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STATE OF FLORIDA



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

Public Service Commission

October 7, 2014

Crestridge Utilities, LLC
Attn: Michael Smallridge, Manager
1902 Barton Park Rd. #201
Auburndale, FL 33823

Re: Docket No. 140174-WU - Application for approval of transfer of Certificate No. 117-W from Crestridge Utility Corporation to Crestridge Utilities, LLC, in Pasco County.

Dear Mr. Smallridge:

The above-referenced application has been received and reviewed by Commission staff. Please complete the following deficiencies and provide the requested additional information to clarify the application.

Deficiencies

- 1) **Application Fee.** Rule 25-30.020(2)(c), F.A.C., requires that an application fee be paid for an application for authority to transfer filed pursuant to Section 367.071, Florida Statutes (F.S.). Staff has determined that an application fee of \$1,500 is due for this application. Please remit your payment to the Commission's Division of Administrative and IT Services, referencing the docket number. A failure to pay the application fee may result in this docket being closed.
- 2) **Utilities Owned by Buyer.** 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. Although the Utility indicated that it owns other water or wastewater utilities, staff notes that these utilities may not be owned by the Buyer, Crestridge Utilities, LLC. Please provide information regarding the relationship between the two companies listed and the buyer.
- 3) **Purchase Price.** Rule 25-30.037(2)(g)(1), F.A.C., requires that the contract for sale include the purchase price and terms of payment. While the contract specifies the combined purchase price and terms of payment for Crestridge Utility Corporation and Holiday Gardens Utilities, Inc., it does not indicate how the purchase price is allocated or assigned to each utility. Please provide the dollar amount paid for each water system separately.
- 4) **Assets and Liabilities.** Rule 25-30.037(2)(g)(2), F.A.C., requires a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities. Please provide a list of the specific assets and liabilities including the dollar amounts allocated to each.

- 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 matters." Exhibit 1 to the Application contains a statement regarding the buyer's experience in the water and wastewater utility industry. However, Exhibit 1 does not contain a showing of the buyer's financial ability to provide service. Please provide a showing of the buyer's financial ability to provide service, such as a recent personal financial statement showing the buyer's assets and liabilities.
- 6) **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 its Application, the Utility provided the statement "N/A." Please provide current financial statements of any person or entity with an ownership interest greater than 10 percent.
- 7) **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. The sample tariff sheets provided in the application are insufficient as this time. The utility will need to update all pages in its water tariffs to reflect the change in ownership if the transfer application is approved. Please provide an **original and two copies** of the utility's complete water and wastewater tariffs reflecting the change in ownership.

- 8) **Notice of Application and Legal Description.** Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, F.A.C., require the utility to provide notice of its application for transfer. The legal description was not included in the application. Staff suggests that the utility use the following previously approved legal description.

In Township 26 South, Range 16 East, Pasco County, Florida.

Sections 31 & 32: Commence at the Southwest corner of the Southeast 1/4 of Section 31 for a Point of Beginning; thence run South 89 degrees 52 minutes 49 seconds West, 59.44 feet; thence run North 0 degrees 01 minutes 11 seconds West, 142.70 feet; thence run North 89 degrees 52 minutes 49 seconds East, 1380.64 feet; thence run North 0 degrees 35 minutes 10 seconds East, 1175.86 feet; thence run North 89 degrees 57 minutes 55 seconds East, 1316.08 feet; thence run South 89 degrees 58 minutes 03 seconds East, 441.22 feet; thence run South 0 degrees 29 minutes 49 seconds West, 1317.77 feet; thence run North 89 degrees 48 minutes 47 seconds West, 90.27 feet; thence South 0 degrees 07 minutes 11 seconds East, 25 feet; thence North 89 degrees 48 minutes 47 seconds West, 349.87 feet; thence run South 89 degrees 52 minutes 49 seconds West, 2639.38 feet to the Point of Beginning.

ALSO: Commence at the Southwest corner of the Southeast 1/4 of Section 31; thence run South 89 degrees 52 minutes 49 seconds West, 59.44 feet; thence run North 0 degrees 01 minutes 11 seconds West, 142.70 feet; thence run North 89 degrees 52 minutes 49 seconds East, 1380.64 feet; thence run North 0 degrees 35 minutes 10 seconds East, 1175.86 feet; thence run North 0 degrees 32 minutes 57 seconds East, 329.95 feet to the Point of Beginning; thence run North 0 degrees 32 minutes 57 seconds East, 989.39 feet; thence run North 0 degrees, 52 minutes 19 seconds East, 638.17 feet; thence run North 61 degrees, 27 minutes 32 seconds East, 763.34 feet; thence run South 51 degrees 00 minutes 00 seconds East, 825.42 feet; thence run South 1 degree 01 minutes 04 seconds West, 485 feet; thence run South 0 degrees 25 minutes 49 seconds West, 853 feet; thence run South 89 degrees 55 minutes 56 seconds East, 25 feet; thence run South 0 degrees 25 minutes 49 seconds West, 134.39 feet; thence run South 89 degrees 59 minutes 00 seconds West, 1340.20 feet to the Point of Beginning.

A sample notice and list of parties to be noticed is attached for your reference. Please feel free to provide a draft notice to staff to review prior to mailing in order to ensure that the notice complies with the Commission's noticing rules. Upon completion of the noticing requirements, please provide the 3 required affidavits of noticing referenced as late-filed Exhibits 7 through 9 in the utility's application.

Additional Information

- 1) **Lighting Charge.** According to the Utility 2013 annual report, the income statement shows the Utility is charging for street lighting.
 - a. Please state which electric utility provides the electricity for the street lighting.
 - b. Please provide a copy of the street lighting electric bills to the Utility from the electric provider for the most recent 12-month period;
 - c. Please explain why the Utility is charging its customers for street lighting.
 - d. Please provide invoices, by month, associated with the cost of providing street lighting for the utility customers for the most recent 12-month period.

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before November 5, 2014. 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 Suzanne Brownless at SBrownle@psc.state.fl.us or (850) 413-6218 for legal questions. For technical questions, you may contact Phillip Ellis at Pellis@psc.state.fl.us or by phone at (850) 413-6626.

Sincerely,



Tom Ballinger
Director

TB:poe
Enclosure

cc: Division of Accounting and Finance (Brown, Norris)
Division of Economics (Roberts)
Division of Engineering (Ellis, Vickery)
Office of General Counsel (Brownless)
Division of Commission Clerk (Docket No. 140174-WU)

SAMPLE PUBLICATION / LEGAL NOTICE FOR:

APPLICATION FOR TRANSFER OF CERTIFICATE

(Section 367.071, Florida Statutes)

LEGAL NOTICE

Notice is hereby given on _____ (Date) _____, pursuant to Section 367.071, Florida Statutes, of the application for a transfer of Water Certificate No. _____ and/or Wastewater Certificate No. _____ held by _____ (Name of Utility) from _____ (Name of Seller) to _____ (Name of Buyer) _____, providing service to the following described territory in _____ (County) _____, Florida.

(Insert a brief description of the area proposed to be served. Use the Survey of Public Lands method (township, range, section, and quarter section) if possible, or a metes and bounds description, and also the subdivision or project name. The description should NOT refer to land grants or plat books, but may use geographic boundaries (i.e., road right-of-ways, railroads, rivers, creeks, etc.). The object is to make the description as brief, but as accurate as possible.)

Any objection to the said application must be made in writing and filed with the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within thirty (30) days from the date of this notice. At the same time, a copy of said objection should be mailed to the applicant whose address is set forth below. The objection must state the grounds for the objection with particularity.

(Utility name and address)

**LIST OF WATER AND WASTEWATER UTILITIES IN PASCO COUNTY
(VALID FOR 60 DAYS)
10/03/2014 - 12/01/2014**

<u>UTILITY NAME</u>	<u>PASCO COUNTY</u>	<u>MANAGER</u>
ALLEN LAFORTUNE AND OTIS FONDER (WU556) 36645 SUNSHINE ROAD ZEPHYRHILLS, FL 33541-1182		ALLEN LAFORTUNE (813) 782-6929
CRESTRIDGE UTILITY CORPORATION (WU049) 4804 MILE STRETCH DRIVE HOLIDAY, FL 34690-4358		JUDY RIVETTE (727) 937-6275
HOLIDAY GARDENS UTILITIES, INC. (WU109) 4804 MILE STRETCH DRIVE HOLIDAY, FL 34690-4358		JUDY RIVETTE (727) 937-6275
HOMETOWN CANADA UTILITY, INC. (WS958) % WEST COAST MOBILE HOME PARKS, INC. 881 SNEATH LANE, SUITE 110 SAN BRUNO, CA 94066-2412		GRATIO TSANG (604) 850-3278
HV UTILITY SYSTEMS, L.L.C. (SU866) C/O EQUITY LIFESTYLE PROPERTIES, INC. TWO NORTH RIVERSIDE PLAZA, SUITE 800 CHICAGO, IL 60606-2682		KENNETH KROOT (312) 279-1652
HV UTILITY SYSTEMS, L.L.C. (WU947) 5100 WEST LEMON STREET, SUITE 308 TAMPA, FL 33609-1129		JORDON RUBEN (813) 282-6754
L W V UTILITIES, INC. (WU135) 7552 CONGRESS STREET, SUITE 3 NEW PORT RICHEY, FL 34653-1106		JAMES C. WEEKS (727) 849-9389
LABRADOR UTILITIES, INC. (WS851) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4027		PATRICK C. FLYNN (407) 869-1919 EXT 1359
NI FLORIDA, LLC (SU915) 10913 METRONOME DRIVE HOUSTON, TX 77043-2201		MARSHA RULE (850) 681-6788
ORANGELAND WATER SUPPLY (WU179) 2109 OVER VIEW DRIVE NEW PORT RICHEY, FL 34655-4131		FREDI. SNELL (727) 372-8330
ORANGEWOOD LAKES SERVICES, INC. (WS180) 7602 CONGRESS STREET, SUITE 4 NEW PORT RICHEY, FL 34653-1107		ALFRED G. HEILER (727) 849-9555

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<u>UTILITY NAME</u>	<u>PASCO COUNTY</u>	<u>MANAGER</u>
UTILITIES, INC. OF FLORIDA (WU372) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4027		PATRICK C. FLYNN (407) 869-1919 EXT 1359
UTILITIES, INC. OF FLORIDA (SU640) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4027		PATRICK C. FLYNN (407) 869-1919 EXT 1359

**LIST OF WATER AND WASTEWATER UTILITIES IN PASCO COUNTY
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<u>UTILITY NAME</u>	<u>GOVERNMENTAL AGENCIES</u>	<u>MANAGER</u>
CLERK, BOARD OF COUNTY COMMISSIONERS, PASCO COUNTY 14236 6TH STREET, SUITE 201 DADE CITY, FL 33523-3411		
DEP SOUTHWEST DISTRICT 13051 N. TELECOM PARKWAY TEMPLE TERRACE, FL 33637-0926		
MAYOR, CITY OF DADE CITY P. O. BOX 1355 DADE CITY, FL 33526-1355		
MAYOR, CITY OF NEW PORT RICHEY 5919 MAIN STREET NEW PORT RICHEY, FL 34652		
MAYOR, CITY OF PORT RICHEY ATTN: CITY CLERK 6333 RIDGE ROAD PORT RICHEY, FL 33668-6746		
MAYOR, CITY OF SAN ANTONIO 32819 PENNSYLVANIA AVENUE P. O. BOX 75 SAN ANTONIO, FL 33576-0075		
MAYOR, CITY OF ST. LEO P. O. BOX 2479 ST. LEO, FL 33574-2479		
MAYOR, CITY OF ZEPHYRHILLS 5335 8TH STREET ZEPHYRHILLS, FL 33540-5133		
MIKE WELLS, PASCO COUNTY PROPERTY APPRAISER 14236 6TH STREET, SUITE 101 P. O. BOX 401 DADE CITY, FL 33526-0401		
PASCO COUNTY ADMIN., 7530 LITTLE ROAD PUBLIC WORKS UTILITY BUILDING NEW PORT RICHEY, FL 34654		
S.W. FLORIDA WATER MANAGEMENT DISTRICT 2379 BROAD STREET BROOKSVILLE, FL 34609-6899		

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(VALID FOR 60 DAYS)
10/03/2014 - 12/01/2014**

UTILITY NAME

GOVERNMENTAL AGENCIES

MANAGER

TAMPA BAY REGIONAL PLANNING COUNCIL
4000 GATEWAY CENTRE BLVD., SUITE 100
PINELLAS PARK, FL 33782

**LIST OF WATER AND WASTEWATER UTILITIES IN PASCO COUNTY
(VALID FOR 60 DAYS)
10/03/2014 - 12/01/2014**

UTILITY NAME

STATE OFFICIALS

MANAGER

OFFICE OF PUBLIC COUNSEL
111 WEST MADISON STREET
SUITE 812
TALLAHASSEE, FL 32399-1400

OFFICE OF COMMISSION CLERK
FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850