

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

JUNE 13, 1991

TO : DIRECTOR OF RECORDS AND REPORTING

FROM : DIVISION OF WATER AND SEWER (REDEMANN) *RRAC*
DIVISION OF LEGAL SERVICES (A. CROSBY) *CB*

RE : UTILITY: SOUTHERN STATES UTILITIES, INC.
~~DOCKET NO. 910394-WU~~
COUNTY: LAKE
CASE: APPLICATION FOR AMENDMENT OF CERTIFICATE NO.
106-W

AGENDA : JUNE 25, 1991 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

CRITICAL DATES: NONE

CASE BACKGROUND

Southern States Utilities, Inc. (Southern States) provides water and wastewater services in twenty-four counties in Florida and owns or operates around 140 water and wastewater systems of various sizes and types serving thousands of customers. The annual report for 1989 shows that the consolidated annual operating revenue for the intrastate system is \$4,638,000 and the net operating income is \$903,000. The utility is a Class A utility company under FPSC jurisdiction.

On March 18, 1991 the utility applied for an amendment to Water Certificate No. 106-W in Lake County, Florida to include the Palisades Country Club system, which is in the process of being constructed. When the system is completed it is anticipated that the utility will serve 950 residential customers, and one general service customer. The design capacity of the water treatment plant is .576 mgd.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 910394-WU
JUNE 13, 1991

Staff has authority to administratively approve applications for amendment pursuant to APM 2.08(c)(5), when no protests have been filed. However, in this case, the applicant has not been able to provide evidence that the utility owns the land upon which the utility's treatment facilities are located, as discussed in Issue 1. Therefore, staff is bringing this case to the Commission for decision.

granted the additional territory described in Attachment A. Further, the utility should be required to file a recorded warranty deed for the water treatment plant site within 60 days of the date of the order. (Redemann, A. Crosby)

STAFF ANALYSIS: On March 18, 1991, Southern States Utilities, Inc. filed its application for amendment of its water certificate to include additional territory in Lake County. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for amendment of certificate with the exception of land ownership, which is discussed below. The application contains a check for \$900, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(1)(e), (f) and (i), Florida Administrative Code. A description of the territory requested by the utility is appended to this memorandum as Attachment A. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission. In addition, the application contains proof of compliance with the noticing provisions set forth in 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.

As mentioned in the case background, the applicant has not provided evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.036(1)(d), Florida Administrative Code. The application contains a copy of the recorded warranty deed for the property in the name of Palisades Golf Partners. Southern States is purchasing the water treatment plant, storage system and plant site from Minneola Harbour Hills, Ltd. Minneola Harbour Hills, Ltd. and Palisades Golf Partners are related. They have the same general partner, namely Mr. Robert Davis. Since they are related parties, staff believes that the utility should not have any problem obtaining the recorded warranty deed. Upon closing of the

DOCKET NO. 910394-WU
JUNE 13, 1991

purchase, the warranty deed will be transferred to Southern States. Closing will not take place until the Commission has approved this application. Therefore, staff recommends that Southern States be required to file a copy of the recorded warranty deed in the name of the utility within 60 days of the date of the order approving the application. It should also be noted that Southern States executed a contract for purchase of the water distribution system from Canam Palisades Ltd., who is not related to Palisades Golf Partners, or Minneola Harbour Hills, Ltd. Canam Palisades Ltd. plans to develop the residential community surrounding the Palisades Golf Course.

Southern States is in the business of acquiring, owning, expanding and operating utility systems, and has the expertise and financial ability to provide Palisades Country Club customers with quality service.

According to the utility, the provision of service will be consistent with the local comprehensive plan, which has not been approved by the Department of Community Affairs. Also, the local planning agency was provided notice of the application and did not file a protest to the amendment. Staff has contacted the Department of Environmental Regulation and learned that they have issued permits to build the water treatment plant and the water distribution system. The water treatment plant is being reviewed for clearance. Some water distribution lines have already been cleared.

Based on the above information, staff believes it is in the public interest to grant the application of Southern States Utilities, Inc. for amendment of Certificate No. 106-W, and to require the utility to file a recorded warranty deed within 60 days of the date of the order. The utility has returned the certificate for entry to include the additional territory and filed revised tariff sheets that reflect the amended territory description.

ATTACHMENT A

SOUTHERN STATES UTILITIES, INC.

SERVICE TERRITORY DESCRIPTION

PALISADES COUNTRY CLUB

Township 22 South, Range 25 East, Lake County, Florida.

Section 1

The SE 1/4 of the NW 1/4, and the E 1/2 of the SW 1/4, and the N 1/2 of the SE 1/4 and the SE 1/4 of the SE 1/4 of said Section 1.

Section 3

The W 1/2 of the SW 1/4 of said Section 3.

Section 4

The S 3/4 of the E 1/2 of the SE 1/4 of said Section 4.

Section 9

The N 1/2 of the NE 1/4 of the NE 1/4 and the E 1/2 of the NW 1/4 of the NE 1/4 of said Section 9.

Section 11

All of that portion of said Section 11 lying northwesterly of the shoreline of Lake Minneola.

Section 12

The NE 1/4 of the NE 1/4 and the E 1/2 of the NW 1/4 of the NE 1/4 and that portion of the W 410 feet of the E 1/2 of the SW 1/4 of the NE 1/4 of said Section 12 that is lying northeasterly of the shoreline of Lake Minneola and the N 310 feet of the E 250 feet of the E 1/2 of the SW 1/4 of the NE 1/4 of said Section 12 and that portion of the W 925 feet of the NW 1/4 of said Section 12 lying northerly of County Road 561-A and the N 910 feet of the E 1810 feet of the NW 1/4 of said Section 12 less and except the S 210 feet of the E 1017 feet.

Section 14

The S 205 feet of the W 430 feet of the N 1114 feet of the NW 1/4 of said Section 14.

Section 15

The N 1450 feet of the E 1/2 of the E 1/2 of the NE 1/4 of said Section 15.

DOCKET NO. 910394-WU
JUNE 13, 1991

ISSUE 2: What rates and charges should apply to the additional territory?

RECOMMENDATION: The rates and charges contained in the utility's tariff on file with the Commission should be applied to service in the additional territory. (Redemann)

STAFF ANALYSIS: The utility's approved rates for Lake County were effective December 23, 1990 pursuant to a price index rate adjustment and service availability charges were effective July 30, 1990. The Lake County uniform monthly rates and service availability charges are designed to cover the capital and operating costs of the utility. Staff recommends that these rates and charges be applied to customers in the new service territory.

DOCKET NO. 910394-WU
JUNE 13, 1991

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. (A. Crosby)

STAFF ANALYSIS: Yes, this docket may be closed administratively upon proof of ownership of the land as outlined in Issue 1.

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