

SUNDSTROM,
FRIEDMAN & FUMERO, LLP

Attorneys | Counselors

2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301

PHONE (850) 877-6555
FAX (850) 656-4029

October 4, 2013

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COMMISSION
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Ms. Ann Cole
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 130229-WS; Application for amendment of territory for Certificate Nos. 622-W and 564-S in Volusia and Brevard Counties by Farmton Water Resources LLC
Our File No. 36029.04

Dear Ms. Cole,

In response to Staff's deficiency letter dated September 26, 2013 in the above-referenced docket, I am filing this letter and attachments in order to respond to the alleged deficiencies therein. I have repeated the wording of the staff's alleged deficiency before each response.

1. Pursuant to Rule 25-30.036(3)(l), Florida Administrative Code, the applicant should provide a detailed statement regarding the proposed method of financing the construction. In lieu of providing the detailed financial statement, FWC referred staff to the documents filed in its application for an original wastewater certificate in Docket 110298-SU (Farmton Water Resources LLC). This is not sufficient for a detailed analysis of FWC's current financial condition. Please provide a current detailed statement regarding the proposed method of financing the construction as required by Commission rule.

Farmton Water Resources LLC Response: While the deficiency suggests that a financial statement is required by the provisions of Rule 25-30.036(3)(l), a review of the specific rule wording does not require a financial statement. It does, however, require a statement regarding the proposed method of financing the construction and the projected impact on the utility's capital structure. However, in order to accommodate staff, we are providing the statement below and we have also attached hereto a recent balance sheet for both Farmton Management LLC, the parent company, and Farmton Water Resources LLC, the regulated utility.

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Farmton Water Resources LLC intends to finance all required construction of water and wastewater facilities necessary in order to serve the areas

outlined in the amendment application in this docket by infusion of equity capital. The utility has in the past financed all necessary improvements through 100% equity investment funded as necessary by the parent company. The utility and its parent company have ample financial resources to meet any and all financing needs through the infusion of cash from the utility's own ample financial resources and those of its parent company. The utility's parent company has previously assured the Commission through affidavits that it will ensure the availability of funds for all of the utility's needs as and when necessary, and continues to make such assurances.

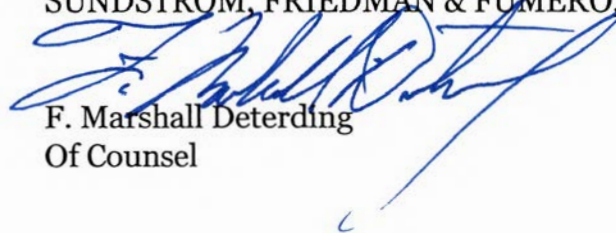
2. Pursuant to Rule 25-30.036(3)(l), F.A.C., the applicant should also provide the projected impact on the utility's capital structure. The projected impact on the utility's capital structure was not provided.

Farmton Water Resources LLC Response: The utility's capital structure as outlined in the previous filings and in its annual report is composed of 100% equity. The financing of any construction to the water or wastewater facilities necessitated by this amendment application through additional equity infusion will have no impact on the utility's capital structure other than to increase the overall amount of equity in the utility companies.

I trust that the above information and the attached financial statements adequately respond to the information that the staff requires. Should you need anything further in this regard or have any further questions with regard to the application, we will be more than happy to supply it.

Sincerely,

SUNDSTROM, FRIEDMAN & FUMERO, LLP



F. Marshall Deterding
Of Counsel

FMD/brf

cc: Paul Vickery
Lydia Roberts
Melinda Watts
Caroline Klancke, Esquire
David Fuechtman, Esquire
Barbra Goering, Esquire
Glenn Storch, Esquire
Mike Brown

FARMTON WATER RESOURCES LLC

STATEMENTS OF FINANCIAL POSITION - INCOME TAX BASIS AS OF AUGUST 31, 2013

	<u>8/31/2013</u>
ASSETS:	
Utility:	
Cash and interest bearing bank deposits	\$ 422,206.21
Accounts receivable	-
Deferred expenses	363,664.92
Wells (net of depreciation)	27,802.85
Pumping equipment (net of depreciation)	186.28
Organizational expenses (net of amortization)	8,395.99
Certification expenses (net of amortization)	675,319.08
Total Utility	<u>1,497,575.33</u>
Non-utility:	
Organizational expenses - subsidiary (net of amortization)	120,653.54
Investment in subsidiary	2,849,022.19
Total Non-utility	<u>2,969,675.73</u>
TOTAL ASSETS	<u><u>\$ 4,467,251.06</u></u>
LIABILITIES AND MEMBER'S EQUITY:	
Liabilities:	
Utility - Accounts payable	\$ 17.00
Non-utility - Accounts payable	-
Total Liabilities	<u>17.00</u>
Member's Equity:	
Additional paid-in capital	5,533,873.47
Retained earnings	(1,066,639.41)
Total Member's Equity	<u>4,467,234.06</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 4,467,251.06</u></u>

FARMTON MANAGEMENT LLC

STATEMENTS OF FINANCIAL POSITION - INCOME TAX BASIS AS OF AUGUST 31, 2013

	<u>8/31/2013</u>
ASSETS:	
Cash and interest bearing bank deposits	\$ 337,272.43
Accounts receivable	-
Land	164,854.63
Timber (net of depletion)	13,164.12
Investment in subsidiaries	5,763,491.44
TOTAL ASSETS	<u><u>\$ 6,278,782.62</u></u>
LIABILITIES AND MEMBER'S EQUITY:	
Liabilities:	
Total Liabilities	<u>-</u>
Member's Equity:	
Additional paid-in capital	7,329,913.70
Retained earnings	(1,051,131.08)
Total Member's Equity	<u>6,278,782.62</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u><u>\$ 6,278,782.62</u></u>

See notes to the financial statements.