

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 4, 2012
TO: Office of Commission Clerk (Cole)
FROM: Division of Engineering (Brady, Ellis)
Office of the General Counsel (Jaeger)
RE: Docket No. 120207-WS – Application for amendment of Certificate Nos. 631-W and 540-S to extend service area in Sumter County by Central Sumter Utility Company, L.L.C., and correction of name to Central Sumter Utility Company, LLC.

RECEIVED - FPSC
12 OCT -4 AM 8:38
COMMISSION CLERK

AGENDA: 10/16/12 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative Commissioner Graham - ac 10/5/12

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ENG\WP\120207.RCM.DOC

Case Background

On July 27, 2012, Central Sumter Utility Company, L.L.C. (Central Sumter or Utility) filed an application with the Commission to amend Certificate Nos. 631-W and 540-S to add territory in Sumter County. Central Sumter is a Class C utility providing water service to approximately 127 customers and wastewater service to approximately 120 customers. The Utility's 2011 Annual Report indicates operating revenues of \$26,356 and a net loss of \$542,527. The Utility plans to extend its service territory in order to provide water and wastewater service to approximately 1,242 residential and commercial customers in the new service area.

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

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Central Sumter's original water and wastewater certificates were granted in 2005.¹ There have been no further certification actions. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes (F.S.)

¹ Order No. PSC-05-0844-FOF-WS, issued August 18, 2005, in Docket 050192-WS, In re: Application for certificates to provide water and wastewater service in Sumter County by Central Sumter Utility Company, L.L.C.

Discussion of Issues

Issue 1: Should the Commission approve Central Sumter's application for amendment of Certificate Nos. 631-W and 540-S to extend its water and wastewater territory in Sumter County and correct the utility's name?

Recommendation: Yes. It is in the public interest to amend Certificate Nos. 631-W and 540-S to include the territory as described on Attachment A, effective the date of the Commission's vote. The name on the certificates should be corrected to Central Sumter Utility Company, LLC. The resultant order should serve as Central Sumter's amended and corrected certificates and should be retained by the Utility. The Utility should charge the customers in the territory added herein the rates and charges contained in its current tariffs until a change is authorized by the Commission in a subsequent proceeding. (Brady, Ellis)

Staff Analysis: The Utility's application to amend its authorized service territory is in compliance with the governing statute, Section 367.045, F.S., and Rule 25-30.036, Florida Administrative Code (F.A.C.). The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C. No objections to the application have been received and the time for filing such has expired.

The proposed service territory is intended to serve approximately 1,242 customers, including both residential single-family homes and commercial customers in an area of approximately 353 acres adjacent to the Utility's existing service territory of approximately 6,106 acres. The application contains a warranty deed, evidence that the Utility owns the land upon which the Utility facilities are located. Adequate service territory maps and territory descriptions have also been provided.

Although Central Sumter's certificates were granted in 2005, development did not commence until 2010, at which time the Utility applied for initial rates and charges and began construction of its facilities. Central Sumter's initial rates and charges were granted by the Commission in 2011.² Until its rates and charges are fully compensatory, Central Sumter will be relying for financial backing on the Holding Company of The Villages, Inc. (The Villages), an affiliated, real estate developer. The application contains a statement from The Villages, confirming its financial and operating commitment to Central Sumter, including the additional territory. Central Sumter also has approved water and wastewater main extension charges as an intermediate source of funding as connections are made.

Construction of the Utility's water and wastewater treatment plants was completed in 2012. The newly constructed water and wastewater treatment plants have permitted capacities of 4.32 and 3.68 million gallons per day (mgd), respectively; with projected build out demands of 3.68 and 1.60 mgd, respectively. The build out demands include both the existing and proposed territory and the usage estimates are supported by documentation. As such Central Sumter's facilities appear to be sufficient to provide service to the proposed territory. According to the

² See Order No. PSC-11-0113-PAA-WS, issued February 11, 2011, in Docket No. 050192-WS, In re: Application for certificates to provide water and wastewater service in Sumter County by Central Sumter Utility Company, L.L.C.

application, the provision of water and wastewater services in the proposed service territory is consistent with the Sumter County Comprehensive Plan. The Department of Environmental Protection indicates that the Utility is in compliance with all applicable rules and regulations.

During the review of the Utility's amendment application, staff discovered that a typographical error had occurred in the Utility's application for original certificates.³ In that filing, the Utility's name was mistakenly given as Central Sumter Utility Company, L.L.C. Staff has verified with the Utility and the Department of State, Division of Corporations, that the Utility's name as originally recorded was, and continues to be, Central Sumter Utility Company, LLC.⁴ Therefore, staff recommends that the certificates attached to this order reflect a correction in the Utility's name to that recorded by the Division of Corporations.

Based on the foregoing, staff recommends it is in the public interest to amend Certificate Nos. 631-W and 540-S to include the territory as described on Attachment A, effective the date of the Commission's vote. The name on the certificates should be corrected to Central Sumter Utility Company, LLC. The resultant order should serve as Central Sumter's amended and corrected certificates and should be retained by the Utility. The Utility should charge the customers in the territory added herein the rates and charges contained in its current tariff until a change is authorized by the Commission in a subsequent proceeding.

³ See Order No. PSC-05-0844-PAA-WS, issued August 18, 2005, in Docket No. 050192-WS, In re: Application for certificates to provide water and wastewater service in Sumter County by Central Sumter Utility Company, L.L.C.

⁴ No periods after each of the letters in LLC.

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Issue 2: Should this docket be closed?

Recommendation: Yes, if staff's recommendation in Issue 1 is approved, no further action is required and the docket should be closed. (Jaeger)

Staff Analysis: If Issue 1 is approved, no further action is required and the docket should be closed.

CENTRAL SUMTER UTILITY COMPANY, LLC

DESCRIPTION OF PROPOSED SERVICE TERRITORY

A PARCEL OF LAND LYING WITHIN SECTION 15, TOWNSHIP 19 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

BEGIN AT THE NORTHWEST CORNER OF THE NORTHWEST 1/4 OF SAID SECTION 15; THENCE RUN S00°34'50"W ALONG THE WEST LINE OF SECTION 15 A DISTANCE OF 1,486.86 FEET; THENCE DEPARTING SAID WEST LINE RUN S89°24'11"E, A DISTANCE OF 840.28 FEET; THENCE RUN S27°04'17"W, A DISTANCE OF 608.73 FEET; THENCE RUN S51°33'06"E, A DISTANCE OF 601.12 FEET; THENCE RUN S38°28'15"W, A DISTANCE OF 397.15 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 44-A; THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE RUN THE FOLLOWING THREE COURSES S51°31'59"E, A DISTANCE OF 1,009.67 FEET; THENCE N38°29'44"E, A DISTANCE OF 10.95 FEET; THENCE S51°30'16"E, A DISTANCE OF 1,012.69 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF COUNTY ROAD 44-A; THENCE ALONG SAID RIGHT-OF-WAY LINE RUN S38°29'44"W, A DISTANCE OF 126.15 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF RAILROAD (ABANDONED); THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE RUN S51°30'16"E, A DISTANCE OF 1066.68 FEET; THENCE DEPARTING SAID RIGHT-OF-WAY LINE RUN N38°38'33"E, A DISTANCE OF 897.58 FEET, MORE OR LESS TO THE WATERS EDGE OF LAKE DEATON; THENCE ALONG SAID WATERS EDGE NORTHWESTERLY AND NORTHEASTERLY TO A POINT ON EAST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 15; THENCE ALONG SAID EAST LINE RUN N00°35'11"E, A DISTANCE OF 1,535.29 FEET, MORE OR LESS TO THE NORTHEAST CORNER OF SECTION 15; THENCE ALONG THE NORTH LINE OF SECTION 15 RUN N89°28'30"W, A DISTANCE OF 2,652.41 FEET; THENCE RUN N89°24'57"W, A DISTANCE OF 2,650.59 FEET TO THE POINT OF BEGINNING.

CONTAINING 353 ACRES, MORE OR LESS.

FLORIDA PUBLIC SERVICE COMMISSION

**authorizes
Central Sumter Utility Company, LLC
pursuant to
Certificate Number 631-W**

to provide water service in Sumter County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
PSC-05-0844-FOF-WS	08/18/2005	050192-WS	Original Certificate
*	*	120207-WS	Amendment and Name Correction

***Order Numbers and dates to be provided at time of issuance.**

FLORIDA PUBLIC SERVICE COMMISSION

**authorizes
Central Sumter Utility Company, LLC
pursuant to
Certificate Number 540-S**

to provide wastewater service in Sumter County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
PSC-05-0844-FOF-WS	08/18/2005	050192-WS	Original Certificate
*	*	120207-WS	Amendment and Name Correction

***Order Numbers and dates to be provided at time of issuance**