582-W.
6. **Noticing.** Pursuant to Rule 25-30.030, F.A.C., the application is to contain three notices and three affidavits that the notice was given. According to the application, the published notice and affidavit will be late filed. However, no copies of the notice for government officials and utilities or copies of the notice for customers were filed with the application. In addition, the statements filed concerning the issuing of the notices for government officials and utilities and for customers were incomplete and were not in affidavit format. Please submit copies of the notices and proper affidavits.

Additional Information Needed

1. **Tariff Sheets.** Please provide a complete tariff for Alturas, LLC.
2. **RAF Payment.** The statement regarding the disposition of any outstanding regulatory assessment fees (RAF) is incomplete in that it only addressed fiscal year 2003. Since the closing on the transfer took place on February 10, 2004, please provide a statement regarding who will be responsible for paying the RAF for January 1 through February 9, 2004, and who will be responsible for paying the RAF for February 10 through December 31, 2004.
3. **Telephone Number.** Please provide a telephone number for Stuart Sheldon. The Commission has a practice of speaking directly with the buyer of utilities to determine that the buyer understands his/her responsibilities under the Rules in 25.30, F.A.C.
4. **Utility Name.** The application indicates that the name of the buyer and for the Water Certificate is Alturas Utilities, LLC. However, during a recent conversation with you, you indicated that the owner wanted a d/b/a. If this is still correct, please include the request for modification of the name of the utility in your deficiency response letter.
5. **Licensed Operator.** Please provide the name, address, and telephone number of the licensed operator you have hired for this system.

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The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before **April 30, 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

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, Redemann, Romig)  
Office of the General Counsel (Brubaker)  
Division of Commission Clerk and Administrative Services