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MARSHALL WILLIS, DIRECTOR
DIVISION OF ACCOUNTING & FINANCE
(850) 413-6900

Public Service Commission

October 15, 2012

RECEIVED-FPSC
12 OCT 15 PM 3:51
COMMISSION
CLERK

Mr. Michael G. Cooke
Greenberg Traurig, P.A.
625 East Twiggs Street
Tampa, FL 33602

Re: Docket No. 120239-WS, Application for approval of transfer Wastewater Certificate 536-S and Water Certificate 625-W for Hidden Valley SPE LLC d/b/a Orange Lake to MHC OL Utility Systems, L.L.C.

Dear Mr. Cooke:

The above-referenced application has been received and reviewed by my staff. Please complete the following deficiencies and provide the requested additional information of MHC OL Utility Systems, L.L.C (MHC OL or Utility) to clarify the application.

Deficiencies

- 1. Purchase Price.** Rule 25-30.037(2)(g)1., Florida Administrative Code, (F.A.C.), requires the purchase price and terms of payment. Although the application includes information pertaining to the larger purchase of Hometown America, LLC (HAL), the application does not include a purchase price or terms of payment for the Utility. According to item 11 in the Utility's application, purchase price is listed as "at least the net book value" as decided by the Commission. For clarification purposes, does the Utility contend that the purchase price for the Utility is the rate base established by Order No. PSC-09-0647-PAA-WS? Please provide the purchase price and the terms of the payment that the Buyer has allocated to the Utility.
- 2. Purchased Assets.** Rule 25-30.037(2)(g)2., F.A.C., requires a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed. Although the application includes information pertaining to the larger purchase of HAL, the application does not include a specific dollar amount for the Utility's assets. Please provide the amount of the purchase price that the Buyer has allocated to the Utility's assets.
- 3. Considerations.** Rule 25-30.037(2)(g)3., F.A.C., requires a description of all considerations between parties, such as promised salaries, retainer fees, stock, stock options, and assumption of obligations. Please provide the specific information regarding considerations between parties.

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4. **Contract for Sale.** Rule 25-30.037(2)(h), F.A.C., requires the contract for sale shall provide the disposition, where applicable, of customer deposits and interest thereon; any guaranteed revenue contracts; developer agreements; customer advances; debt of the utility; and leases. Please provide information regarding the above-mentioned items.
5. **Utility Matters.** Rule 25-30.037(2)(j), F.A.C., requires a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters. Please provide information as outlined by the aforementioned rule.
6. **Certificate.** Rule 25-30.037(2)(t), F.A.C., requires a copy of the Utility's current certificate. Please provide the Commission with a copy of the Utility's current certificate. If the Utility is unable to locate the certificate, indicate the steps the Utility took to comply with this section of the rule.

Additional Information

1. **Condition of Systems.** According to DEP, a routine inspection survey of the Utility's wastewater system was conducted on September 13, 2012, which revealed three deficiencies. Please describe what actions have been taken to address these deficiencies and indicate when the deficiencies will be corrected.
2. **Utility Plant.** Order No. PSC-09-0647-PAA-WS established a total Plant in Service of \$1,185,085 for the Utility's water and wastewater system. However, according to the 2011 Annual Report, the Utility recorded a combined Plant in Service of \$1,218,098. Please provide a breakdown of the additions to the Utility's water or wastewater plant with a copy of all invoices and other support documentation if the plant addition has been completed or is in process.
3. **Sale Closing Date.** Please verify the date upon which the sale closed and the Buyer took over operation of the utility facilities.
4. **Home Owners Associations.** Does the mobile home park have a Home Owners Association (HOA)? If so, was the HOA notified of the sale of the mobile home park? A copy of the affidavit and notice sent pursuant to Section 723.071, F.S., should be submitted if the question is answered in the affirmative.
5. **Tariffs.** Rule 25-30.037(2)(s), F.A.C., requires the original and two copies of sample tariff sheets reflecting the change in ownership. The sample tariff sheets provided in the application are sufficient as this time. However, the Utility will need to update all pages in its water and wastewater tariffs to reflect the change in ownership if the transfer application is approved. Please provide an original and two copies of the Utility's complete water and wastewater tariffs reflecting the change in ownership.

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before November 14, 2012. When filing the response, please be sure to refer to the docket number and to direct the response to:

Mr. Michael G. Cooke
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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 contact Michael Lawson at (850) 413-6076 for legal questions, Robert Simpson at (850) 413-7001 for engineering questions, or Ana VanEsselstine at (850) 413-6435 for all other questions.

Sincerely,



Bart Fletcher
Public Utilities Supervisor
Bureau of Rate Filings and Surveillance

BF/av

cc: Division of Accounting & Finance (Maurey, Fletcher, Yeomans)
Division of Engineering (Ballinger, Simpson, Buys)
Office of Auditing & Performance Analysis (Daniel)
Office of the General Counsel (Lawson)
Office of Commission Clerk (Docket No. 120239-WS)