

# RECEIVED-FPSC

Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.

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COMMISSION CLERK

Attorneys and Counselors at Law

Orlando Fort Pierce Viera

ELIAS N. CHOTAS 407-428-5132 echotas@deanmead.com

December 7, 2010

#### BY FEDERAL EXPRESS

Office of Commission Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0870

Re:

CCW of Marion County, LLC / Application of Rainbow Springs Utilities, LC to

Revise Service Availability Policy / Docket No. 100439-WS / Petition to

Intervene

Dear Sir or Madam:

ENC:lc

Enclosed please find and original and seven (7) copies of a Petition to Intervene which is being submitted to you in the above referenced matter.

Please call me if you have any questions.

Sincerely,

Elias N. Chotas

	Enclosures		12.9.10		
OM.	cc:	Ralph Jaeger Office of General Counsel (w/encl.)	added fear		
PA ECB ECL ECL	6	F. Marshall Deterding, Esq. Rose, Sundstrom & Bentley (w/encl.)			
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# BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: APPLICATION OF RAINBOW SPRINGS UTILITIES, LC, TO REVISE SERVICE AVAILABILITY POLICY

**DOCKET NO.: 100439-WS** 

## PETITION TO INTERVENE

CCW OF MARION COUNTY, LLC, a Florida limited liability company (the "Intervenor"), by and through its undersigned attorneys, and pursuant to Section 25-22.039, Florida Administrative Code files this Petition to Intervene in Docket No. 100439-WS filed by Rainbow Springs Utilities, LC (the "Utility") to revise its service availability policy and pursuant to Rule 28-106.201, Florida Administrative Code, says as follows:

- 1. The name and address of the agency affected is the Florida Public Service

  Commission (the "Agency") under its Docket No. 100439-WS, 2540 Shumard Oak Boulevard,

  Tallahassee, Florida 32399-0850. The name, address and telephone number of the Petitioner is

  CCW of Marion County, LLC, P.O. Box 560462, Orlando, Florida 32856-0462, (407) 758-4418.

  The name and address of the Petitioner's representative is Elias N. Chotas, Esq., 800 North

  Magnolia Avenue, Suite 1500, Orlando, Florida 32803, (407) 428-5132.
- 2. The Petitioner's substantial interests are affected by the Agency's determination in that Petitioner owns a substantial number of developed lots which have not yet been vertically developed. Petitioner also owns a number of entitled lots which have not yet been developed within the certificated territory of the Utility. These proposed revised availability policies propose to substantially increase the service availability charges to the owners of the Intervenor's lots even though all lines are already in place to service such developed lots and capacity has

been reserved at the water and wastewater plants. It would be inequitable to increase the service availability charges as proposed by the Utility.

- 3. Intervenor received notice of the application by Rainbow Springs Limited by reviewing the dockets of the Agency.
- 4. Disputed issues of material fact are not clear at this time. It does appear that the application by the Utility does not include the existing outstanding Covenant and Agreement to Provide Utility Service (the "Developer Agreement") with Intervenor's predecessor in title, Rainbow Springs Limited, a copy of which is annexed hereto as Exhibit "A." Further, although Intervenor has not had the opportunity to thoroughly evaluate the information submitted by Utility, the statement set forth as justifying the increased service availability charges are inapplicable to the developed lots owned by Intervenor in that adequate capacity for such lots already exists and the investments necessary for the Utility to provide such adequate capacity were already made by Intervenor's predecessor in title, Rainbow Springs Limited, and therefore should not serve as a justification for increasing the service availability charges imposed upon Intervenor, its successors and assigns. The rights of Rainbow Springs Limited under the Developer Agreement were assigned to Intervenor. Intervenor disputes the proposed increases in the services availability charge.
- 5. To the extent the Agency proposes suspension of the capacity charge increases in its recommendation, Intervenor supports such suspension pending full evaluation of the facts. Intervenor supports suspension of the water and wastewater increases in service availability charges and requests that its status as Intervenor in this proceeding and subsequent proceedings be recognized.

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# Respectfully submitted this $\frac{2}{7}$ day of December, 2010.

ELIAS N. CHOTAS, ESQUIRE

Florida Bar No. 224103 Attorneys for Intervenor

CCW of Marion County, LLC

Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.

Post Office Box 2346

Orlando, Florida 32802-2346

Telephone: (407) 841-1200

Fax: (407) 423-1831

E-Mail: echotas@deanmead.com

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent by U.S.

mail this \_\_\_\_\_ day of December, 2010, to:

Ralph Jaegar Office of General Counsel Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850 rjaeger@psc.state.fl.us

F. Marshall Deterding Rose, Sundstrom & Bentley, LLC 2548 Blairsome Pines Drive Tallahassee, Florida 32301 martyd@rsbattorneys.com

ELIAS N. CHOTAS, ESQ.

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# COVENANT AND AGREEMENT TO PROVIDE UTILITY SERVICES

THIS COVENANT AND AGREEMENT TO PROVIDE UTILITY SERVICES, dated as of this 22 day of November, 1995, is made by RAINBOW SPRINGS UTILITIES, L.C., a Florida limited liability company (the "Utility"), in favor of RAINBOW SPRINGS, LIMITED, a Florida limited partnership (the "Owner") and RANGER INC., a Wyoming corporation (the "Lender").

#### WITNESSETH:

WHEREAS, Owner holds fee simple title to a development in Marion County, Florida, known as Rainbow Springs more particularly described in the annexed Exhibit "A" (the "Properties"); and

WHEREAS, Ranger Inc. is the record holder of a mortgage encumbering title to the Properties described in Exhibit "A"; and

WHEREAS, the Utility furnishes certain utility services to the Properties as more particularly set forth hereinafter, and Utility is willing to commit itself to continue to supply such utility services on the terms herein set forth.

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars (\$10.00) in hand paid by Lender to Utility, to induce

Lender to make certain loan accommodations to Rainbow Springs,
Limited, and other good and valuable consideration, the receipt
and sufficiency of which are hereby acknowledged, Utility hereby
covenants and agrees as follows:

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- 1. <u>Licensed Utility</u>. Utility represents itself to be duly licensed by the Florida Public Service Commission, authorized by law to provide the services set forth hereinafter, and that it has full power and lawful authority to enter into this covenant and Agreement and perform in accordance herewith.
- 2. Utility Services To Be Provided. Utility shall provide sanitary wastewater collection, treatment and disposal services (the "Sewer Services") and potable water treatment and distribution service (the "Water Services") to each of the Properties when and as needed by Owner, its successors and assigns, upon written notice by Owner to Utility as provided in Section 5, hereafter. Such Water Services and Sewer Services shall be provided by the Utility to locations internal to the subdivisions to be developed in the Properties, on commercially reasonable terms and conditions, provided that such services are subject to the utility tariffs and applicable rules and

regulations for such services approved from time to time by the Florida Public Service Commission.

- 3. <u>Capacity</u>. Utility covenants to make available at the Property sufficient water and wastewater treatment capacity to accommodate future development from time to time approved by applicable governmental agencies.
- 4. Cost of Certain Capital Improvements. The cost of extending force mains, sewer collection systems and potable water distribution systems shall be allocated between Utility and Owner on a commercially reasonable basis and consistent with tariffs, rules and regulations of the Florida Public Service Commission approved from time to time.
- 5. Refinancing Obligations of Utility. Utility is currently obligated to SouthTrust Bank of Central Florida (the "Utility Lender") for a loan in the amount of Two Million Five Thousand and No/100 Dollars (\$2,005,000.00) which loan is secured by a mortgage encumbering certain and real and personal assets of Utility as well as a guaranty by Owner. Such Utility Mortgage is recorded in Official Records Book 2135, Page 1667, Public Records of Marion County, Florida. Delaware National Investments Limited

Partnership, a Delaware limited partnership, as predecessor in interest to Lender, has heretofore subordinated the payments currently held by Lender encumbering title to the properties described in Exhibit "A" to the lien of such Utility Mortgage. Pursuant to the terms of such subordination, the Utility Lender has afforded to Lender the opportunity to cure any defaults under the Utility Loan and to acquire such loan in the event of default by Utility thereunder on terms and conditions satisfactory to Utility Lender and Lender. Utility hereby covenants and agrees that (i) any future financing will be on commercially reasonable terms, and Utility will advise Lender prior to completing any such financing, and (ii) prior to or in conjunction with any future financing encumbering any real or personal assets of Utility (each, a "Future Loan") (and so long as Lender is the holder of a mortgage encumbering, or owner of, title to the Properties or any portion thereof), as a condition to any such Future Loan, Utility shall enter into an agreement with Lender and any holder of such Future Loan which agreement shall contain terms mutually acceptable to Lender, Utility and such holder providing for mutual notices of default and rights in Lender to acquire such Future Loan and all collateral therefor, in the event of default by Utility thereunder. Utility hereby covenants

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not to further encumber any assets of Utility, except on the conditions above set forth.

6. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by a national commercial overnight delivery service. Any such notice or other communication, if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the business day of the sending if sent by 3 p.m. local time of the recipient, otherwise to be deemed received on the next business day, or if delivered by recognized commercial overnight delivery service shall be deemed to have been received upon receipt or refusal of delivery by the party to whom addressed. Notice of change of address or telecopier number shall also be governed by this section. Notices and other communications shall be addressed as follows:

## (a) if to Utility:

Rainbow Springs Utilities, L.C. c/o Chase Ventures, Inc. One Commercial Plaza Hartford, Connecticut 06103, USA

Attention: Cheryl Chase Freedman Telecopier No.: (203) 293-4297

with a copy to:

Rainbow Springs Utilities, L.C. Chase Ventures, Inc. One Commercial Plaza Hartford, Connecticut 06103, USA

Attention: John P. Redding Telecopier No.: (203) 293-4297

#### (b) if to Owner:

Rainbow Springs, Limited c/o Chase Ventures, Inc. One Commercial Plaza Hartford, Connecticut 06103, USA

Attention: Cheryl Chase Freedman Telecopier No.: (203) 293-4297

### (c) if to Lender:

Ranger Inc. c/o Fairfax Financial Holdings Limited 95 Wellington Street West P.O. Box 8, Suite 800 Toronto, Ontario, Canada M5J 2N7

Attention: Eric P. Salsberg Telecopier No.: (416) 367-4946

with a copy to:

Elias N. Chotas, Esq.
Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.
800 North Magnolia Avenue, Suite 1500
Orlando, FL 32803

Telecopier No.: (407) 423-1831

7. <u>Miscellaneous</u>. The foregoing commitments by Utility to provide service to the Properties shall bind the successors and assigns of Utility, and inure to the benefit of the Owner, as well as its successors and assigns. In addition, any entity which hereafter acquires title to any portion of the Property is deemed an intended beneficiary of this Utility Covenant and Agreement, including, but not limited to, Lender as the holder of a mortgage lien encumbering all or a portion of the Property. The covenants and agreements contained herein shall inure to the benefit of Lender, its successors and assigns.

IN WITNESS WHEREOF, the undersigned as the duly authorized representatives of Rainbow Springs Utilities, L.C., hereby set their hands and affix their respective corporate seals effective as of the day and year first above written.

RAINBOW SPRINGS UTILITIES, L.C., a Florida limited liability company, by its Members:

CHASE VENTURES, INC., a Delaware

Signed, sealed and delivered in the presence of:

Print Name: Annemaris V. Kosilla

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11/20/95 5:16pm

Cheryl Chase Freedman,

President

corporation

Print Name: Annemar & P. Kosilla

Print Name: JIOSEPH KORZENIK

MN Koulle Print Name: Annemare P. Kosilla

Print Name:

JOSERY KORZENIK

RAINBOW SPRINGS, LIMITED, a Florida limited partnership

By: CHASE VENTURES, INC., a
Delaware corporation, its
general partner

Cheryl Chase Freedman,

President

By: CVI ASSOCIATES LIMITED, a Florida limited partnership, its general partner

By: CHASE VENTURES, INC., a Delaware corporation, its general partner

Cheryl Chase Freedman,

Freedman, President