

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

PHONE (850) 877-6555
FAX (850) 656-4029

www.sfflaw.com

**SUNDSTROM
& MINDLIN, LLP**
Attorneys | Counselors



December 19, 2016

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

Re: Oak Springs, LLC: Docket No. 160075-WU
Joint Application for Authority to Transfer Assets and Certificate No. 623-W
In Orange and Lake Counties to Oak Springs MHC, LLC

Dear Ms. Stauffer,

I am in receipt of Staff's letter of December 9, 2016 alleging that a deficiency still exists with the application for transfer in the above case. Upon learning of this, I sent an email to several Staff members. Since I have not heard back after that email, I felt that Staff wanted me to put my concerns with the alleged deficiency in a letter so I am writing to outline those concerns again.

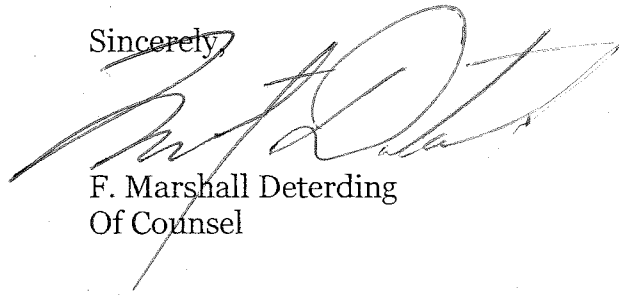
- (1) The provisions of the referenced Rule 25-30.037(2)(l)2, F.A.C., do not contain the parenthetical language that is in the Staff letter of deficiency; i.e., "(balance sheet and income statement)".
- (2) The Rule does not require any financial statement but instead requires "... proof of the listed entities' ability to provide funding such as, financial statements." (emphasis supplied). This provision is not mandatory as to financial statements being filed. In my 40 years of dealing with the PSC on these types of cases, no one has ever suggested before that an income statement of a parent company was needed to show ability to support the utility much less that it was required.
- (3) We did provide a balance sheet as part of our proof of the ability of the related entity to provide financial support to the utility, along with an affidavit from the parent company agreeing to provide that support (not required). The utility is relying on the assets of the parent, not its income to provide support to the utility if needed. I will provide another affidavit to that effect from the parent company if the Staff so desires. We have always in the past provided only a balance sheet where the parent has agreed to support the utility needs.
- (4) The parent in this case is a holding company and has no income to speak of. Therefore, the income statement will provide nothing in the way of additional assurances to the PSC of the parent company's ability to support the utility.

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- (5) Because the parent company is neither publicly traded or a regulated entity, the parent does not wish to disclose its income statement.
- (6) If the Staff is insistent that the referenced rule requires an income statement of the parent on whom the utility is "relying to provide funding to the utility..." then perhaps the solution is to withdraw the agreement by the parent to provide that funding as needed, such that the utility is relying on no other entity. We can provide such a withdrawal if that is needed instead.

Please review the Rule, as well as past interpretations and the spirit of the rule, and let me know your thoughts. If you or any members of the Staff have any questions, please let me know.

Sincerely,



F. Marshall Deterding
Of Counsel

FMD/brf
cc: Kyesha Mapp, Esq.
Melinda Watts
Maria Virga