

STATE OF FLORIDA

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TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

August 08, 2008

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COMMISSION  
CLERK

Mr. David Welch  
c/o TLP Water, Inc.  
P.O. Box 1074  
Tavares, Florida 32778

Re: Docket No 080499-WU Application for certificate to operate water utility in Lake County by TLP Water, Inc.

Dear Mr. Welch:

After reviewing the application in the above referenced docket, staff has identified the following deficiencies and additional information needed to complete our review and processing of the application. Enclosed is a copy of Rule 25-30.034, Florida Administrative Code to assist you in correcting the deficiencies listed below.

Deficiencies

1. Noticing. As required by Section 367.045(1) (a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, the utility must provide notice of the application and provide affidavits that the notice was given to the governing bodies of the municipality, county or counties, the customers and privately owned water and wastewater utilities that hold certificates granted by the Public Service Commission. Enclosed is a list of the entities to notice. Please provide a copy of the notice of the application to the governing bodies of the municipality, county or counties, the customers and privately owned water and wastewater utilities and affidavits of noticing as required by Rule 25-30.030, Florida Administrative Code. Enclosed is a copy of Rule 25-30.030, Florida Administrative Code and an example of a notice.
2. Financial & Technical ability. As required by Rule 25-30.034(1)(e), Florida Administrative Code, please provide a statement regarding the applicant's financial and technical ability. As evidence of financial ability to provide water service to the area please provide a detailed financial statement (balance sheet, along with a copy of the applicant's 2007 tax return, and income statement), of the financial condition of the applicant, that shows all assets and liabilities. The financial statements should demonstrate that the applicant has the capital resources to support the financial needs of the utility. In addition, provide a list of all entities and affiliates, upon which the applicant is relying to provide funding to the utility. If the utility has licensed personnel operating the facility please provide a statement to this fact and the individuals name and DEP certification

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- numbers of these operators. Also, please provide a copy of the latest DEP Sanitary Survey for the water system.
3. Ownership or continued use of land. Pursuant to Rule 25-30.034(1)(e), Florida Administrative Code, the application is to include evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. Please provide the required documentation.
  4. Water tariff. Please submit the original and two copies of the model water tariff containing all rates, classifications, rules and regulations, which are consistent with Chapter 25-9, Florida Administrative Code. A copy of the model tariff is assessable on the PSC website at <http://www.floridapsc.com>. Please submit water rates on the water tariff. In addition, please submit a copy of a customer bill, which contains all information required by Rule 25-30.335(1), Florida Administrative Code.
  5. Rates and Charges. Please provide a statement listing the date and under what authority the current rates and charges were established, as required by Rule 25-30.034(1) (g), Florida Administrative Code.
  6. Territory. In addition, provide a description of the territory to be served, using township, range and section references as specified in subsection 25-30.034(1)(h), Florida Administrative Code.
  7. System map. Rule 25-30.034(1) (i), Florida Administrative Code, requires one copy of a detailed system map showing the lines, treatment facilities and the territory to be served. Please submit a map with of sufficient scale and detail to enable correlation with the description of the territory to be served.
  8. Territory maps. Rule 25-30.034(1) (j), Florida Administrative Code, requires that the proposed territory be plotted on the territory maps by use of metes and bounds or quarter sections, and with a defined reference point of beginning. Please submit maps to show metes and bounds or quarter sections, with a defined reference point of beginning.
  9. Permits. Rule 25-30.034(1) (k), Florida Administrative Code, requires the numbers and dates of any permits for the system by the Department of Environmental Protection (DEP). Please submit the required information for the water system.
  10. In Service date. Pursuant to Rule 25-30.034(1)(l) Florida Administrative Code, provide the date the utility was established.

Additional Information

1. Please provide a cost study and/or support for the proposed rates. Please include a schedule showing the original cost of the water utility assets, depreciation and contributions in aid of construction and the operating expenses of the utility using the National Association of Regulatory Utility Commissioners Uniform system of accounts (NARUC USOA) and a schedule showing the proposed capital structure.
2. Please provide the annual gallons used to calculate the monthly gallonage charge for water rates.

3. Please provide a copy of the most recent income tax return for the corporation, including a depreciation schedule showing whether the utility assets are being depreciated.
4. Please provide a description and the acreage of the parcels on which the water treatment facilities are located. When was the land for the water facilities dedicated to public service and, what was the value of the land at that time?
5. Please provide a statement regarding who will provide the billing, accounting, legal, and/or customer services. The statement should include detailed information as to how the proposed costs are determined for each of the services listed. If services to operate and manage the utility are currently under contract, please provide a copy of the contract. Also, provide a list that includes names and duties of the utility employees.
6. Does the utility have any commercial customers? If the utility has commercial customers please provide all available usage data for residential and commercial customers for the most recent twelve month period.
7. Please submit a copy of the utility's proposed service availability policy. The policy should describe who is responsible for the construction of on-site and off-site lines, hydrants, meter installations, and whether the facilities constructed by the developer will be conveyed to the utility.
8. Are there other utilities within the area that might be able to provide service to this territory? Does the applicant own other water and wastewater utility systems or companies?
9. Do the utility customers have individual septic tanks to handle wastewater?
10. What is the capacity of the water plant? How many wells does the utility have?
11. Please provide a schedule showing the revenue and expenses for the utility operations for the most recent twelve month period.

TLP Water, Inc. has been operating as a nonprofit cooperative providing water service only to its members pursuant to Section 367.022(7), Florida Statutes. However, a complaint was filed indicating that the utility is providing service to residents that aren't members of the cooperative. By providing water service to customers who are not members of the cooperative, TLP Water, Inc. becomes a utility, regulated by the Public Service Commission. The utility needs a water certificates, approved rates, and should comply with all applicable Florida Statutes and Florida Administrative Code Rules that apply to utilities regulated by this Commission. As a regulated utility Section 367.161, Florida Statutes, authorizes the Commission to assess a penalty of not more than \$5,000 for each offense, if a utility is found to have knowingly refused to comply with, or have willfully violated any Commission rule, or provision of Chapter 367, Florida Statutes.

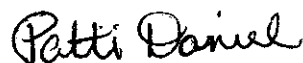
The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before **September 14, 2008**. When filing the response, please be sure to refer to the docket number and direct the response to:

Mr. David Welch  
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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 contact Tom Walden at 850-413-6950 or Cheryl Johnson at 850-413-6984.

Sincerely,



Patti Daniel  
Public Utilities Supervisor  
Bureau of Certification, Economics & Tariffs

PD/CAJ:kb  
Enclosures

cc: Division of Economic Regulation (Walden)  
Office of the General Counsel (Young)  
~~Office of Commission Clerk (Cole)~~  
Mr. William Carey

**LIST OF WATER AND WASTEWATER UTILITIES IN LAKE COUNTY  
(VALID FOR 60 DAYS)  
08/06/2008 - 10/04/2008**

<u>UTILITY NAME</u>	<u>MANAGER</u>
<u>LAKE COUNTY</u>	
AQUA UTILITIES FLORIDA, INC. (WS881) 762 WEST LANCASTER AVENUE BRYN MAWR, PA 19010-3402	KIMBERLY A. JOYCE (610) 645-1077
BRENDENWOOD WATER SYSTEM, INC. (WU020) 3153 PENWA COURT LONGWOOD, FL 32779-3109	DEBORAH J. DAY (352) 383-7908
CENTURY ESTATES UTILITIES, INC. (WU725) P. O. BOX 1234 APOPKA, FL 32704-1234	JOSEPH LINARTAS (352) 787-0732
COLINA BAY WATER COMPANY, LLC (WU900) 160 EGLINTON AVENUE EAST, SUITE 500 TORONTO, ONTARIO M4P 3B5 CANADA,	SHELDON FENTON (416) 440-2904 EXT 220
CWS COMMUNITIES LP (WU839) 14 CORAL STREET EUSTIS, FL 32726-6710	HOLLY SIMPSON (352) 589-1190
HARBOR HILLS UTILITIES, L.P. (WU727) 6538 LAKE GRIFFIN ROAD LADY LAKE, FL 32159-2900	ADAM RICH (352) 753-7000
HIDDEN VALLEY SPE LLC D/B/A ORANGE LAKE (WS892) 15840 STATE ROAD 50, LOT 32 CLERMONT, FL 34711-8715	GARY MORSE (352) 382-3414
LAKE UTILITY SERVICES, INC. (WU553) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4027	PATRICK C. FLYNN (407) 869-1919
LAKE UTILITY SERVICES, INC. (WS641) 200 WEATHERSFIELD AVENUE ALTAMONTE SPRINGS, FL 32714-4027	PATRICK C. FLYNN (407) 869-1919
LAKE YALE TREATMENT ASSOCIATES, INC. (WS823) 38141 MAYWOOD BAY DRIVE LEESBURG, FL 34788-8134	DANNY ELLIS (352) 589-9214
OAK SPRINGS, LLC (WU875) 1886 CANOVA STREET S. PALM BAY, FL 32909-2931	MICHAEL CAMPBELL (321) 837-0565

**LIST OF WATER AND WASTEWATER UTILITIES IN LAKE COUNTY  
(VALID FOR 60 DAYS)  
08/06/2008 - 10/04/2008**

UTILITY NAME

MANAGER

GOVERNMENTAL AGENCIES

ADMINISTRATOR, CITY OF UMATILLA  
P. O. BOX 2286  
UMATILLA, FL 32784-2286

CLERK, BOARD OF COUNTY COMMISSIONERS, LAKE COUNTY  
P. O. BOX 7800  
TAVARES, FL 32778-7800

DEP CENTRAL DISTRICT  
3319 MAGUIRE BLVD., SUITE 232  
ORLANDO, FL 32803-3767

DEP SOUTHWEST DISTRICT  
3804 COCONUT PALM DRIVE  
TAMPA, FL 33618-8318

EAST CENTRAL FLORIDA PLANNING COUNCIL  
631 NORTH WYMORE ROAD, SUITE 100  
MAITLAND, FL 32751

MAYOR, CITY OF CLERMONT  
P. O. BOX 120219  
CLERMONT, FL 32712-0219

MAYOR, CITY OF EUSTIS  
P. O. DRAWER 68  
EUSTIS, FL 32727-0068

MAYOR, CITY OF FRUITLAND PARK  
506 WEST BERCKMAN STREET  
FRUITLAND PARK, FL 34731-3200

MAYOR, CITY OF GROVELAND  
156 SOUTH LAKE AVENUE  
GROVELAND, FL 34736-2597

MAYOR, CITY OF LEESBURG  
P. O. BOX 490630  
LEESBURG, FL 32749-0630

MAYOR, CITY OF MASCOTTE  
P. O. BOX 56  
MASCOTTE, FL 34753-0056

**LIST OF WATER AND WASTEWATER UTILITIES IN LAKE COUNTY  
(VALID FOR 60 DAYS)  
08/06/2008 - 10/04/2008**

UTILITY NAME

STATE OFFICIALS

MANAGER

STATE OF FLORIDA PUBLIC COUNSEL  
C/O THE HOUSE OF REPRESENTATIVES  
THE CAPITOL  
TALLAHASSEE, FL 32399-1300

OFFICE OF COMMISSION CLERK  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL 32399-0850

**25-30.034 Application for Certificate of Authorization for Existing Utility Currently Charging for Service.**

(1) Each existing utility currently charging for service, which is applying for an initial certificate of authorization, other than under Section 367.171, F.S., shall provide the following information:

- (a) The utility's complete name and address;
  - (b) The nature of the utility's business organization, i.e., corporation, partnership, limited partnership, sole proprietorship, association, etc.;
  - (c) The name(s) and address(es) of all corporate officers, directors, partners, or any other person(s) owning an interest in the utility;
  - (d) A statement regarding the financial and technical ability of the applicant to continue to provide service;
  - (e) Evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative;
  - (f) One original and two copies of a model tariff, containing all rates, classifications, charges, rules, and regulations, which shall be consistent with Chapter 25-9, F.A.C. Model tariffs are available from the Division of Economic Regulation, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850;
  - (g) A statement specifying on what date and under what authority the current rates and charges were established;
  - (h) A description of the territory to be served, using township, range and section references as specified in subsection 25-30.030(2), F.A.C.;
  - (i) One copy of a detailed system map showing the lines, treatment facilities and the territory to be served. Any territory not served at the time of the application shall be specifically identified on the system map. The map shall be of sufficient scale and detail to enable correlation with the description of the territory to be served;
  - (j) One copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning;
  - (k) The numbers and dates of any permits issued for the systems by the Department of Environmental Protection;
  - (l) The date the utility was established;
  - (m) A statement explaining how and why applicant began providing service prior to obtaining a certificate of authorization; and
  - (n) A schedule showing the number of customers currently served, by class and meter size, as well as the number of customers projected to be served when the requested service territory is fully occupied.
- (2) If the applicant is requesting any territory not served at the time of application, provide the following:
- (a) A statement showing the need for service in the proposed area; and
  - (b) A statement that to the best of the applicant's knowledge, the provision of service in this territory will be consistent with the water and wastewater sections of the local comprehensive plan as approved by the Department of Community Affairs at the time the application is filed, or, if not consistent, a statement demonstrating why granting the territory would be in the public interest.

*Specific Authority 350.127(2), 367.121, 367.1213 FS. Law Implemented 367.045, 367.1213 FS. History—New 1-27-91, Amended 11-30-93.*