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Public Service Commission

December 20, 2016

D. Bruce May, Jr., Esquire
Holland & Knight LLP
315 South Calhoun Street, Suite 600
Tallahassee, FL 32301
bruce.may@hkllaw.com

VIA US MAIL AND EMAIL

Re: Docket No. 160238-WS - Application of B & C Water Resources, L.L.C. and D & E Water Resources, L.L.C. for transfer of majority organizational control.

Dear Mr. May:

Staff reviewed the application for transfer of organizational control (application) submitted on November 15, 2016, on behalf of B & C Water Resources, L.L.C. (B&C) and D & E Water Resources, L.L.C. (D&E). After reviewing this information we find the application to be deficient. The specific deficiencies are identified as:

- 1. Seller Information.** Rule 25-30.037(2)(c), Florida Administrative Code (F.A.C.), requires that the applicant provide a telephone number and, and if available, its email address and fax number. The applicant did not provide a telephone number, email address, or fax number. Please provide a telephone number as well as the buyer's email address and fax number, or state that the requested information is unavailable if applicable.
- 2. Buyer Information.** Rule 25-30.037(2)(d), F.A.C., requires that the applicant provide specified information relating to the buyer, including a telephone number and Federal Employer Identification Number (FEIN), and if available, its email address and fax number. The applicant did not provide a telephone number, the FEIN, email address, or fax number. Please provide a telephone number and FEIN. Please also provide the buyer's email address and fax number, or state that the requested information is unavailable if applicable.
- 3. 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.

4. **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.
5. **Purchase Price and Terms of Payment.** Rule 25-30.037(2)(j)2., F.A.C., requires the applicant to file documentation of the terms of the transfer that include the purchase price and terms of payment. Please provide the documentation containing this information.
6. **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.
7. **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.
8. **Books and Records of the Seller.** Rule 25-30.037(2)(j)7., F.A.C., requires the applicant has or will obtain the books and records of the seller, including all supporting documentation for rate base additions since the last time rate base was established for the utility. Please provide a statement affirming the above-mentioned item.
9. **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.
10. **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
11. **Tariffs.** Rule 25-30.037(2)(u), Florida Administrative Code (F.A.C.) requires a copy of the tariff sheets reflecting any changes resulting from the transfer. Please provide the tariff sheets.

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12. Notice of Application and Legal Description. Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, F.A.C., require the utility to provide notice of its application for transfer. Rule 25-30.030(4)(b), F.A.C., requires that the notice contain the name, address, telephone number, and, if available, email address, and fax number of the applicant. Please amend the notices to include the telephone number of the applicant, and if available, an email address, and fax number.

Your application will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than January 20, 2017, to the following address:

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

Should you have any questions concerning the information in this letter, please feel free to contact Ms. Emily Knoblauch by phone at (850) 413-6632 or by email at eknoblau@psc.state.fl.us for technical questions, or Ms. Kyesha Mapp by phone at (850) 413-6230 or by email at kmapp@psc.state.fl.us for legal questions. Please include the docket number on all submissions to the Commission Clerk.

Sincerely,



Emily Knoblauch
Engineering Specialist
Division of Engineering

EK:pz

cc: Office of the Commission Clerk (Docket No. 160238-WS)