

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 24, 2015
TO: Carlotta Stauffer, Commission Clerk, Office of Commission Clerk
FROM: John Villafrate, Senior Attorney, Office of the General Counsel
RE: Docket Number 150012-WS - Application for transfer of Certificate 390-W from County-Wide Utility Co., Inc. to Southwest Ocala Utility, Inc. in Marion County.

Please place the attached correspondence from F. Marshall Deterding in the referenced docket file.

JEV/as
Attachment

June 23, 2015

www.sfflaw.com

John Villafrate, Senior Attorney
Office of General Counsel
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 150012-WU, Application for transfer of Certificate 390-W from County-Wide Utility Co., Inc. to Southwest Ocala Utility, Inc. in Marion County.

Dear Mr. Villafrate:

In response to your letter to Dirk Leeward dated May 8, 2015, I am providing the following information in order to comply with the requirements of Rule 25-30.037(2)(g)(2), Florida Administrative Code.

Regulated water utility assets purchased and liabilities assumed

Assets - As of December 31, 2013, the plant in service acquired had an original cost of \$222,352 and accumulated depreciation of \$93,858 for a net book value of \$128,494. The specifics concerning the amounts in NARUC accounts are reflected in the utility's annual report dated December 31, 2013.

Liabilities- The customer deposits in the amount of \$8,352.94 including accrued interest as of that date of transfer, have been transferred and will be assumed by the new utility.

Unregulated water facilities

Also acquired by the purchaser was the unregulated water transmission main interconnection which was required to be removed from the utility's books by Commission Order No. PSC-07-0604-FOF-WU. This main had a gross original cost of \$684,693 as calculated by the Commission in the above-referenced 2007 Order and had related accumulated depreciation as of December 31, 2013 of \$133,155 for a net book value per the Commission of \$551,538. The current owner does not agree with the Accumulation of Depreciation on an asset not yet allowed in rate base.

Unregulated sewer facilities

Also acquired were the sewer system assets which are not regulated and have not yet been placed in service. Those assets have an original cost of \$267,142 and no depreciation has accrued on those sewer assets since they have not been placed in service as of the current date.

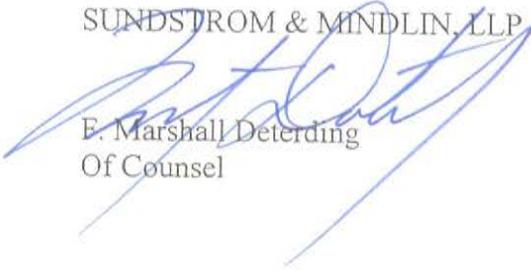
John Villafrate, Senior Attorney
June 23, 2015
Page 2

As previously noted in Mr. Leeward's filing on March 17, 2015, all of these assets were acquired as part of a foreclosure proceeding in exchange for a note with principal and accrued interest, costs and fees in the total amount of \$1,006, 746.91.

If you have any questions in this regard or need any further information, please let me know.

Sincerely,

SUNDSTROM & MINDLIN, LLP



E. Marshall Deterding
Of Counsel

FMD/brf