

STATE OF FLORIDA

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

Public Service Commission

December 17, 2013

Mr. Gary Deremer, President
HC Waterworks, Inc.
5320 Captains Court
New Port Richey, FL, 34652

Re: Docket No. 130171-WS - Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 507-W and 441-S of Aqua Utilities Florida, Inc. to The Woods Utility Company in Sumter County.

Dear Mr. Deremer:

In response to your answers received to the second deficiency letter from the Commission dated October 31, 2013, staff now believes that your application is complete. To further clarify the application, please find Staff's First Data Request (p.2), concerning the above referenced application.

We ask that you please provide a response to this data request by **January 16, 2014**. If you have any questions concerning the items identified below, please contact me by phone (850) 413-6970, or by e-mail at srieger@psc.state.fl.us, or Julia Gilcher by phone (850) 413-6230 or by e-mail at jgilcher@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink that reads "Stanley P. Rieger".

Stanley Rieger
US Engineering Specialist
Division of Engineering

SR:pz

cc: Division of Accounting & Finance (Frank)
Division of Economics (Thompson)
Division of Engineering (Rieger)
Office of the General Counsel (Gilcher)
Office of Commission (Stauffer)

Staff's First Data Request

1. Please provide a three-year budget that includes rate base, cost of capital, and net operating income. Please provide all supporting documentation, including information regarding the assumptions and forecasts relied upon. Please provide all work papers associated with the creation of the budget.

2. Per the Bill of Sale and the Application for Transfer (Exhibit D, Section 1.3: Consideration), the total purchase price for the assets was \$10. Per a review of the quit claim deed, a consideration of \$13,940 is shown. Please provide documentation explaining this discrepancy, as well as documentation of price paid including, but not limited to, a canceled check.

3. Pursuant to Rule 25-30.0371(4)(b)(2), Florida Administrative Code, if the purchase price was 50 percent of net book value or less, 50 percent of the negative acquisition adjustment shall be amortized over a seven-year period and 50 percent shall be amortized over the remaining life of the assets. What is the remaining life of the assets? Please provide supporting documentation for this determination.