

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of ) DOCKET NO. 900556-WU  
assets from Ideal Development, Inc. to )  
Southern States Utilites, Inc. and ) ORDER NO. 23505  
amendment of Certificate No. 106-W. )  
ISSUED: 9-18-90

The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, Chairman  
THOMAS M. BEARD  
BETTY EASLEY  
GERALD L. GUNTER  
FRANK S. MESSERSMITH

ORDER APPROVING TRANSFER

AND

NOTICE OF PROPOSED AGENCY ACTION  
ORDER ESTABLISHING RATE BASE AND SETTING  
RATES AND CHARGES

BY THE COMMISSION:

Notice is hereby given by the Florida Public Service Commission that the action discussed herein is final except for the establishment of rate base and the setting of rates and charges, which are preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

Background

On June 18, 1990, Southern States Utilities, Inc. (SSUI or Utility) filed an application with this Commission for amendment of Certificate No. 106-W to include additional territory in Lake County. SSUI is acquiring a water system in the territory from Ideal Development, Inc. (Ideal). The system serves Quail Ridge Estates, a mobile home village. The closing has not occurred, pending approval of the transfer by this Commission.

DOCUMENT NUMBER-DATE

06305 SEP 18 1990

PSC-RECORDS/REPORTING

The Quail Ridge system will be constructed and donated to SSUI by Ideal. The system will serve 113 equivalent residential connections (ERCs) at build-out.

#### Application

SSUI incorrectly filed its application pursuant to Section 367.061, Florida Statutes, instead of Section 367.045, Florida Statutes. Upon being advised of its mistake, SSUI re-noticed pursuant to Section 367.045, Florida Statutes. The application is now in compliance with Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an amendment of a certificate. In particular, the notarized application contains:

- 1) A filing fee in the amount of \$150, as prescribed by Rule 25-30.020, Florida Administrative Code.
- 2) Adequate service territory and system maps and a territory description, as prescribed by Rule 25-30.035, Florida Administrative Code. The territory is described in Attachment A of this Order.
- 3) Evidence, in the form of a warranty deed, that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.035(f), Florida Administrative Code, shall be provided within 20 days after the closing of the sale.
- 4) Proof of notice of application to all governmental and regulatory agencies and all utilities within a four-mile radius of the territory, and proof of advertisement in a newspaper of general circulation in the county, as prescribed by Rule 25-30.030, Florida Administrative Code. No objections to the notice of application have been received and the time for filing such has expired.

SSUI serves several residential projects in close proximity to Quail Ridge Estates. Although several small utilities are located near Quail Ridge, SSUI is closer. In addition, the other utilities do not have the capacity, desire or plans to serve the area.

SSUI owns or operates approximately 140 water and wastewater systems in 24 counties in Florida. The Utility has been incorporated for nearly three decades and has demonstrated that it can effectively operate water and wastewater systems. SSUI has the ability to operate the Quail Ridge system without impairing its own financial integrity or service to its other systems.

Therefore, we find that the transfer is in the public interest and it is approved. SSUI is directed to submit Certificate No. 106-W within 30 days of the date of the order so that it may be amended to reflect the territory described in Attachment A. The utility should submit appropriate tariff amendments which reflect the action taken herein within 30 days of the date of this Order.

#### Rate Base

According to the application, the estimated cost of the system is \$200,000. The assets of the water system will be donated by Ideal to SSUI, pursuant to an agreement between SSUI and Ideal dated April 10, 1990. According to the agreement, SSUI will pay Ideal \$5,000 at the 50th connection and another \$5,000 at the 100th connection. Any payments that SSUI makes to Ideal subsequent to the closing of the sale will be dealt with in a rate proceeding.

While the notion of paying cash subsequent to receiving contributed property is uncommon, the arrangement is not improper nor should it be the basis for denial of the request for transfer and amendment of Certificate No. 106-W. Therefore, since the transfer of assets will not involve the payment of money at the time of transfer, rate base is determined to be zero as of the date of transfer. Further, since no rate base exists and since no money is to be provided in payment at the transfer date, an acquisition adjustment is not appropriate in this proceeding.

#### Rates and Charges

SSUI has requested to charge the rates and charges which are currently approved for its other Lake County systems. Those rates and charges are as follows:

WATER  
Residential and General Service Rates  
Bi-Monthly

<u>Meter Size</u>	<u>Rate</u>
5/8 x 3/4"	\$ 11.14
Full 3/4"	16.73
1"	27.88
1-1/2"	55.77
2"	89.23
3"	178.44
4"	278.83
6"	557.66
<u>Gallonage Charge</u> per 1,000 gallons	\$ 1.40

Meter Installation Fee

<u>Meter Size</u>	
5/8 x 3/4"	\$ 75.00
Full 3/4"	85.00
1"	100.00
1-1/2"	175.00
2" or larger	Actual Cost

Service Line Fees

Short Service Line	\$150.00
Long Service Line	175.00
Long Service Line	200.00

Miscellaneous Service Charges

<u>Description</u>	<u>Charge during Regular Hours</u>	<u>Charge after Regular Hours</u>
(1) Initial Connection	\$ 10.00	\$ 15.00
(2) Normal Reconnection	\$ 10.00	\$ 15.00
(3) Violation Reconnection	\$ 10.00	\$ 15.00
(4) Premises Visit Charge	\$ 5.00	N/A
<u>Customer Deposit</u>		\$ 25.00

ORDER NO. 23505  
DOCKET NO. 900556-WU  
Page 5

We find these rates and charges to be reasonable. Therefore, SSUI's request to charge the customers of Quail Ridge Estates, the rates set forth above is hereby approved, until authorized to change by this Commission.

It is, therefore,

ORDERED by the Florida Public Service Commission that the transfer of assets from Ideal Development, Inc., Post Office Box 916216, Longwood, Florida 32791, to Southern States Utilities, Inc., 1000 Color Place, Apopka, Florida 32703, is hereby approved. Southern States shall submit Certificate No. 106-W to this Commission within 30 days of the date of this Order for appropriate entry. It is further

ORDERED that rate base, for purposes of this transfer, is zero. It is further

ORDERED that Southern States shall charge the customers in the territory added herein the rates and charges previously approved for its other systems in Lake County, as set forth in the body of this Order. It is further

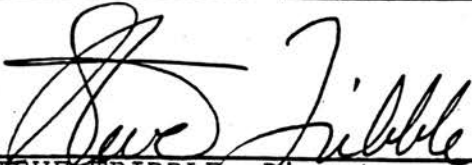
ORDERED that Southern States is directed to file tariff sheets reflecting the territory described in Attachment A and the rates and charges approved herein within 30 days of the date of this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition in the form provided by Rule 25-22.36, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event that this Order becomes final, this docket shall be closed.

ORDER NO. 23505  
DOCKET NO. 900556-WU  
Page 6

By ORDER of the Florida Public Service Commission,  
this 18th day of SEPTEMBER, 1990.

  
\_\_\_\_\_  
STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ALC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action establishing rate base and setting rates and charges is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 9, 1990. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.



Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

**Legal Description of  
Quail Ridge Estates**

**Parcel 2**

The Northeast 1/4 of the Northwest 1/4 of Section 25, Township 18 South, Range 25 East, Lake County, Florida, lying Southerly and Westerly of C-452, together with that part of Government Lot 7, in Section 24, Township 18 South, Range 25 East, further described as:

For a point of reference, begin at the Southwest corner of said Section 24, thence run N 89°43'19" E along the South line of Government Lot 8, 1328.53 feet to the Southwest corner of above said Government Lot 7, thence continue N 89°43'19" E along the South Line of Government Lot 7, 33.00 feet to the Point of Beginning: thence departing said South line of Government Lot 7, run N 00°17'48" W parallel with the West line of said Government Lot 7, 482.94 feet thence run N 89°43'19" E parallel with the above said South Line of Government Lot 7 483.72 feet to the Southwesterly Right-of-Way line of C-452, thence S 47°50'03" E along said Southwesterly Right-of-Way line 715.61 feet to the above said South line of Government Lot 7, thence run S 89°43'19" W along said South line 1011.64 feet to the Point of Beginning.

Containing 47.14 acres, more or less.