

ORIGINAL

State of Florida



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

RECEIVED
JUN 27 PM 2:11
COMMISSION
CLERK
JD

DATE: June 25, 2003
TO: Rosanne Gervasi, General Counsel
FROM: Cheryl Johnson, Economic Regulation *PD OK 902*
RE: Docket No. 030364-WU Application for transfer of facilities operated under Certificate No. 448-W in Marion County from Eagle Springs Utilities, Inc. to Marion County Utilities, and cancellation of Certificate No. 448-W

Eagle Springs Utilities, Inc. (Eagle Springs or utility) is a Class C water utility providing service to Silver Springs Woods and Silver Springs Village subdivisions in Marion County, Florida. Eagle Springs was granted Certificate No. 448-W pursuant to Order No. 14972, in Docket No. 850375-WU, issued September 11, 1988. The utility serves approximately 320 residential water customers. The utility's 2002 annual report lists operating revenues of \$58,825 and a net operating loss of \$5,813.

Marion County Utilities (County) acquired the option to purchase the utility in an agreement dated February 3, 1987. On January 27, 2003, the County exercised its option to purchase Eagle Springs for \$192,465. On March 11, 2003, Eagle Springs notified the Commission that it had sold the Eagle Springs water system to the County. On April 16, 2003, the County filed an application with the Commission for the acknowledgment of the transfer of Eagle Springs to the County and cancellation of Certificate No. 448-W pursuant to Section 367.071(4)(a), Florida Statutes, and Rule 25-30.037, Florida Administrative Code. The County is exempt from the Commission's regulation pursuant to Section 367.022 (2), Florida Statutes, because it is a governmental authority.

Pursuant to Rule 25-30.037(4)(g), Florida Administrative Code, the application indicates that there are no customer deposits to refund. Eagle Springs has provided the County with a listing of current customers along with the customers' addresses and telephone numbers. Furthermore, the County has obtained Eagle Springs's most recently available income and expense statement, and statement of rate base for regulatory purposes pursuant to Rule 25-30.037(4)(e), Florida Administrative Code.

Finally, according to our records and the application, the utility's annual reports and regulatory assessment fees (RAFs) are current and there are no outstanding fines, interest or refunds owed. Eagle Springs prepaid its 2003 RAFs for the period of January 1 to January 27, 2003 and pursuant to Rule 25-30.110(3), Florida Administrative Code an annual report is not required in the year in which the utility facilities became nonjurisdictional. According to the utility, the County began maintaining the system effective January 27, 2003, and billing customers on March 14, 2003. In addition, Eagle Springs returned their original certificate for water and the utility has no open dockets pending before the Commission.

Section 2.07(C)(11), Administrative Procedures Manual, grants the Director of the Division of the Commission Clerk and Administrative Services, in coordination with the appropriate industry division and the Office of the General Counsel, the authority to administratively approve the transfer of utilities from private to governmental agencies when filed and processed in accordance with Chapter 367.

US _____
SAF _____
MP _____
OM _____
TR _____
CR _____
SCL _____
DPC _____
AMS _____
SEC _____
DTH _____

05738 JUN 27 6

FPSC-COMMUNICATIONS CLERK

Based on the foregoing, staff recommends that the application is in compliance with Florida Statutes and Florida Administrative Code. Pursuant to Section 367.071(4)(a), Florida Statutes, the sale or transfer of facilities to a governmental authority is approved as a matter of right. Accordingly, staff recommends that the transfer of facilities from Eagle Springs to the Marion County should be approved and Certificate No. 448-W should be cancelled effective January 27, 2003. The docket should be closed upon the issuance of the order.

cc: Division of Economic Regulation (Mailhot)
Division of the Commission Clerk and Administrative Services