



FRIEDMAN,  
FRIEDMAN & LONG, P.A.  
ATTORNEYS & COUNSELORS

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September 26, 2014

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14 SEP 29 AM 9:20  
COMMISSION  
CLERK

Carlotta S. Stauffer, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

**REDACTED**

RE: Docket No. 140145-SU; Application for Authority to Transfer Assets of Utility Corporation of Florida, Inc. and Certificate No. 550-S to South Highlands Investment Corporation in Highlands County, Florida  
Our File No.: 47102.01

Dear Ms. Stauffer:

The following is South Highlands Investments, Inc.'s ("SHIC") response to Staff's deficiency letter dated August 29, 2014.

**Deficiencies**

1. **Assets and Liabilities.** Rule 25-30.037(2)(g)(2), Florida Administrative Code (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. Please provide a list of the specific assets and liabilities including the dollar amounts allocated to each.

**Response.** Enclosed is a list from the Seller, Utility Corporation of Florida, Inc.'s ("UCF") 2013 Annual Report of the assets purchased. SHIC did not assume any liabilities of UCF nor purchase any non-regulated operations or entities from UCF (although it did purchase non-regulated assets from a related party to UCF in a simultaneous transaction).

2. **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 statement describing the existence or non-existence of all items of consideration along with a description of all consideration between the buyer and the seller.

**Response.** The sale of the utility assets by UCF was simultaneous with the sale of undeveloped real property owned by a party related to UCF, which was a "short-sale", with the total consideration of \$2,242,400.00 being paid to UCF and the related party's lender to satisfy outstanding delinquent mortgages. No other consideration was paid to UCF or its owner.

3. **Books and Records.** Rule 25-30.037(2)(n), F.A.C., requires that if the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of

establishing 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.

**Response.** SHIC has possession of the books and records of UCF since rate base was last established, including Tax Returns.

4. **Financial Statements.** Rule 25-30.037(k), F.A.C., requires a list of all entities upon which the applicant is relying 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. Please provide current financial statements of any person or entity with an ownership interest of 10 percent or greater.

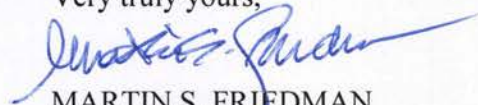
**Response.** Attached is redacted Balance Sheet of SHIC. The unredacted version is being filed simultaneously pursuant to a Request for Confidential Classification.

5. **Filing Fee.** Rule 25-30.020(2)(c), F.A.C., states that for applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERCs, the filing fee is \$1,500. Based on the Utility's application for an original certificate in Docket No. 080079-SU, in which the Utility stated that it was serving 310 units at that time, with future development projected to increase that number to 900 units, staff believes that the correct filing fee for the instant application is \$1,500. The Utility paid a filing fee of \$750. Please remit the \$750 balance.

**Response.** The original filing fee was based upon S-6 of the 2013 Annual Report filed by UCF which stated that the maximum number of ERCs which can be served is 400±. Notwithstanding that discrepancy, enclosed is a check for \$750 for the additional filing fee.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/  
Enclosure

cc: Stephen Heine (via email)  
Melinda Watts (via email)  
Kyesha Mapp (via email)  
Lydia Roberts (via email)  
Clarence Prestwood (via email)



Utility Corporation of Florida, Inc.

UTILITY NAME: \_\_\_\_\_

YEAR OF REPORT DECEMBER 31, 2013
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ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT - WASTEWATER

Acct. No. (a)	Account (b)	Average Service Life in Years (c)	Average Salvage in Percent (d)	Depr. Rate Applied (e)	Accumulated Depreciation Balance Previous Year (f)	Debits (g)	Credits (h)	Accum. Depr. Balance End of Year (f-g+h=i) (i)
350	COMPOSITE	36.9		2.71%	211,056	2,616	8,474	216,914
354	Structures and Improvements	15	%	6.67%	19	\$	\$ 37	\$ 56
355	Power Generation Equipment		%	%				
360	Collection Sewers - Force	15	%	6.67%	7		3	10
361	Collection Sewers - Gravity		%	%				
351 → 362	Special Collecting Structures ORG	40	%	2.50%	292		48	
363	Services to Customers		%	%				
364	Flow Measuring Devices		%	%				
365	Flow Measuring Installations		%	%				
370	Receiving Wells	15	%	6.67%	(128)		189	61
371	Pumping Equipment	15	%	6.67%	280		4	284
380	Treatment and Disposal Equipment	15	%	6.67%	(2,727)		428	(2,299)
381	Plant Sewers		%	%				
382	Outfall Sewer Lines		%	%				
389	Other Plant and Miscellaneous Equipment REUSE PLANT	15	%	6.67%	486		188	674
390	Office Furniture and Equipment		%	%				
391	Transportation Equipment		%	%				
392	Stores Equipment		%	%				
393	Tools, Shop and Garage Equipment	15	%	6.67%	20			20
394	Laboratory Equipment		%	%				
395	Power Operated Equipment		%	%				
396	Communication Equipment		%	%				
397	Miscellaneous Equipment		%	%				
398	Other Tangible Plant		%	%				
	Totals				\$ 209,305	\$ 2,616	\$ 9,371	\$ 216,060

\* This amount should tie to Sheet F-5.

UTILITY NAME: \_\_\_\_\_

YEAR OF REPORT  
DECEMBER 31, 2013

PUMPING EQUIPMENT

Lift Station Number _____	_____	_____	_____	_____	_____	_____
Make or Type and nameplate data on pump _____	_____	_____	_____	_____	_____	_____
_____	DETAIL NOT AVAILABLE THIS YEAR					
Year installed _____	_____	_____	_____	_____	_____	_____
Rated capacity _____	_____	_____	_____	_____	_____	_____
Size _____	_____	_____	_____	_____	_____	_____
Power:	_____	_____	_____	_____	_____	_____
Electric _____	_____	_____	_____	_____	_____	_____
Mechanical _____	_____	_____	_____	_____	_____	_____
Nameplate data of motor _____	_____	_____	_____	_____	_____	_____

SERVICE CONNECTIONS

Size (inches) _____	4"	_____	_____	_____	_____	_____
Type (PVC, VCP, etc.) _____	PVC	_____	_____	_____	_____	_____
Average length _____	_____	_____	_____	_____	_____	_____
Number of active service connections _____	_____	_____	_____	_____	_____	_____
Beginning of year _____	230	_____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	230	_____	_____	_____	_____	_____
Give full particulars concerning inactive connections _____	_____	_____	_____	_____	_____	_____

COLLECTING AND FORCE MAINS

	Collecting Mains		Force Mains			
Size (inches) _____	4"	6"	_____	_____	_____	_____
Type of main _____	PVC	PVC	_____	_____	_____	_____
Length of main (nearest foot) _____	_____	_____	_____	_____	_____	_____
Beginning of year _____	3,000	2,600	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____	_____	_____
End of year _____	3,000	2,600	_____	_____	_____	_____

MANHOLES

Size (inches) _____	_____	- 0 -	_____	_____
Type of Manhole _____	_____	_____	_____	_____
Number of Manholes:	_____	_____	_____	_____
Beginning of year _____	_____	_____	_____	_____
Added during year _____	_____	_____	_____	_____
Retired during year _____	_____	_____	_____	_____
End of Year _____	_____	_____	_____	_____

Utility Corporation of Florida, Inc.

UTILITY NAME: \_\_\_\_\_

SYSTEM NAME: \_\_\_\_\_

YEAR OF REPORT  
DECEMBER 31, 2013

**TREATMENT PLANT**

Manufacturer _____	DAVCO	_____	_____
Type _____	EXTENDED AIR	_____	_____
"Steel" or "Concrete" _____	STEEL	_____	_____
Total Permitted Capacity _____	, 140 MGD	_____	_____
Average Daily Flow _____	_____	_____	_____
Method of Effluent Disposal _____	REUSE	_____	_____
Permitted Capacity of Disposal _____	, 140	_____	_____
Total Gallons of Wastewater treated _____	7,020,9 MG	_____	_____

**MASTER LIFT STATION PUMPS**

Manufacturer _____	_____	_____	_____	_____	_____
Capacity (GPM's) _____	_____	_____	_____	_____	_____
Motor: _____	N/A	_____	_____	_____	_____
Manufacturer _____	_____	_____	_____	_____	_____
Horsepower _____	_____	_____	_____	_____	_____
Power (Electric or Mechanical) _____	_____	_____	_____	_____	_____

**PUMPING WASTEWATER STATISTICS**

Months	Gallons of Treated Wastewater	Effluent Reuse Gallons to Customers	Effluent Gallons Disposed of on site
January _____	, 8790	, 8790	_____
February _____	1,0538	1,0538	_____
March _____	, 8416	, 8416	_____
April _____	, 4998	, 4998	_____
May _____	, 4782	, 4782	_____
June _____	, 4202	, 4202	_____
July _____	, 6222	, 6222	_____
August _____	, 4402	, 4402	_____
September _____	, 3856	, 3856	_____
October _____	, 3625	, 3625	_____
November _____	, 6020	, 6020	_____
December _____	, 4358	, 4358	_____
Total for year _____	7,0209	7,0209	_____

If Wastewater Treatment is purchased, indicate the vendor:

N/A



9:04 AM  
09/22/14  
Accrual Basis

# South Highlands Investment Corporation

## Balance Sheet

As of September 22, 2014

Sep 22, 14

<b>ASSETS</b>	
Current Assets	
[REDACTED]	
Sewer Treatment Plant 1142852	3,931.26
Total Checking/Savings	[REDACTED]
Other Current Assets	
[REDACTED]	
Total Other Current Assets	[REDACTED]
Total Current Assets	[REDACTED]
Other Assets	
Assets	
[REDACTED]	
Spring Lake Water Tretmnt Plant	80,000.00
[REDACTED]	
Total Assets	[REDACTED]
Total Other Assets	[REDACTED]
<b>TOTAL ASSETS</b>	[REDACTED]
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Capital Stock	[REDACTED]
Opening Bal Equity	[REDACTED]
Retained Earnings	[REDACTED]
Shareholder Distributions	[REDACTED]
Net Income	[REDACTED]
Total Equity	[REDACTED]
<b>TOTAL LIABILITIES &amp; EQUITY</b>	[REDACTED]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Authority to  
Transfer the Assets of Utility Corporation  
of Florida, Inc. and Certificate No. 550-S  
to South Highlands Investment Corporation  
in Highlands County, Florida

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Docket No. 140145-SU

**SOUTH HIGHLANDS INVESTMENT CORPORATION'S**  
**REQUEST FOR CONFIDENTIAL CLASSIFICATION**

SOUTH HIGHLANDS INVESTMENT CORPORATION (“SHIC”), by and through its undersigned counsel, files this Request for Confidential Classification in relation to a document submitted with the response served on September 26, 2014 to Staff’s Deficiency Letter.

1. Pursuant to Section 367.156, Florida Statutes, this Commission has the authority to classify certain material as proprietary confidential business information. This classification exempts the material from public disclosure under Section 119.07(1), Florida Statutes.

2. SHIC requests that a certain document provided to Staff in connection with its response to Staff’s Deficiency Letter be classified as proprietary confidential business information under Section 367.156(2), Florida Statutes, and Rule 25-22.06, Florida Administrative Code (the “Confidential Information”). If this request is granted, then the subject document in said response to Staff’s Deficiency Letter will be exempt from Section 119.07(1), Florida Statutes. Attached hereto as Exhibit “A” is a Justification Matrix providing a justification for SHIC’s request. The information is enclosed herein both in highlighted and redacted format.

3. The specific document produced in response to Staff’s Deficiency Letter is the Balance Sheet of SHIC which sets forth specific assets and liabilities that are unregulated, which Balance Sheet is intended to be and is treated by SHIC as private and confidential and has not

been disclosed externally and has been strictly controlled internally. SHIC does not seek confidential treatment of the asset listings and amounts for regulated assets.

WHEREFORE, South Highlands Investment Corporation requests confidential treatment of the referenced documents and the entry of the protective order that is consistent with this Motion.

Respectfully submitted this 26<sup>th</sup> day of  
September, 2014, by:

Friedman, Friedman & Long, P.A.  
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Lake Mary, FL 32746  
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MARTIN S. FRIEDMAN  
Florida Bar No.: 0199060  
For the Firm



JUSTIFICATION MATRIX

<p><u>Location</u> (Document name and location of information)</p>	<p><u>Justification</u> <i>Please note: All information for which the Utility requests confidential treatment has been kept confidential by the Utility, and intends to keep such information confidential.</i></p>
<p><b><u>Document:</u></b>  Balance Sheet</p> <p><b><u>Location:</u></b>  <u>Current Assets:</u> The listing of and amounts for such assets, including total and subtotal amounts, other than the regulated asset “Sewer Treatment Plant.”  <u>Other Assets:</u> The listing of and amounts for such assets, including total and subtotal amounts other than the regulated asset “Spring Lake Water Treatment Plant.”  <u>Liabilities and Equity:</u> All total and subtotal amounts.</p>	<p>§367.156(3)(a),(b),(d) &amp; (e): Disclosure of the Balance Sheet of South Highlands Investment Corporation, which is not a public company and is not subject to public disclosure of its financial statements would impair its competitive interests, could be used to discern trade secrets, or harm its ability to contract for goods and services on a favorable basis. Non-regulated assets being held by South Highlands Investment Corporation are for sale and a prospective purchaser’s knowledge of the value on the books of South Highlands Investment Corporation will have an adverse effect on its negotiation of the sale of such non-regulated assets. South Highlands Investment Corporation keeps this information strictly confidential also to prevent competitors and prospective counterparties from information which could be used in future negotiations to the disadvantage of South Highlands Investment Corporation.</p>

South Highlands Investment Corporation  
**Balance Sheet**  
As of September 22, 2014

Sep 22, 14

<b>ASSETS</b>	
Current Assets	
[REDACTED]	
Sewer Treatment Plant 1142852	3,931.26
Total Checking/Savings	[REDACTED]
Other Current Assets	
[REDACTED]	
Total Other Current Assets	[REDACTED]
Total Current Assets	[REDACTED]
Other Assets	
Assets	
[REDACTED]	
Spring Lake Water Tretmnt Plant	80,000.00
[REDACTED]	
Total Assets	[REDACTED]
Total Other Assets	[REDACTED]
<b>TOTAL ASSETS</b>	[REDACTED]
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Capital Stock	[REDACTED]
Opening Bal Equity	[REDACTED]
Retained Earnings	[REDACTED]
Shareholder Distributions	[REDACTED]
Net Income	[REDACTED]
Total Equity	[REDACTED]
<b>TOTAL LIABILITIES &amp; EQUITY</b>	[REDACTED]