

STATE OF FLORIDA

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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(904) 413-6900

ORIGINAL

Public Service Commission

October 22, 1997

Mr. Charles deMenzes
Tradewinds Utilities, Inc.
1732 NE 25th Avenue
Ocala, FL 34470

Re: Docket No. ~~921174~~ 921174-WS; Application for an Amendment of Certificates Nos. 342-W and 405-S by Tradewinds Utilities, Inc. in Marion County.

Dear Mr. deMenzes:

After reviewing the application in the above referenced docket, the staff has identified the following deficiencies. Please correct and/or provide additional information as requested.

1. As required by Rule 25-30.036(3)(i), Florida Administrative Code, the utility must provide one copy of the official county tax 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. Although a map was provided, we could not correlate the territory description to the map. It appears the area of the George S. May Subdivision lies outside of the territory description. Please provide a larger map, so we can correlate the description with the map.

2. As required by Rule 25-30.036(3)(e), Florida Administrative Code, provide a description of the territory proposed to be served, using township, range and section references as specified in Rule 25-30.030(2). Although a description was provided, the description does not appear to properly describe the area. It appears the area is actually the North 1/4 of the SW 1/4 all lying West of the Seaboard System Railroad. Please check the description and advise. If the description provided is in error, the utility will have to renotice.

3. As required by Rule 25-30.036(3)(d), Florida Administrative Code, provide evidence that the utility owns the land upon which the utility treatment facilities that will serve the proposed territory are located or a copy of an agreement, such as a 99-year lease, which provides for the continued use of the land. The application stated N/A. Ownership of the land is required. Please submit.

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4. As required by Rule 25-30.036(3)(o), Florida Administrative Code, provide the original and two copies of sample tariff sheets reflecting the additional area. If the territory description is not correct, the tariff will need to be revised. Please advise.

5. As required by Rule 25-30.036(3)(j), Florida Administrative Code, provide a statement describing the capacity of the existing lines, the capacity of the treatment facilities, and the design capacity of the proposed extension. The information submitted was not clear. Please provide the capacity of the existing water plant in gallons per day (gpd). The utility estimates that 23 quadraplexes and 15 industrial buildings (water only customers) will be connected to the water system. How much water in gpd does the utility expect these customers to use? Please provide separate information for the quadraplexes and the industrial building. How much wastewater in gpd does the utility estimate these quadraplexes will return?

6. As required by Rule 25-30.036(3)(l), Florida Administrative Code, provide a statement regarding the proposed method of financing the construction, and the projected impact on the utility's capital structure. It is unclear what the costs for construction will be from the application and the method of financing? Please provide a construction cost list (item by item) for water and wastewater improvements, and the method the utility plans the pay for the construction.

Also, you indicate that an application has been submitted to the DEP State Revolving Fund (Revolving Fund) for financing the water part of the extension. Please, provide a copy of the approval for the funding with the Revolving Fund and the terms (interest rate) of the funding. Provide a copy of the bank financing for \$100,000 and demonstrate the utility has \$50,000 in the bank as you indicated in the application for the extension of wastewater service.

7. As required by Rule 25-30.036(3)(n), Florida Administrative Code, provide a statement regarding the proposed impact of the extension on the utility's monthly rates and service availability charges. The utility's response N/A is not sufficient. Tie your response to question 6 above.

8. As required by Section 367.045(1)(e), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, the utility must provide a copy of the notice(s) and a list of the entities receiving notice. The notice must be published in a newspaper of general circulation in the territory proposed to be served. Proof of publications is needed. Also, please submit a copy of the addresses to which the notice was sent for verification. If you have questions about the notice, please contact Ms. Shannon Fleming at (850) 413-6226.

9. As required by Rule 25-30.036(3)(b), Florida Administrative Code, provide a statement showing the financial and technical ability of the utility to provide service. Some information was provided on the technical ability more information is needed. Also, information on the utility's financial ability is needed.

10. As required by Rule 25-30.036(3)(k), Florida Administrative Code, provide the numbers and dates of any permits issued for the proposed systems by the Department of Environmental Protection. The utility states that it does not have permits for this extension at this time, which is

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appropriate. However, the utility should have a construction permit for the water plant and a operating permit for the wastewater treatment plant. Please provide copies of those permits.

You indicate in your application that Mr. David Townsend, Marion County Environmental Administrator, has requested that Tradewinds Utilities, Inc. extend its service to this area for some time. Has or will Marion County require these customers to connect to your water and wastewater system? Do you have a letter or an order from Marion County to substantiate this? Please submit if you do. If you do not, what assurance do you have that these customers will connect to your water and wastewater system?

Review of your current water and wastewater tariffs indicates that only a meter installation charge is applicable to new connections. Therefore, the utility will have to pay for the full cost of the water and wastewater line extension. You indicated to Mr. Troy Rendell, a staff member, that you did not want to get service availability charges for Tradewinds Utilities, Inc. How does the utility plan to recover the cost to provide service to these customers without having to file for a rate case? Please provide a detailed analysis in your response.

Please file an original and twelve copies of the requested information no later than November 17, 1997 with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399. Only one map and the original and two copies of the tariff are required.

If you have any questions please call.

Sincerely,



Richard Redemann, P.E.

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cc: Department of Environmental Protection (Mr. Tim Banks)
Division of Water and Wastewater (Hill, Golden)
Division of Legal Services (Fleming, Reyes)
Division of Records and Reporting (Bayo)
Division of Records and Reporting (Security File)