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Public Service Commission

August 29, 2014

Martin S. Friedman, Esquire
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746
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Via E-mail

Re: Docket No. 140145-SU - Application to transfer assets and Certificate No. 550-S from Utility Corporation of Florida, Inc. to South Highlands Investment Corporation in Highlands County.

Staff has reviewed the above-referenced application for authority to transfer the facilities and certificate of Utility Corporation of Florida, Inc. (Utility) to South Highlands Investment Corporation (South Highlands) and has identified the following deficiencies.

Deficiencies

1. **Assets and Liabilities.** Rule 25-30.037(2)(g)(2), Florida Administrative Code (F.A.C.) requires a list of and the dollar amount of the assets and liabilities assumed or not assumed of non-regulated operations or entities. Please provide a list of the specific assets and liabilities including the dollar amounts allocated to each.
2. **Additional Consideration.** Rule 25-30.037(2)(g)(3), F.A.C., requires a description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, and assumption of obligations. Please provide a statement describing the existence or non-existence of all items of consideration along with a description of all consideration between the buyer and the seller.
3. **Books and Records.** Rule 25-30.037(2)(n), F.A.C., requires that if the books and records of the seller are not available for inspection by the Commission or are not adequate for purposes of establishing net book value of the system, a statement by the buyer that a good faith, extensive effort has been made to obtain such books and records for inspection by the Commission and detailing the steps taken to obtain the books and records.
4. **Financial Statements.** Rule 25-30.037(k), F.A.C., requires a list of all entities upon which the applicant is relying funding to the buyer, 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 current financial statements of any person or entity with an ownership interest of 10 percent or greater.

5. **Filing Fee.** Rule 25-30.020(2)(c), F.A.C., states that for applications in which the utility to be transferred has the capacity to serve from 501 to 2,000 ERCs, the filing fee is \$1,500. Based on the Utility's application for an original certificate in Docket No. 080079-SU, in which the Utility stated that it was serving 310 units at that time, with future development projected to increase that number to 900 units, staff believes that the correct filing fee for the instant application is \$1,500. The Utility paid a filing fee of \$750. Please remit the \$750 balance.

For assistance with the above requested information, please contact technical staff, Melinda Watts at (850) 413-6952 or mwatts@psc.state.fl.us, or legal staff Kyesha Mapp at (850) 413-6230 or kmapp@psc.state.fl.us. Otherwise, please file your response on or before September 29, 2014 with Carlotta Stauffer, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850.

Sincerely,

/s/ Kyesha Mapp

Kyesha Mapp
Attorney

KRM:as

cc: Office of Commission Clerk
Division of Engineering (Watts)
Division of Economics (Roberts)
Division of Accounting and Finance (Frank, Prestwood)