

State of Florida



## Public Service Commission

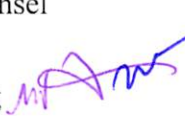
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**DATE:** May 13, 2015

**TO:** Jennifer S. Crawford, Attorney Supervisor, Office of the General Counsel  
Kyeshia Mapp, Attorney, Office of the General Counsel

**FROM:** Melinda H. Watts, Engineering Specialist III, Division of Engineering 

**RE:** Docket No. 140145-SU - Application by South Highlands Investment Corporation to transfer the wastewater assets of Utility Corporation of Florida, Inc. to the Spring Lake Improvement District, and cancellation of Certificate No. 550-S, in Highlands County.

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Utility Corporation of Florida, Inc. (UCF or Utility) is a Class C wastewater utility providing service to approximately 314 wastewater customers in Highlands County. Wastewater rates were last established for this Utility in its 2011 rate case.<sup>1</sup>

An application for transfer of UCF's wastewater facilities to South Highlands Investment Corporation (South Highlands) was filed on July 31, 2014, as a result of a short sale in lieu of foreclosure. Since acquiring the Utility, South Highlands has been actively pursuing the sale of the Utility. Subsequent to its initial filing in the instant docket, South Highlands entered into a contract to sell the Utility to the Spring Lake Improvement District (SLID). On February 17, 2015, South Highlands filed an amendment to its petition requesting it be changed from a transfer of UCF's wastewater assets to South Highlands to a transfer to SLID, a governmental authority. On March 11, 2015, South Highlands advised the Commission that the sale had closed that day. Pursuant to Section 367.071(4), Florida Statutes (F.S.), the sale of facilities to a governmental authority shall be approved as a matter of right. As such, no notice of the transfer is required and no filing fees apply.

The amended application included a Contract for Sale and Purchase of Wastewater Assets between South Highlands and SLID. Pursuant to Section 367.071(4)(a), F.S., and Rule 25-30.037(4)(e), Florida Administrative Code (F.A.C.), UCF included a statement that SLID obtained the most recent income statement, the most recent balance sheet, a statement of rate base for regulatory purposes, and the balance of contributions-in-aid-of-construction. In accordance with Rule 25-30.037(4)(g), F.A.C., UCF specified that there are no customer deposits. Staff has verified that UCF is current on Regulatory Assessment Fees (RAFs) and annual reports through December 31, 2013. Staff also verified that South Highlands paid the 2014 RAFs, and all 2015 RAFs for the period January 1, 2015, to the date of closing. UCF was

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<sup>1</sup> Order No. PSC-14-0296-PAA-SU, issued June 10, 2014, in Docket No. 110165-SU, In re: Application for staff-assisted rate case in Highlands County by Utility Corporation of Florida, Inc.

under the Commission's jurisdiction on December 31, 2014. Therefore, pursuant to Rule 25-30.110(3) F.A.C., the Utility is required to file an annual report for 2014. South Highlands filed the Utility's 2014 annual report on April 30, 2015.

The Commission has jurisdiction pursuant to Section 367.071, F.S. Also, pursuant to Section 2.07(C)(4)(d) of the Administrative Procedures Manual, staff has been given administrative authority to approve transfers to governmental entities that are in compliance with Section 367.071(4)(a), F.S., and are not controversial in nature. Based on the above, staff believes that the application is in compliance with Section 367.071(4)(a), F.S., and Rule 25-30.037(4), F.A.C. Staff recommends that the Commission acknowledge the transfer of the wastewater system to SLID as a matter of right, pursuant to Section 367.071(4)(a), F.S., and cancel Certificate No. 550-S effective March 11, 2015. In addition, staff recommends that the docket be closed because no further action is necessary.