

ORIGINAL

STATE OF FLORIDA



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

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Public Service Commission

March 1, 2006

Martin S. Friedman, Esquire
Rose, Sandstorm & Bentley, LLP
Sanlando Center
2180 W. State Road 434, Suite 2118
Longwood, FL 32779

RECEIVED-FPSC
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COMMISSION
CLERK

Re: Docket No. 060139-WU, Application for certificate to operate water utility in Lake County by Colina Bay Water Company, LLC.

Dear Mr. Friedman:

Staff has reviewed that above referenced application for an original water certificate by Colina Bay Water Company, LLC. Please complete the following deficiencies and provide the requested additional information to clarify the application.

Deficiencies

1. Rule 25-30.033(1)(g), F.A.C., requires the application to include the date the applicant plans to begin serving customers. While you indicated there is a five-year build out, you did not indicate when you anticipate beginning to provide service. Please provide the date you plan to begin serving customers.

CMP 2 Rule 25-30.033(1)(j), F.A.C., requires the application to include evidence that the utility owns the land or will have continued use of the land upon which the utility treatment facilities are or will be located. This evidence may be a warranty deed, a 99-year lease, or a similar type of written instrument which will be recorded upon the utility receiving approval for a certificate. While the application did state that the real estate upon which the water plant is to be located will be conveyed to the applicant by plat dedication language, please provide a draft copy of the written instrument which will be used.

OPC 3 Rule 25-30.033(1)(n), F.A.C., requires the application to include a copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400", with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning. While the application contained several maps, this map with the required proposed territory plotted by use of metes and bounds or quarter sections and a defined reference point of beginning was not included. Please provide this required map.

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4. Rule 25-30.033(1)(s), F.A.C., requires the application to include a list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. Please provide the required financial statements and financial agreements. Also provide a statement that the funding source for the utility will continue funding, as needed, until the utility reaches 80% design capacity.

Additional Information

1. According to the application, "73 ERCs are proposed to be served, all customers will be residential consisting of single-family detached homes." The detailed system map submitted with the application indicated 72 homes. Will there be any customers other than the single-family detached homes? Please provide a revised detailed system map or application narrative with the correct number of homes.
2. According to page two of the application, each single-family detached home will be served with a 3/4" x 7/8" meter. The base facility charge and meter fee on Schedule No. 1 does not refer to this meter size. Please explain the difference between the application and Schedule No. 1 and provide revised schedules, if needed.
3. What is the source of the wastewater service for the 73 single-family homes?
4. According to the application, the value of the utility land is \$702,593. Please provide the cost of all land in the development, the total area of the development and the total area of the utility facilities. Please provide the supporting documentation used to determine the value of the utility land, including the sales contract when the developer purchased the land for development.
5. Please provide your calculations for your O & M expenses. Please provide a disk with the calculations used to determine rate base and rates in this application.
6. The tariff includes a service availability policy which states that the "Developer shall construct and contribute to the Company all on-site water distribution systems required to serve the Developer's property, and those off-site water distribution systems to connect to the Company's existing water distribution system." The calculations provided for CIAC and plant do not include amounts for donated lines. Please explain the discrepancy and provide revised schedules if needed.
7. What is the basis of the estimated average daily demand of 500 gallons per day? Will irrigation rates be needed?

Martin S. Friedman, Esquire

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A response to the above deficiencies and questions should be filed with the Director, Division of Commission Clerk and Administrative services on or before **April 3, 2006**. If you have any questions please contact Ms. Stephanie Clapp at (850) 413-6997, or Mr. Richard Redemann at (850) 413-6999.

Sincerely,



Patti Daniel, Supervisor
Certification Section

cc: Division of Economic Regulation (Redemann, Clapp)
General Counsel (Jaeger)
~~Division of the Commission Clerk and Administrative Services~~