

Diamond Williams

100085-WU

From: Marsha Rule [Marsha@reuphlaw.com]
Sent: Thursday, May 12, 2011 6:34 PM
To: Filings@psc.state.fl.us
Cc: Patti Daniel; Pat Brady; Caroline Klancke; Jay Williams
Subject: Docket No. 100085-WU
Attachments: 2011.05.12.pdf

The full name, address, telephone number, and e-mail address of the person responsible for the electronic filing:

MARSHA E. RULE
Rutledge, Ecenia & Purnell, P. A.
Post Office Box 551
Tallahassee, Florida 32302-0551
(850) 681-6788
marsha@reuphlaw.com

The docket number and title of docket:

Docket No. 100085-WU
In re: Certificate to operate a water utility in Lake County, Florida by Black Bear Reserve Water Company, Inc.

The name of the party on whose behalf the document is filed:

Black Bear Reserve Water Company, Inc.

The total number of pages in the attached document: 3

A brief but complete description of each attached document:

Letter to Patti Daniel

Marsha E. Rule, Attorney

Rutledge, Ecenia & Purnell, P.A.
119 South Monroe Street, Suite 202
Tallahassee, Florida 32301
P.O. Box 551
Tallahassee, Florida 32301-0551
marsha@reuphlaw.com
850.681.6788. Phone
850.681.6515 Fax

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RUTLEDGE, ECENIA & PURNELL

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

MICHAEL J. BARRY
STEPHEN A. ECENIA
RICHARD M. ELLIS
DIANA FERGUSON
MARTIN P. McDONNELL
J. STEPHEN MENTON
R. DAVID PRESCOTT

POST OFFICE BOX 551, 32302-0551
119 SOUTH MONROE STREET, SUITE 202
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (850) 681-6788
TELECOPIER (850) 681-6515

HAROLD F. X. PURNELL
MARSHA E. RULE
GARY R. RUTLEDGE
MAGGIE M. SCHULTZ
GABRIEL F.V. WARREN
GOVERNMENTAL CONSULTANTS
MARGARET A. MENDUNI

May 12, 2011

Ms. Patti Daniel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 100085-WU
Black Bear Reserve Water Corporation

Dear Ms. Daniel:

Black Bear Reserve Water Corporation provides the following in response to Staff's request for information dated April 19, 2011:

1. Financial ability: Black Bear Reserve Water Corporation's 2010 annual report is not yet available, as the utility requested and received a filing extension until June 30, 2011. The utility's balance sheet as of December 31, 2010 and 2010 income statement are not yet available because the utility has not yet completed its original cost study, which is required for depreciation inputs, among other things.

2. Technical ability: The utility has been managed by Florida Utility Group, LLC, since October 19, 2010, which has been in the business of providing management, operations and maintenance services to water and wastewater providers since 2003. Its principals have owned and operated water and wastewater systems for over twenty years and provided assistance to other water and wastewater systems during that time. Florida Utility Group, along with its associated entities, employs a team of 50 people, including planners, computer specialists, plant operators, regulatory compliance and maintenance personnel.

Florida Utility Group provides "turn key" management for Black Bear Reserve Water Corporation, including but not limited to accounting, operations, repair, regulatory compliance, meter reading, billing, and resolution of customer concerns. The DEP-certified water system operators are Stan Pingot (C-14937), Ray Mayo (C-6830) and Dennis Muldoon (C-5980). Operator staffing is currently six days a week, but soon will be increased to seven days a week.

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3. Environmental compliance: The utility has applied to St. Johns Water Management District for a consumptive use permit for its potable water system. The application is pending under number 2-069-127569-1. The DEP permit number is PWS-3354938 and there are no current outstanding violations.

4. Tariff: The utility will provide a revised tariff and cost justification as requested.

5. Proof of ownership: Property deeds are not revised following a name change of either the grantor or grantee and thus the utility has no plans to submit a corrective deed reflecting its recent name change. The utility notes, however, that Upson Downs Limited Partnership stipulated to ownership of the property in question (see Stipulation filed in this docket on March 8, 2011). Further, the utility's pending lawsuit against Upson Downs Limited Partnership and its principals in Lake County Circuit Court Case No. 2011 CA 000842 includes a claim for reformation of the deed, among other things.

6. Customer complaints: The utility currently bills on a per-gallon basis subject to a base of 5000 gallons. The utility employs electronic meters, which are read electronically once a month. The information collected from each meter is downloaded into an RVS utility billing software, and a bill is generated. A report of the meter reads is printed each month that provides data for each meter reading. The data also is retrievable from the billing system. Upon customer request or complaint, the management company will visit the property and visually read the meter.

The utility is not aware of any complaints regarding record retrieval and thus is uncertain what information Staff is requesting regarding this issue. However, it did receive a complaint from one customer who was unhappy because the billing system would not reprint an original bill. Instead, the system prints a duplicate bill or statement on 8 ½" by 11" paper (rather than the post-card size original), which includes the legend "Reprinted Billing Statement." The customer was not satisfied and indicated that she did not consider this a bill because it was a "billing statement". The utility does not believe this complaint indicates a need for any corrective measures.

7. Books and records: The utility has implemented the NARUC Uniform System of Accounts.

On behalf of Black Bear Reserve Water Corporation, I respectfully request an extension of time through June 30, 2011, to provide the items listed in No. 1 and 4, above. In order to give Commission Staff sufficient time to complete its review of the additional material, the utility will agree to extend the time period stated in Section 367.031, Florida Statutes, through August 23, 2011. Please let me know if this time will be sufficient.

RUTLEDGE, ECENIA & PURNELL

Ms. Patti Daniel

May 13, 2011

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Thank you for your assistance in this matter. Please feel free to call if you have any questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Marsha E. Rule". The signature is written in black ink and is positioned above the printed name.

Marsha E. Rule