

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** July 10, 2014  
**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk  
**FROM:** Paul Vickery, Chief, Reliability and Resource Planning *PV*  
**RE:** DN 140121-WU - Application for approval of transfer of Certificate No. 539-W  
from Raintree Harbor Utilities, LLC to Raintree Waterworks, Inc. in Lake County.

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Please file the attached Deficiency Letter to Mr. Gary Deremer in the above mentioned docket file.

Thank you.

COMMISSIONERS:  
ART GRAHAM, CHAIRMAN  
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RONALD A. BRISÉ  
EDUARDO E. BALBIS  
JULIE I. BROWN

STATE OF FLORIDA



DIVISION OF ENGINEERING  
TOM BALLINGER  
DIRECTOR  
(850) 413-6910

## Public Service Commission

July 10, 2014

Mr. Gary Deremer  
Raintree Waterworks, Inc.  
5320 Captains Court  
New Port Richey, FL 34652

**Re: Docket No. 140121-WU – Application for approval of transfer of Certificate No. 539-W from Raintree Harbor Utilities, LLC to Raintree Waterworks, Inc. in Lake County.**

Dear Mr. Deremer:

By this letter Commission staff requests that Raintree Waterworks, Inc. (Applicant or Utility) provide information and clarification sufficient to correct the following deficiencies identified in the above-referenced Application. Please note that it is necessary for these deficiencies to be corrected before the docket may progress.

### Deficiencies

1. **Asset Purchase Agreement.** Rule 25-30.037(2)(g), Florida Administrative Code (F.A.C.), requires a copy of the contract for sale and all auxiliary or supplemental agreements. In Exhibit D to the Application the Utility provided a copy of the unexecuted Asset Purchase Agreement. Please provide an executed, dated, and signed copy of the Asset Purchase Agreement.
2. **Assets and Liabilities.** Rule 25-30.037(2)(g)(2), F.A.C., requires a list of and the dollar amount of the assets and liabilities assumed or not assumed of non-regulated operations or entities. Although the Asset Purchase Agreement provided in Exhibit D specifies that a list of assets is contained in "Schedule 1.1," staff notes that no schedule is attached, and Section 1.1 of the Agreement does not contain dollar amounts of specific assets and liabilities. Please provide a list of the specific assets and liabilities including the dollar amounts allocated to each.
3. **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 customer deposits, guaranteed revenue contracts, and developer agreements. Please provide an explanation for the above-mentioned items.
4. **Financial Statements.** Rule 25-30.037(2)(k), F.A.C., requires a list of all entities upon which the applicant is relying to provide funding to the buyer, 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. In Exhibit G to the Application, the Utility provided the

statement “Not Applicable.” Please provide current financial statements of any person or entity with an ownership interest greater than 10 percent.

5. **Public Interest.** Rule 25-30.037(2)(j), F.A.C., requires a “statement indicating how the transfer is in the public interest, including a summary of the buyer’s experience in water or 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 matter.” Exhibit B to the Application contains a statement regarding the buyer’s experience in the water and wastewater utility industry. However, Exhibit B does not contain a statement indicating that the transfer is in the public interest, a showing of the buyer’s financial ability to provide service, nor does it contain a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters. Please provide statements satisfying these requirements.
6. **Noticing Requirement.** Rule 25-30.030(8), F.A.C., requires that a “copy of the notice(s) *and list of the entities receiving notice* pursuant to this rule shall accompany the affidavit required by Sections 367.045(1)(e) and (2)(f), F.S.” (emphasis added) On June 10, 2014, the Applicant late-filed Exhibit L to the Application containing an affidavit confirming notice of the Application and specifying that a list of entities to whom the Utility had provided notice was “attached hereto.” No list of entities was attached or provided in conjunction with Exhibit L. Please provide a list of entities that received notice of the Application.

#### **Additional Information**

1. The Application contains a copy of the Bill of Sale which provides that the total purchase price for the assets was \$10. In contrast, Exhibit D to the Application contains the Asset Purchase Agreement which contains a purchase price of \$60,000.00. Please provide an explanation regarding this discrepancy.
2. Please provide a copy of the Utility’s engineering maps for water, showing the location and size of water mains throughout the service area.

To ensure the timely processing of this Application, the above-referenced documentation and information should be filed on or before August 8, 2014. When filing the response, please be sure to refer to the Docket No. 140121-WU and direct the response to:

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Mr. Gary Deremer  
July 10, 2014  
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Should you have any questions concerning the information in this letter, please contact Keino Young by phone at (850) 413-6226 for legal questions, or staff members, Adam Hill at (850) 413-6425, Timothy Coughlin at (850) 413-6844, or Lydia Roberts at (850) 413-6877 for technical questions.

Sincerely,



Paul Vickery  
Chief of Reliability & Resource Planning  
Division of Engineering

PV:arh:pz

cc: Division of Accounting & Finance (Coughlin, Springer)  
Division of Economics (Roberts, Hudson)  
Division of Engineering (Hill, King)  
Office of General Counsel (Young)  
Office of Commission Clerk