

STATE OF FLORIDA



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# Public Service Commission

February 15, 2016

Ms. Meghan O. Serrano  
PO Box 49948  
Sarasota, FL 34230-6948  
mserrano@slk-law.com

via email and US Mail

**Re: Docket No. 160023-WU - Application for transfer of majority organizational control of Sunny Shores Water Company, Inc., holder of Certificate No. 578-W in Manatee County, from Jack E. Mason to Jack E. Mason, II and Debbie A. Mason.**

Dear Ms. Serrano:

Commission staff has reviewed the application for transfer (application) submitted on January 15, 2016, on behalf of Sunny Shores Water Company, Inc. (utility). After reviewing this information we find the application to be deficient. The specific deficiencies are identified as:

- 1. Federal Employment Identification Number.** Rule 25-30.037(2)(d), Florida Administrative Code (F.A.C.), requires that the applicant provide specified information relating to the utility, including the Federal Employer Identification Number (FEIN). The applicant did not provide the FEIN. Please provide the FEIN.
- 2. Florida Department of State, Division of Corporations Documentation.** Rule 25-30.037(2)(f)1. and 2., F.A.C., requires that the applicant provide the nature of the buyer's business organization, and documentation from the Florida Department of State, Division of Corporations, showing: (1) The utility's business name and registration/document number for the business, unless operating as a sole proprietor; and, (2) The utility's fictitious name and registration number for the fictitious name, if operating under a fictitious name. Please provide the required documentation from the Florida Department of State, Division of Corporations.
- 3. Asset Purchase Agreement.** Rule 25-30.037(2)(i), F.A.C., requires the applicant to file a copy of the contract for sale and all auxiliary or supplemental agreements. If the sale, assignment, or transfer occurs prior to Commission approval, the contract shall include a provision stating that the contract is contingent upon Commission approval. Please provide an executed, dated, copy of the contract.

4. **Assets and Liabilities.** Rule 25-30.037(2)(j)3., F.A.C., requires the applicant to file a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of non-regulated operations or entities. Please provide a list of the specific assets and liabilities including the dollar amounts allocated to each.
5. **Additional Consideration.** Rule 25-30.037(2)(j)4., F.A.C., requires the applicant to provide a description of all consideration between the parties, including 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.
6. **Provisions of Transfer.** Rule 25-30.037(2)(j)5., F.A.C., requires the applicant to file provisions for the disposition, where applicable, of customer deposits and interest thereon, guaranteed revenue contracts, developer agreements, customer advances, debt of the utility, and leases. Please provide a statement concerning the above-mentioned items.
7. **Books and Records Maintenance.** Rule 25-30.037(2)(j)8., F.A.C., requires the applicant to provide a statement that the utility's books and records will be maintained using the 1996 National Association of Regulatory Utilities Commissioners (NARUC) Uniform System of Accounts (USOA), incorporated by reference in Rule 25-30.115, F.A.C. Please provide a statement affirming proper format and presentation of the utility's books and records.
8. **Location of Books and Records.** Rule 25-30.037(2)(j)9., F.A.C., requires the applicant to provide a statement that the utility's books and records will be maintained at the utility's office(s) within Florida, or that the utility will comply with the requirements of paragraphs 25-30.110(1)(b) and (c), F.A.C., regarding maintenance of utility records at another location or out-of-state. If the records will be maintained at the utility's office(s), the statement should include the location where the utility intends to maintain the books and records. Please provide a statement concerning the location of books and records and compliance with out-of-state standards, if applicable.
9. **Financial Ability.** Rule 25-30.037(2)(l)1., F.A.C., requires the applicant to file a detailed financial statement (balance sheet and income statement), audited if available, of the financial condition of the applicant, that shows all assets and liabilities of every kind and character. The financial statements shall be for the preceding calendar or fiscal year. The financial statement shall be prepared in accordance with Rule 25-30.115, F.A.C. If available, a statement of the sources and uses of funds shall also be provided. Please provide a detailed financial statement representing the financial condition of the applicant.
10. **Financial Funding.** Rule 25-30.037(2)(l)2., F.A.C., requires the applicant to file a list of all entities, including affiliates, upon which the buyer is relying to provide funding to the utility and an explanation of the manner and amount of such funding. The list need not include any person or entity holding less than 5 percent ownership interest in the utility. The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities' ability to provide funding, such as financial

statements. Please provide a list of all applicable entities and any appropriate financial statements or agreements.

11. **Fees, Fines, or Refunds.** Rule 25-30.037(2)(t), F.A.C., requires the applicant to provide a statement regarding the disposition of outstanding regulatory assessment fees, fines, or refunds owed and which entity will be responsible for paying regulatory assessment fees and filing the annual report for the year of the transfer and subsequent years. Please provide a statement concerning the above-mentioned items.
12. **Tariffs.** Rule 25-30.037(2)(u), F.A.C., requires tariff sheets reflecting any changes resulting from the transfer. Form PSC 1010 (12/15), entitled "Water Tariff," which is incorporated by reference in Rule 25-30.033, F.A.C., is an example tariff that may be completed by the applicant and included in the application. This form is also available on the Commission's website, [www.floridapsc.com](http://www.floridapsc.com). Please provide a tariff as required by the Rule.

Your application will not be deemed filed until the deficiencies identified in this letter have been corrected. This correction should be submitted no later than March 16, 2016 to the following address:

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Should you have any questions concerning the information in this letter, please feel free to contact Ms. Melinda Watts by phone at (850) 413-6952 or e-mail [mwatts@psc.state.fl.us](mailto:mwatts@psc.state.fl.us) for technical questions, or Ms. Margo Leathers by phone at (850) 413-6076 or e-mail [mleather@psc.state.fl.us](mailto:mleather@psc.state.fl.us) for legal questions. Please include the docket number on all submissions to the Commission Clerk.

Sincerely,

*/s/ Margo A. Leathers*

Margo A. Leathers  
Office of General Counsel

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cc: Office of Commission Clerk