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DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

February 10, 2012

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COMMISSION  
CLERK

Mr. John L. Wharton  
Sundstrom, Friedman & Fumero, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301

**Re: Docket No. 090445-WS, Application for original certificates for proposed water and wastewater system and request for initial rates and charges in Indian River, Okeechobee and St. Lucie counties by Grove Land Utilities, LLC.**

Dear Mr. Wharton:

Due to the length of time that has elapsed since Grove Land Utilities, LLC's (Grove Land, applicant, utility) initial application was filed, staff requests updated information on the following items. If there is other updated information relevant to the application, please provide that as well.

1. **Financial Ability.** Rule 25-30.033(1)(r), Florida Administrative Code (F.A.C.), requires a detailed financial statement of the financial condition of the applicant for the preceding calendar or fiscal year. Rule 25-30.033(1)(s), F.A.C., requires a list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. When originally filed, the application indicated that Grove Land did not yet have a detailed financial statement. Instead, Grove Land was relying on its ultimate parent, Evans Properties, Inc. (Evans), for funding and provided Evans' 2008 Consolidated Financial Report. If Grove Land does not yet have a detailed financial statement and is still relying on Evans for its funding, please provide Evans' most recent financial statement.
2. **Proof of Ownership.** Rule 25-30.033(1)(j), F.A.C., requires evidence the utility has, or will have, ownership or long-term use of the land under the proposed water and wastewater treatment facilities. The application contains executed water and wastewater lease agreements for a primary term of 20 years.
  - a. Please clarify whether these lease agreements were terminated on the one-year anniversary pursuant to Item 6 of the lease agreements, or whether they remained in effect by payment of delay rentals or the provisions of force majeure in Item 11 of the lease agreements.

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- b. If still effective, please clarify the provisions necessary to extend the lease agreements beyond the primary term pursuant to retention of acreage in Item 9 of the lease agreements.
  - c. If still effective, please resubmit the lease agreements with attached legal descriptions of the proposed Phase I water and wastewater leased premises.
  - d. If the lease agreements were terminated, please provide an instrument which shows that the applicant will either own or have long-term use of the land under the proposed Phase I water and wastewater treatment facilities, including a legal description of the leased premises. The instrument need not be executed nor recorded until an order is issued granting certificates.
3. **Territory.** Rules 25-30.033(1)(l), (m), and (n), F.A.C., require a description of territory to be served, detailed system map(s), territory map(s). To the extent the applicant's proposed service territory was affected by any of the settlement agreements, please provide a revised description of territory to be served with revised system and territory maps. Otherwise, please affirm that the territory information contained in the application remains current.
4. **Cost Study.** Rules 25-30.033(1)(t), (u), and (v), require projected cost information, operating expenses, and capital structure by uniform system of accounts at 80% of the design capacity of the systems.
- a. If any of the information provided in the original cost study has changed, such as the utility's cost of capital, please provide the necessary revised schedules and tariff sheets.
  - b. Also, as current practice for original certificates, staff requests that the utility's service availability policy includes separate water and wastewater main extension charges, in lieu of donated lines, as well as meter installation charges.

If you have questions on any of the requested information, please feel free to contact technical staff, Patricia Brady at (850) 413-6686 or [pbrady@psc.state.fl.us](mailto:pbrady@psc.state.fl.us), or legal staff, Ralph Jaeger at (850) 413-6234 or [rjaeger@psc.state.fl.us](mailto:rjaeger@psc.state.fl.us). In order for the Commission to meet the statutory deadline set out in Section 367.031, Florida Statutes, it must receive your response no later than February 17, 2012. The response may either be filed electronically at [filings@psc.state.fl.us](mailto:filings@psc.state.fl.us) or mailed directly to the Office of the Commission Clerk.

Sincerely,



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

PD:pb:lr

cc: Division of Economic Regulation (Brady, Chase, Rieger)  
Office of the General Counsel (Jaeger)  
Office of Commission Clerk (Docket No. 090445-WS)