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MARSHALL WILLIS, DIRECTOR  
DIVISION OF ACCOUNTING & FINANCE  
(850) 413-6900

Public Service Commission

November 30, 2012

COMMISSION  
CLERK

12 DEC -3 PM 1:02

RECEIVED-FPSC

Mr. Marshall Kanner  
Phillips, Cantor & Shalek, P.A.  
4000 Hollywood Boulevard, Suite 500  
Hollywood, Florida 33021

**Re: Docket No. 120285-SU, Application to transfer wastewater facilities and Certificate No. 137-S in Brevard County from Colony Park Utilities, Inc. to Colony Park Development Utilities, LLC**

Dear Mr. Kanner:

The above-referenced application for Colony Park Utilities, Inc. (Colony Park or Utility) has been received and reviewed by my staff. Please complete the following deficiencies and provide the requested additional information to clarify the application.

Deficiencies

1. **Interest in the Utility.** Rule 25-30.037(2)(d), Florida Administrative Code (F.A.C.), requires the application to contain the name(s) and address(es) of all of the buyer's corporate officers, directors, partners or any other person(s) who will own an interest in the utility. Please provide the name(s) and address(es) of anyone who will own an interest in the Utility.
2. **Other Utilities Owned.** Rule 25-30.037(2)(f), F.A.C., requires the application list the names and locations of any other water or wastewater utilities owned by the buyer. Please provide information regarding any other water and/or wastewater utilities owned by the buyer.
3. **Additional Consideration.** Rule 25-30.037(2)(g)(3), F.A.C., requires a description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, and assumption of obligations. Please provide a description of all consideration between the buyer and the seller.
4. **Contract for Sale.** Rule 25-30.037(2)(h)(2,3,4, and 6), F.A.C., requires that the contract for sale include the disposition of any guaranteed revenue contracts, developer agreements, customer advances, and leases. Please provide an explanation for the above-mentioned items.

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5. **Public Interest.** Rule 25-30.037(2)(j), F.A.C., requires proof 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. Please provide a statement attesting to the above-mentioned issues.
6. **Net Book Value.** Rule 25-30.037(2)(l), F.A.C., requires the proposed net book value of the system as of the date of the proposed transfer. If rate base has been established by this Commission, state the order number and date issued and identify all adjustments made to update this rate base to the date of transfer. Staff notes that by Order No. PSC-08-0760-PAA-SU, rate base of \$76,940 was established by this Commission. Please identify all adjustments made to rate base subsequent to Order No. PSC-08-0760-PAA-SU.
7. **Books and Records.** Rule 25-30.037(2)(n), F.A.C., if the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing the net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records. Please identify any steps taken to obtain the books and records.
8. **Income Tax Returns.** Rule 25-30.037(2)(o), F.A.C., requires a statement from the buyer that it has obtained or will obtain copies of all of the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns. Please identify all steps taken to obtain federal income tax returns.
9. **Land Ownership.** Rule 25-30.037(2)(q), F.A.C., requires evidence that the utility owns the land upon which the utility 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. Please note, the Commission may consider a written easement or other cost-effective alternative, pursuant to Rule 25-30.433(10), F.A.C. Please provide a copy of an agreement which provides for the continued use of the land.
10. **Refunds Owed.** Rule 25-30.037(2)(r), F.A.C., requires a statement regarding the disposition of any outstanding regulatory assessment fees (RAFs), fines or refunds owed. Staff notes that Colony Park is due a refund for over-payment of RAFs totaling \$886.19. According to the Department of Financial Services, before a company is issued a RAF refund, the company must have a verified Federal ID number on file. Staff has been unable to verify Colony Park's Federal ID number; thus, the disposition of the Utility's RAF refund is unknown. Staff notes that Colony Park does have the option to apply the RAF refund to future RAFs to be paid. If Colony Park would like to apply the RAF refund to future RAFs, please provide a statement stating such.
11. **Tariffs.** Rule 25-30.037(2)(s), F.A.C., requires the original and two copies of sample tariff sheets reflecting the change in ownership. Please provide an original and two copies of the Utility's wastewater tariffs reflecting the change in ownership.

Additional Information


1. **Plant Operator.** The application states that facility has a competent staff of managers who are contracted to perform all aspects required to keep the facility in compliance. Please confirm whether the Buyer has retained the services of the plant operator.
2. **Maps.** Please include a copy of an 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 remaining territory plotted thereon by use of meters and bounds or quarter sections, and with a defined reference point of beginning.

The **original and four copies** of the response to the information requested in this letter should be filed with the Commission on or before **December 31, 2012**. As noted above, only the **original and two copies of the tariff** are required. When filing the response, please be sure to refer to the docket number and to direct the response to:

Office of Commission Clerk  
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 Michael Lawson at (850) 413-6076 for legal questions, Robert Simpson at (850) 413-7001 for engineering questions, or Avy Smith at (850) 413-6425 for all other questions.

Sincerely,



Bart Fletcher  
Public Utilities Supervisor  
Division of Accounting and Finance

BF/as

cc: Division of Accounting and Finance (Maurey, VanEsselstine)  
Division of Engineering (Ballinger, Simpson, Watts)  
Office of Auditing and Performance Analysis (Daniel)  
Office of the General Counsel (Lawson)  
Office of Commission Clerk (Docket No. 120285-SU)