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

Public Service Commission

December 11, 2017

Mr. Michael Smallridge
Lake Yale Utilities, LLC.
3336 Grand Boulevard, Suite 102
Holiday, FL 34690
mike@FUS1LLC.com

VIA EMAIL & US MAIL

Re: Docket No. 20170220-WS - Application for approval of transfer of Lake Yale Treatments Associates, Inc. water and wastewater systems and Certificates Nos. 560-W and 488-S in Lake County to Lake Yale Utilities, LLC.

Dear Mr. Smallridge:

Staff reviewed the application for transfer (application) submitted on October 10, 2017, on behalf of Lake Yale Treatments Associates, Inc. and Lake Yale Utilities, LLC (Applicant or Buyer). After reviewing this information we find the application to be deficient. The specific deficiencies are identified as:

1. **Net Book Value.** Rule 25-30.037(2)(o), Florida Administrative Code (F.A.C.), requires a proposed net book value of the system as of the date of the proposed transfer. Although the application references an Exhibit 16, this exhibit was not provided. Please provide a proposed net book value for the system as of the date of the proposed transfer.
2. **Condition of the System.** Rule 25-30.037(2)(q), F.A.C., requires that, if the system is in need of repair or improvement, the applicant provide the approximate cost to complete the repairs or improvements. Please provide a schedule showing the estimated costs for the repairs and replacements described in Exhibit 9 of the application.
3. **Permits.** Rule 25-30.037(2)(r)1., F.A.C., requires that the applicant a copy of the Utility's current permits from the DEP and the water management district. Please provide a copy of the Utility's water management district permit.
4. **DEP Reports.** Rule 25-30.037(2)(r)2., F.A.C., requires that the applicant provide a copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report. Please provide the most recent wastewater system compliance inspection report and secondary standards drinking water report.

5. **Tariff.** Rule 25-30.037(2)(u), F.A.C., requires that the applicant provide tariff sheets reflecting any changes resulting from the transfer. Please provide water and wastewater tariff sheets reflecting any changes resulting from the transfer.
6. **Economies of Scale.** Rule 25-30.037(2)(v), F.A.C., requires that, if the buyer owns other water or wastewater utilities that are regulated by the Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the Utility being purchased and the buyer's other utilities. Please provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the Utility being purchased and the buyer's other utilities.
7. **Notice of Application.** Rule 25-30.030(4), F.A.C., requires that the notice of application be provided to the Office of Commission Clerk, for Commission staff approval, prior to distribution. Please provide a draft notice for staff review.
8. **Notice of Application.** Rule 25-30.030(6), F.A.C., states that all applications requiring noticing shall be deemed deficient until affidavits of noticing required by Sections 367.045(1)(e) and (2)(f), Florida Statutes, along with a copy of the notice, are filed with the Office of Commission Clerk. After staff has reviewed and approved the notice of application, and the notices have been distributed in accordance with Rule 25-30.030(5), F.A.C., please provide affidavits of noticing.

Your application will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than January 11, 2018, to the following address:

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

Mr. Michael Smallridge
Date: December 11, 2017
Page 3

Should you have any questions concerning the information in this letter, please feel free to contact Mrs. Melinda Watts by phone at (850) 413-6952 or by email at mwatts@psc.state.fl.us for technical questions, or Ms. Suzanne Brownless by phone at (850) 413-6218 or by email at sbrownle@psc.state.fl.us for legal questions. Please include the docket number on all submissions to the Commission Clerk.

Sincerely,



Melinda Watts
Engineering Specialist
Florida Public Service Commission
Division of Engineering

MW:tj

cc: Office of Commission Clerk (Docket No. 20170220-WS)