

STATE OF FLORIDA

COMMISSIONERS:  
LILA A. JABER, CHAIRMAN  
J. TERRY DEASON  
BRAULIO L. BAEZ  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON



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

Public Service Commission

February 20, 2003

RECEIVED-PSC  
03 FEB 20 PM 3:48  
COMMISSION  
CLERK

Martin S. Friedman, Esquire  
Rose, Sundstrom & Bentley, LLP  
600 S. North Lake Boulevard, Suite 160  
Altamonte Springs, Florida 32701

Re: Docket No. 020745-WU, Application for certificate to provide wastewater service in Charlotte County by Island Environmental Utility, Inc.

Dear Mr. Friedman:

As originally filed on July 17, 2002, the application was for a certificate pursuant to Rule 25-30.034, Florida Administrative Code, which is for a utility already in existence and charging rates (original filing). On December 20, 2002, the utility filed a "corrected amendment" for a certificate pursuant to Rule 25-30.033, Florida Administrative Code, which is for the establishment of a utility and initial rates and charges (amended filing). As such, most of the original filing no longer applies.

Also, in your amended filing you requested that the case be bifurcated and the certificate portion be considered first. When there is insufficient cost information, staff has recommended that a certification case be bifurcated in order to comply with the 90 day requirement in Section 367.031, Florida Statutes, to grant or deny a certificate. However, since this matter has been protested, the 90 day requirement is no longer applicable.

If the applicant believes this case should be bifurcated and the issuance of the certificate considered at hearing without any facility or rates and charges information, you will need to request a waiver of those portions of Rule 25-30.033, Florida Administrative Code. The request for waiver should indicate how such bifurcation will not affect the Commission's ability to make a full public interest determination.

Meanwhile, excluding the facility description and cost information required to be provided by Rule 25-30.033(1)(k), (m), (n), (o), (p), (q), (t), (u), (v), (w), (2), (3), and (4), Florida Administrative Code, the amended filing is otherwise deficient with respect to the following items:

1. Financial and Technical Ability. Rule 25-30.033(1)(e), Florida Administrative Code, requires a showing of the applicant's financial and technical ability. The financial ability in the original filing was the Statement of Operations for Knight Island Utility, Inc., which the amended filing indicates will not be purchased.

DOCUMENT NUMBER - DATE  
01809 FEB 20 03  
PSC-COMMISSION CLERK

Please provide a showing of financial ability for Island Environmental Utility, Inc. and affirm whether or not the applicant plans to continue to retain the professional services of the entities listed in the original filing.

2. Financial Statement. Rule 25-30.033(1)(r), Florida Administrative Code, requires a detailed financial statement, certified if available, of the financial condition of the applicant showing all assets and liabilities of every kind and character and prepared in accordance with Rule 25-30.155, Florida Administrative Code. If available, a statement of the source and application of funds must also be provided.

Please provide the required financial statement for Island Environmental Utility, Inc.

3. Funding. Rule 25-30.033(1)(s), Florida Administrative Code, requires a list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility and an explanation of the manner and amount of funding. The explanation should include the financial statements of the entities providing funding and copies of any financial agreements with the utility.

Please provide the required funding information for Island Environmental Utility, Inc.

4. Need for Service. Rule 25-30.033(1)(e), Florida Administrative Code, requires the utility to provide a need for service in the proposed area and a statement identifying any other utilities within the area proposed to be served that could potentially provide service along with the steps the applicant took to ascertain whether such other service is available. Also, if the response to Item 7, below, indicates that the utility will be a new Class C, pursuant to Section 367.045(5)(a), Florida Statutes, the Commission may deny the application if the public can be adequately served by modifying or extending a current wastewater treatment system. In the original filing, the need was to continue to provide service to the customers of Knight Island Utility, Inc. The amended filing excludes the customers and territory of Knight Island Utility, Inc.

Please describe the need for service in the revised area proposed to be served by Island Environmental Utility, Inc. and the steps taken to ascertain whether service is available from any other utilities in the area. Specifically, indicate why the public cannot be served by modifying or extending a current wastewater treatment system.

5. Local Comprehensive Plans. Rule 25-30.033(1)(f), Florida Administrative Code, requires a statement by the applicant whether the application was consistent with the local comprehensive plans at the time the application was filed and, if not, indicate why granting the certificate would be in the public interest. In this case, the Department of Community Affairs has already filed its comments on the application.

Please provide Island Environmental Utility, Inc.'s response to the comments provided by the Department of Community Affairs on inconsistency with the local comprehensive plans.

Martin S. Friedman, Esquire  
Page 3  
February 20, 2003

6. Service Date. Rule 25-30.033(1)(g), Florida Administrative Code, requires the date the applicant plans to begin serving customers.

Please provide the date the applicant plans to begin serving customers. Since this will require a completed agreement with the Englewood Water District, please include in the response the anticipated schedule for obtaining the agreement with the Englewood Water District as well as the necessary approvals to lay lines under water from mainland Florida to the islands.

7. Customers. Rule 25-30.033(1)(h) and (i), Florida Administrative Code, requires the number of equivalent residential connections (ERCs) proposed to be served, by meter size and customer class and, if applicable, separated by development phases along with a description of the types of customers proposed to be served.

Please provide the required customer information.

8. Ownership of Land. Rule 25-30.033(1)(j), Florida Administrative Code, requires evidence in the form of a warranty deed that the utility owns the land upon which the treatment facilities are or will be located or a copy of an agreement which provides for the continued use of the land. It may be that the bulk service agreement will not require any treatment facilities to be located on the islands. However, it appears that utility easements will be necessary.

Please provide the evidence of ownership of the land or an explanation that such evidence does not apply. Also, please address the matter of obtaining utility easements and permits to construct underwater lines from mainland Florida and throughout the proposed service territory.

An original and five copies of the information requested above should be provided as soon as possible but no later than, March 20, 2003. The response should be filed directly with the Director, Division of the Commission Clerk and Administrative Services. Should you have any questions, please call Patricia Brady at (850) 413-6686, [pbrady@psc.state.fl.us](mailto:pbrady@psc.state.fl.us) or Rosanne Gervasi at (850) 413-6224, [rgervasi@psc.state.fl.us](mailto:rgervasi@psc.state.fl.us).

Sincerely,



Patti Daniel  
Supervisor of Certification

PD:PB

cc: Division of Economic Regulation (Brady, Redemann)  
Office of the General Counsel (Gervasi)  
Division of the Commission Clerk and Administrative Services (Docket, Security)