

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for transfer of water and wastewater facilities to City of Leesburg and for cancellation of Certificate Nos. 627-W and 461-S in Lake County, by Lake Utility Company.

DOCKET NO. 060539-WS  
ORDER NO. PSC-06-0847-FOF-WS  
ISSUED: October 9, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman  
J. TERRY DEASON  
ISILIO ARRIAGA  
MATTHEW M. CARTER II  
KATRINA J. TEW

ORDER APPROVING TRANSFER  
OF WATER AND WASTEWATER CERTIFICATES

BY THE COMMISSION:

Lake Utility Company (LUC or utility) is a Class B utility providing service to approximately 2,979 water customers and 2,607 wastewater customers in Lake County. The utility is in a priority water resource caution area of the St. Johns River Water Management District. LUC's 2005 annual report indicates water and wastewater gross revenue of \$1,760,745 and net operating income of \$101,446. The Commission granted LUC Certificate Nos. 627-W and 461-S pursuant to Order No. 22557, issued February 15, 1990, in Docket No. 891299-WS, In Re: Application of Lake Utility Company for water and sewer certificates in Lake county.

On June 12, 2006, the City of Leesburg (city) approved the acquisition of the utility for a purchase price of \$12,000,000. On August 4, 2006, the utility completed its application with to transfer its water and wastewater facilities to the city and to cancel Certificate Nos. 627-W and 461-S. LUC's application was filed pursuant to section 367.071(4)(a), Florida Statutes, and Rule 25-30.037(4), Florida Administrative Code. Included with the application is a copy of the executed Agreement for Purchase and Sale, which states the closing date was July 31, 2006. According to the application, the city took over operations of the utility on July 31, 2006. Therefore, the effective date of the transfer of the utility is July 31, 2006. We have jurisdiction to consider this matter pursuant to Section 367.071, Florida Statutes.

Under section 367.071(4)(a), Florida Statutes, the transfer of facilities to a governmental authority shall be approved as a matter of right, and therefore, no notice of the transfer is required and no filing fees apply. According to the application, the city obtained LUC's most recent income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction pursuant to Rule 25-30.037(4)(e), Florida Administrative Code. Also, the application included a statement that there are no customer

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deposits to refund, as required by Rule 25-30.037(4)(g), Florida Administrative Code. LUC has no outstanding regulatory assessment fees (RAFs) and no fines or refunds are owed. The utility has filed its 2005 annual report and paid its 2005 RAFs and there are no outstanding penalties and interest. LUC has paid the water and wastewater RAFs for the period of January 1, 2006 through July 31, 2006. LUC is not required to file an annual report for the period of January 1, 2006, through July 31, 2006, because of the transfer to the city.

We find that the application is in compliance with the provisions of Rule 25-30.037(4), Florida Administrative Code. We approve the transfer of LUC's water and wastewater facilities to the City of Leesburg as a matter of right and in the public interest. Certificate Nos. 627-W and 461-S shall be cancelled effective July 31, 2006.


Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Application for transfer of water and wastewater facilities to City of Leesburg by Lake Utility Company is approved, effective July 31, 2006. It is further

ORDERED that Certificate Nos. 627-W and 461-S in Lake County shall be cancelled. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 9th day of October, 2006.

  
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BLANCA S. BAYO, Director  
Division of the Commission Clerk  
and Administrative Services

( S E A L )

MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

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 the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services 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.