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## Public Service Commission

April 19, 2011

Marsha E. Rule, Esquire  
Rutledge, Ecenia & Purnell, P.A.  
P.O. Box 551  
Tallahassee, FL 32301-0551

**Re: Docket No. 100085-WU, Certificate to operate a water utility in Lake County by Black Bear Reserve Water Corporation.**

Dear Ms. Rule:

To complete the processing of Black Bear Reserve Water Corporation's (Black Bear, utility or applicant) application, staff requests current information on the following items.

- 1. Financial Ability.** Rule 25-30.034(1)(d), Florida Administrative Code (F.A.C.), requires a statement of the financial ability of the applicant to continue to provide service. Please provide a statement of the utility's current financial ability to continue to provide potable water service. If possible, the information should be in the form of a 2010 annual report. At a minimum, please provide a balance sheet as of December 31, 2010 and an income statement for 2010 for the utility's potable water system.
- 2. Technical Ability.** Rule 25-30.034(1)(d), F.A.C., requires a statement of the technical ability of the applicant to continue to provide service. Please provide the names of the water system operators, along with their Department of Environmental Protection (DEP) classifications and license numbers. In addition, please provide information identifying the utility management company and describing its credentials to manage the provision of water service.
- 3. Environmental Compliance.** Rule 25-30.034(1)(k), F.A.C., requires the numbers and dates of any permits issued for the potable water system by the DEP. In addition to providing this information, please provide a copy of the Water Management District's (WMD) consumptive use permit for the utility's potable water system. If the utility has any outstanding violations, either with the DEP or the WMD, please provide a copy of all correspondence on the violations along with a description of the steps the utility is taking to remedy the violations.

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**4. Tariff.** Rule 25-30.034(1)(f), F.A.C., requires the original and two copies of a model tariff containing all rates, classifications, charges, and rules and regulation, consistent with Chapter 25-9, F.A.C. On August 6, 2010, Black Bear filed a tariff containing the utility's existing rates and charges. Staff has discussed the necessary tariff corrections and modifications with you, as well as changes the utility may wish to consider to its existing rates and charges based on its current circumstances. Staff has also requested that the utility develop a service availability policy consistent with Rule 25-30.580, F.A.C., including a tap-in fee for new service connections. Please file an original and two copies the utility's revised water tariff along with the cost justification for any proposed changes to service availability, miscellaneous service, and initial customer deposit charges.

**5. Proof of Ownership.** Rule 25-30.034(1)(e), F.A.C., requires evidence that the utility owns the land upon which the treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative. On February 9, 2011, Black Bear produced a corrective warranty deed dated May 3, 2004, from Upson Downs Limited Partnership to Black Bear Water Company, Inc. as proof of ownership of the land under the potable water facility. Does Black Bear intend to provide a corrective deed reflecting its recent name change.

**6. Customer Complaints.** The Commission has received several customer complaints regarding meter reading, billing, and record retrieval. Please describe the utility's current meter reading, billing, and record retrieval system along with the status of any corrective measures being undertaken. Also, please confirm whether or not the utility has regained its ability to bill for gallonage and, if not, please explain when Black Bear anticipates to begin billing for water service based on customer usage.

**7. Books and Records.** Please indicate the utility's status with respect to having its books and records in compliance with the National Association of Utility Commissioners' Uniform System of Accounts.

The utility's response to the items listed above should be filed as soon as possible but no later than May 13, 2011, directly with the Office of Commission Clerk. If you have any questions regarding the information requested, please contact me or my staff, Patricia Brady at (850) 413-6686, [pbrady@psc.state.fl.us](mailto:pbrady@psc.state.fl.us), and Jay Williams at (850) 413-6448, [jay.williams@psc.state.fl.us](mailto:jay.williams@psc.state.fl.us). For any legal questions, please contact Caroline Klancke, Esq. at (850) 413-6220, [cklancke@psc.state.fl.us](mailto:cklancke@psc.state.fl.us).

Sincerely,



Patti Daniel  
Public Utilities Supervisor  
Bureau of Certification, Economics & Tariffs

PD/PB:lr

cc: Division of Economic Regulation (Brady, Williams, Kaproth)  
Office of the General Counsel (Klancke)  
Office of Commission Clerk