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## STATE OF FLORIDA



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

## Hublic Service Commission

June 6, 2013

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

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Re: Docket No. 130105-WS - Application for certificates to provide water and wastewater service in Hendry and Collier Counties, by Consolidated Services of Hendry & Collier, LLC.

Dear Mr. Wharton:

In addition to the deficiencies noted in staff's May 28, 2013 letter to you, staff also found the following deficiencies in Consolidated Services of Hendry & Collier, LLC's application for original water and wastewater certificates.

1. Pursuant to Rule 25-30.033(1)(e) Florida Administrative Code (F.A.C.), the applicant should provide a statement showing the financial and technical ability of the applicant to provide service, and the need for service in the proposed area. The statement shall identify any other utilities within the area proposed to be served that could potentially provide service, and the steps the applicant took to ascertain whether such other service is available. Please identify all applicable utilities that could potentially provide service to Consolidated Services of Hendry & Collier, LLC.

2. Pursuant to Rule 25-30.033(1)(r), F.A.C., the applicant should provide detailed financial statements (balance sheet and income statement), certified if available, of the financial condition of the applicant, that show all assets and liabilities of every kind and character. The income statement shall be for the preceding calendar or fiscal year. If an applicant has not operated for a full year, then the income statement shall be for the lesser period. Staff has received the balance sheet statement of the Utility's parent company, however the income statement was not received. Please provide the income statement of the Utility's parent company. DOCUMENT NUMBER-DAT

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- 3. Pursuant to Rule 25-30.033(1)(s), F.A.C., the applicant should provide 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. Please provide an explanation of the amount of funding that the Utility is relying upon.
- 4. Pursuant to Rule 25-30.033(3), F.A.C., the return on common equity shall be established using the current equity leverage formula established by order of this Commission pursuant to Section 367.081(4), Florida Statutes, unless there is competent substantial evidence supporting the use of a different return on common equity. Please provide a statement explaining the appropriate return on common equity to be used by the Utility.

Your response to this letter should be filed with the Commission on or before July 8, 2013. When filing the response, please include the docket number and direct the response to the Director, Office of the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. If you have any questions please call Mrs. Melinda Watts at (850) 413-6952, or Ms. Caroline Klancke at (850) 413-6220.

Sincerely,

and Vicher

Paul Vickery Chief, Bureau of Reliability & Resource Planning

TB:mw

cc: Kelly Thompson (ECO) Avy Smith (AFD) Stan Rieger (ENG) Melinda Watts (ENG) CLK for docket file