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Public Service Commission

July 20, 2016

Mr. F. Marshall Deterding
Sundstrom & Mindlin, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301
mdeterding@sfflaw.com

VIA US MAIL & EMAIL

Re: Docket No. 160075-WU - Joint application for authority to transfer assets and Certificate No. 623-W in Orange and Lake Counties from Oak Springs, LLC and Oak Springs MHC, LLC.

Dear Mr. Deterding:

Commission staff has reviewed the application for transfer (application) submitted on behalf of Oak Springs, LLC and Oak Springs MHC, LLC. After reviewing this information we find the application to be deficient. The specific deficiencies are identified as:

1. **Proof of Noticing.** Rule 25-30.030(6), Florida Administrative Code (F.A.C.), requires that an affidavit of noticing along with a copy of the notice are to be provided to the Office of Commission Clerk. A copy of the notice mailed to the customers of the utility was not attached to the affidavit. Please provide a copy of the notice mailed to the customers.
2. **Buyer Information.** Rule 25-30.037(2)(d), F.A.C., requires that the applicant provide specified information relating to the buyer, including the Federal Employer Identification Number (FEIN), and if available, its email address and fax number. The applicant did not provide the FEIN, email address or fax number. Please provide the FEIN. Please also provide the buyer's email address and fax number, or state that the requested information is unavailable if applicable.
3. **Books and Records.** Rule 25-30.037(2)(e), F.A.C., requires that the applicant provide specified information relating to the person in possession of the books and records, including the email address and fax number, if available. Please provide the email address and fax number of the person in possession of the books and records, or a statement that the information is unavailable.
4. **Florida Department of State, Division of Corporations Documentation.** Rule 25-30.037(2)(f)1. and 2, F.A.C., requires that the applicant provide the nature of the buyer's

business organization, and documentation from the Florida Department of State, Division of Corporations, showing: (1) The utility's business name and registration/document number for the business, unless operating as a sole proprietor; and, (2) The utility's fictitious name and registration number for the fictitious name, if operating under a fictitious name. Please provide the required documentation from the Florida Department of State, Division of Corporations.

5. **Contract for Sale.** Rule 25-30.037(2)(i), F.A.C., requires that the sale contract executed prior to Commission approval contain a provision stating that the contract is contingent upon Commission approval. Please provide a contract amendment that contains this provision.
6. **Assets and Liabilities.** Rule 25-30.037(2)(j)(3), F.A.C., requires a list of and the dollar amount of the assets and liabilities assumed or not assumed, including those of non-regulated operations or entities. Although the applicant provided that no liabilities were assumed in regards to the utility, please provide a list of and the dollar amount of the specific utility assets. Please also provide a list of and the dollar amount of the assets and liabilities of non-regulated operations or entities, or indicate there are no non-regulated assets.
7. **Consideration between Parties.** Rule 25-30.037(2)(j)(4), F.A.C., requires a description of all consideration between the parties, including promised salaries, retainer fees, stock, stock options, and assumption of obligations. Please provide a description of any consideration specific to the utility.
8. **Records and Reports.** Rule 25.30.037(2)(j)(9), F.A.C., requires a statement that the utility's books and records will be maintained at the utility's office(s) within Florida, or that the utility will comply with the requirements of paragraphs 25.30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location or out-of-state. Although the applicant provided a statement that the utility's books and records will be maintained at the utility's office, an address was not listed. Please provide a statement that the utility's books and records will be maintained at the utility's offices with an address included.
9. **Detailed Financial Statement.** Rule 25-30.037(2)(l)1, F.A.C., requires a detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. Although the applicant provided a balance sheet of its parent company, also referred to as the Buyer, please provide an income statement as well.
10. **Seller's Federal Income Tax Returns.** Rule 25.30.037(2)(p), 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 the rate base was last established by the Commission, whichever is later. Although the applicant provided that the Buyer has obtained the federal tax returns from 2012 to 2014, please provide a statement that the buyer has or will obtain copies of all of the federal income

tax returns from the date the utility was first established or the rate base was last established by the Commission, whichever is later.

11. **Department of Environmental Protection (DEP) Documents.** Rule 25-30.037(2)(r)2, F.A.C., requires that the applicant provide a copy of the most recent DEP sanitary survey and secondary standards drinking water report. Please provide these reports.
12. **Access to Land for Treatment Facilities.** Rule 25-30.037(2)(s), F.A.C., requires the buyer provide a copy of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease such as a 99-year lease or a recorded easement needs to be provided in order to document the its right to access and use the land upon which the utility treatment facilities are located. Please provide a copy of the appropriate document.
13. **Annual Report.** Rule 25.30.037(2)(t), F.A.C., requires a statement regarding which entity will be responsible for filing the annual report for the year of the transfer and subsequent years. Please provide a statement regarding which entity will be responsible for filing the annual report for 2015 and subsequent years.

Your application will not be deemed filed until the deficiencies identified in this letter have been corrected. This correction should be submitted no later than August 23, 2016, to the following address:

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 feel free to contact Ms. Melinda Watts by phone at (850) 413-6952 or email mwatts@psc.state.fl.us for technical questions, or Ms. Kyesha Mapp by phone at (850) 413-6230 or email kmapp@psc.state.fl.us for legal questions. Please include the docket number on all submissions to the Commission Clerk.

Sincerely,



Melinda Watts
Engineering Specialist
Division of Engineering

MW:tj

cc: Office of the Commission Clerk (Docket No. 160075-WU)