

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

December 14, 2011

RECEIVED - FPSC
11 DEC 14 AM 9:20
COMMISSION
CLERK

Mr. Gerard P. Connolly, Jr.
Raintree Harbor Utilities, LLC
P.O. Box 350065
Grand Island, FL 32735

Re: Docket No. 110302-WU, Application for transfer of Raintree Utilities, Inc.'s Raintree Harbor water system in Lake County to Raintree Harbor Utilities, LLC, granting a water certificate to Raintree Harbor Utilities, LLC, and amending Certificate No. 539-W held by Raintree Utilities, Inc.

Dear Mr. Connolly:

Staff has reviewed the above-referenced application filed by Raintree Harbor Utilities, LLC (buyer) on behalf of Raintree Utilities, Inc. (seller) and the following additional information will be necessary to clarify the application.

Additional Information

- 1. Public Interest.** Rule 25-30.037(2)(j), Florida Administrative Code (F.A.C.), requires that the application include a statement indicating how the transfer is in the public interest, including, among other things, a showing of the buyer's financial ability to provide service. Please provide a showing of the buyer's financial ability to provide service, such as a recent personal financial statement showing the buyer's assets and liabilities.
- 2. Net Book Value.** Rule 25-30.037(2)(l), F.A.C., requires the net book value of the system as of the date of the proposed transfer. If rate base has previously been established by the Commission, the rule requires the order number and date issued and the identity of all adjustments made to update that rate base to the date of transfer. The application indicates rate base was last established for the Raintree Harbor water system in the amount of \$57,852, as of September 2008, by Order No. PSC-08-0483-PAA-WU, issued July 25, 2008, in Docket No. 070627-WU. The application estimates rate base for the Raintree Harbor water system as \$51,048, as of December 31, 2010. However, Raintree's 2010 annual report indicates a net book value for the Raintree Harbor water system of \$69,420. Please provide documentation supporting the estimated net book value of \$51,048 using the National Association of Regulatory Commissioners' Uniform System of Accounts.

08931 DEC 14 =
FPSC - COMMISSION CLERK

Mr. Gerard P. Connolly, Jr.

Page 2

December 14, 2011

3. **Proof of Ownership.** Rule 25-30.037(2)(q), F.A.C., requires that the application contain evidence that the utility owns the land upon which the utility treatment facility is located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. Please provide a draft of the conveyance which will transfer ownership, or long-term use, of the land under the Raintree Harbor water treatment facility from the seller to the buyer should the transfer be approved. The conveyance does not need to be executed nor recorded until the Commission makes a determination on the transfer.
4. **Tariff.** Rule 25-30.037(2)(q), F.A.C., requires the original and two copies of sample tariff sheets reflecting the change in ownership. While the application contained a sample tariff for the transfer of ownership to the buyer, a sample tariff deleting references to the Raintree Harbor water system will need to be submitted for the seller. Please contact staff for the specific changes that will be necessary to seller's existing tariff.
5. **System Capacity Charge.** In your proposed tariff on Original Sheet No. 26.0, you requested a system capacity charge of \$250. The seller's current service availability charges tariff lists a meter installation charge of \$193.00, with no other charges. It is staff's understand that the Raintree Harbor water system is built-out. Please explain why you are proposing a \$250.00 system capacity charge.

For questions with any of the requested information and for assistance with Item No. 4., above, please contact Patricia Brady at (850) 413-6686 or pbrady@psc.state.fl.us. Otherwise, please file your response to the requested information on or before January 12, 2012. Your response should identify the Docket Number and either be filed electronically at filings@psc.state.fl.us or mailed to:

Ann Cole, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Sincerely,



Patti Daniel
Public Utilities Supervisor
Bureau of Certification, Economics, and Tariffs

PD:pb

cc: Division of Economic Regulation (Brady, Walden)
Office of the General Counsel (Young)
Office of Commission Clerk (Docket No. 110302-WU)