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DIVISION OF REGULATORY OVERSIGHT
DANIEL M. HOPPE, DIRECTOR
(850) 413-6480

Public Service Commission

October 3, 2000

Ms. Gena F. Larison
533 E. Crystal Lake Drive
Avon Park, Florida 33825

Re: Docket No. 991889-WS, Application for transfer of Certificate Nos. 525-W and 454-S in Highlands County from Crystal Lake Club to CWS Communities LP d/b/a Crystal Lake Club.

Dear Ms. Larison:

This letter is a follow up to the review and subsequent telephone call to your office concerning deficiencies which still exist with your application for transfer. These deficiencies need to be cured in order for us to process your application.

Deficiencies

1. Copy of the contract for sale and all additional agreements: Pursuant to Rule 25-30.037(2)(g) and (h), F.A.C., a copy of the contract for sale of the utility and all auxiliary or supplemental agreements are to be submitted. The agreements shall include, if applicable:
 - (a) Purchase price of the utility and terms of payment.
 - (b) A list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities.
 - (c) A description of all consideration between the parties, for example, promised salaries, retainer fees, stock, stock options, assumption of obligations.

The contract for sale shall also provide for the disposition, where applicable, of the following:

- (1) Customer deposits and interest thereon;
- (2) Any guaranteed revenue contracts;
- (3) Developer agreements;
- (4) Customer advances;
- (5) Debt of the utility; and

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(6) Leases.

A review of the Real Estate Exchange and Contribution Agreement does not address these issues. In fact, none of the contractual information you have submitted specifically refers to the transfer of the utility. Please provide a copy of the transfer closing documents or contract for sale which refer to the transfer of the utility. These documents should also address the above deficiency issues. If such a document is not available, please provide a statement from the buyer addressing these issues.

2. **Additional statements:** Pursuant to Rule 25-30.037(2)(j), F.A.C., a statement is to be provided which addresses: how the transfer is in the public interest; a summary of the buyer's experience; a showing of the buyer's financial ability to provide service; and that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters. No statement was provided addressing whether the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters. Please provide a statement addressing this missing subject area.
3. **Tariff Sheets:** Pursuant to Rule 25-30.037(2)(s), F.A.C., an original and two copies of tariff sheets reflecting the change in ownership are to be submitted. Please submit new tariffs - all "original sheets", including the same information on the existing tariffs with the exceptions of the name, which should read "CWS Communities LP d/b/a Crystal Lake Club" and changing the name and title of the issuing officer, if appropriate. For your convenience, copies of the model tariffs in WordPerfect 6.1 format are provided on the enclosed diskette.
4. **Notices of actual application:** Pursuant to Rule 25-30.030, F.A.C., specific styled notices are to be submitted to government bodies and other utilities as well as customers and for publication. Proof of notices are to be provided with notarized affidavits. The affidavit concerning delivery of notices to every resident was signed by Patricia Towle and witnessed by Gena Larison. The affidavit provided in June had Gena Larison's signature notarized but not Patricia Towle. Please provide a affidavit with the signature of the actual person who delivered the notices notarized.
5. **Transfer without prior Commission approval:** Pursuant to Section 367.071, Florida Statutes, no transfer is to take place without prior Commission approval. This section was modified effective June 11, 1999, to allow for transfer prior to commission approval if the contract for sale, assignment, or transfer is made contingent upon commission approval. Therefore, if the closing took place prior to June 11, 1999, or if the sales contract did not have wording making the contract contingent upon approval of the Commission, please provide a statement explaining why the closing took place prior to receiving Commission approval.

Ms. Gena F. Larison
Page 3
October 3, 2000

In addition to these deficiencies, the staff also requests the following additional information.

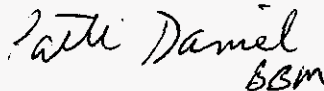
1. The application contains a **special warranty deed** in the name of CWS Communities, L.P. for parcels 5 and 6. In order to show that the land has been dedicated to the utility (CWS d/b/a Crystal Lake Club), please provide documentation in the form of a recorded affidavit or other cost-effective alternative that clearly indicates such intent. Please contact Ms. Alice Crosby at (850) 413-6222, if you have any questions.
2. Please provide a copy of the utility's territory description on a 3.5 inch disk in WordPerfect 6.1 for Windows format or other word processing format, if possible. This will prevent any typographical errors when we prepare the recommendation.

The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before **October 31, 2000**. When filing the response, please be sure to reference the docket and to direct the response to :

**Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

Should you have any questions concerning the information requested in this letter, please contact Ms. Stephanie Clapp, of my staff, at (850) 413-6997.

Sincerely,



Patti Daniel
Chief, Bureau of Certification

PD/sc
attachment

cc: Kathryn G.W. Cowdery, Esquire
Division of Water and Wastewater (lowe, Messer, Clapp, Redemann)
Division of Legal Services (Crosby)
Division of Records and Reporting