

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

October 16, 2018

Mr. Michael Smallridge
Alturas Water, LLC
3336 Grand Boulevard, Suite 102
Holiday, FL 34690
mike@FUS1LLC.com

VIA EMAIL & US MAIL

Re: Docket No. 20180175-WU – Application to transfer facilities and Certificate No. 628-W in Polk County from Alturas Utilities, L.L.C. to Alturas Water, LLC.

Dear Mr. Smallridge:

Staff reviewed the application for transfer (application) submitted on September 14, 2018, on behalf of Alturas Utilities, L.L.C. and Alturas Water, LLC (Applicant or Buyer). After reviewing this information we find the application to be deficient. The specific deficiencies are identified as:

1. **Filing Fee.** Rule 25-30.037(2)(a), Florida Administrative Code (F.A.C.), requires that the applicant remit a filing fee pursuant to Rule 25-30.020(2)(c), F.A.C., which states:

For an application for transfer or change in majority organizational control filed pursuant to Section 367.071, F.S., the amount of the fee shall be as follows:

1. For applications in which the utility to be transferred has the capacity to serve up to 500 ERCs, \$750;

Therefore, with 309 ERCs (equivalent residential connections) for water, the correct filing fee for the application is \$750. Please remit the appropriate filing fee.

2. **Ownership.** Rule 25-30.037(2)(g), F.A.C., requires the name(s), address(es) and percentage of ownership of each entity or person that owns or will own more than a 5 percent interest in the utility. Please provide the required information for each entity or person that owns or will own more than a 5 percent interest in the Utility.

3. **Purchase Price.** Rule 25-30.037(2)(j)2, F.A.C., states that the buyer must provide documentation detailing the purchase price and terms of payment for the transfer. The documentation provided in the application reflects the combined purchase price of both **Alturas Utilities, LLC and Sunrise Utilities, LLC**. It does not indicate how the purchase price is allocated or assigned to each utility. Please identify the purchase price allocated to Alturas Utilities, LLC separately.
4. **Condition of the System.** Rule 25-30.037(2)(q), F.A.C., requires that, if the system is in need of repair or improvement, the applicant provide the governmental authority that required the repairs and the approximate cost to complete the repairs or improvements. Please identify the governmental authority that requires the repairs and replacements, and provide a schedule showing the estimated costs for the repairs and replacements described in Exhibit 9 of the application.
5. **Permits.** Rule 25-30.037(2)(r)l., F.A.C., requires that the applicant provide a copy of the utility's current permits from the DEP and the water management district. Please provide a copy of the Utility's DEP and/or water management district permits.
6. **DEP Reports.** Rule 25-30.037(2)(r)2., F.A.C., requires that the applicant provide a copy of the most recent DEP and/or county health department sanitary survey, compliance inspection report, and secondary standards drinking water report. Please provide the most recent secondary standards drinking water report.
7. **Tariff Sheets.** Rule 25-30.037(2)(u), F.A.C., requires that the applicant provide a copy of the Tariff sheets reflecting any changes resulting from the transfer.
8. **Economies of Scale.** Rule 25-30.037(2)(v), F.A.C., requires that if the buyer currently owns other water or wastewater utilities that are regulated by this Commission, provide a schedule reflecting any economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities. Please provide a schedule reflecting the economies of scale that are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both Alturas Utilities, LLC and the buyer's other utilities.
9. **Notice of Application.** Rule 25-30.030(4), F.A.C., requires that the notice of application be provided to the Office of Commission Clerk, for Commission staff approval, prior to distribution. Please provide a draft notice for staff review.
10. **Notice of Application.** Rule 25-30.030(6), F.A.C., states that all applications requiring noticing shall be deemed deficient until affidavits of noticing required by Sections 367.045(1)(e) and (2)(f), Florida Statutes, along with a copy of the notice, are filed with the Office of Commission Clerk. After staff has reviewed and approved the notice of application, and the notices have been distributed in accordance with Rule 25-30.030(5), F.A.C., please provide affidavits of noticing.

Mr. Michael Smallridge
Page 3
October 16, 2018

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 **October 31, 2018**, 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 Mr. Clayton Lewis by phone at (850) 413-6578 or by email at clewis@psc.state.fl.us for technical questions, or Ms. Johana Nieves by phone at (850) 413-6632 or by email at jnieves@psc.state.fl.us for legal questions. Please include Docket No. 20180175-WU on all submissions to the Commission Clerk.

Best Regards,



Clayton Lewis
U.S. Engineering Specialist
Bureau of Reliability and Resource Planning
Division of Engineering

CL/pz

cc: Office of Commission Clerk (Docket No. 20180175-WU)