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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

November 9, 2000

Mr. George C. MacFarlane
Regulatory Consultants, Inc.
401 Interstate Blvd.
Sarasota, Florida 34240

RE: Docket No. 001513-WS - Application for transfer of Certificate Nos. 524-W and 459-S in Pasco County from Arbor Oaks I, LLC & Arbor Oaks II, LLC both Delaware Limited Liability Companies d/b/a Timberwood Utilities, to Mink Associates I, LLC, a Florida Limited Liability Company d/b/a Timberwood Utilities.

Dear Mr. MacFarlane:

The application for transfer of Certificate Nos. 524-W and 459-S was received by the Public Service Commission (PSC or Commission) on September 29, 2000. The above referenced docket number and name should be referenced in all future correspondence concerning this application. Staff has reviewed the application for deficiencies as well as for items that need clarification or correction. These items, which have been discussed with your assistant, are as follows:

Deficiencies:

- Financial Ability. Pursuant to Rule 25-30.037(2)(j), Florida Administrative Code (F.A.C.), the buyer is to provide a statement showing the buyer's financial ability to provide service. No statement was provided with the application. Please provide a financial statement, letter of credit, or some other written verification as to the buyer's financial ability to provide service.
- Summary of Experience. Pursuant to Rule 25-30.037(2)(j), F.A.C., the buyer is to provide a summary of the buyer's experience in water or wastewater utility operations. No statement was provided. Please provide the required summary.
- Fulfill the Commitments of Seller. Pursuant to Rule 25-30.037(2)(j), F.A.C., the buyer is to provide a statement that the buyer will fulfill the commitments, obligations and

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representations of the seller with regard to utility matters. No statement was provided. Please provide the required statement.

4. Utility Owns Land. Pursuant to Rule 25-30.037(2)(q), F.A.C., the buyer is to provide evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The Warranty Deed provided transferred the property to Mink Associates I, LLC, owner of the utility, but not to the utility. Please provide a recorded deed or a recorded 99-year lease or similar recorded instrument, in the name of the utility, which provides for the continued use of the land.
5. Transfer Without Prior Commission Approval. Pursuant to Section 367.071, Florida Statutes, no transfer of a water or wastewater utility is to take place without prior Commission approval. This section was modified effective June 11, 1999, to allow for transfer prior to commission approval if the contract for sale, assignment, or transfer is made contingent upon commission approval. It appears that the closing took place on March 13, 2000. A review of the sales contract does not reveal wording making the contract contingent upon approval of the Commission. Please provide a statement explaining why the closing took place prior to receiving Commission approval.

Clarifications

1. According to a check of the Florida Department of State, Division of Corporations, on November 8, 2000, the fictitious name of Timberwood Utilities was owned by Arbor Oaks I, LLC and Arbor Oaks II, LLC. The PSC cannot approve the transfer of the utility to Mink Associates I, LLC d/b/a Timberwood Utilities until Mink Associates I, LLC provides proof from the Department of State that Mink Associates I, LLC owns the fictitious name.
2. Is it the desire of the buyer to have the water and wastewater certificates, when issued, to be in the name of "Timberwood Utilities (Mink Associates I, LLC, a Florida limited liability company, d/b/a)" or in the name of "Timberwood Utilities (Mink Associates I, LLC, d/b/a)?"

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before **January 29, 2001**. When filing the response, please be sure to reference the docket and to direct the response to :

**Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

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Should you have any questions concerning the information requested in this letter, please contact Ms. Stephanie Clapp, of my staff, at (850) 413-6997.

Sincerely,



Patti Daniel
Chief, Bureau of Certification

PD/sc

cc: Division of Regulatory Oversight (Messer, Clapp, Walden)
Division of Legal Services (Cibula)
Division of Records and Reporting