

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer	)	DOCKET NO. 900222-WS
of Certificates Nos. 220-W and 165-S	)	ORDER NO. 23202
from El Agua Corporation to San Pablo	)	ISSUED: 7-16-90
Utilities Corporation in Duval County.	)	
	)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 BETTY EASLEY  
 GERALD L. GUNTER  
 FRANK S. MESSERSMITH

ORDER APPROVING INTERCONNECT AGREEMENT

BY THE COMMISSION:

Case Background

El Agua Corporation (El Agua) is a Class "C" utility which served 870 water and 697 wastewater customers according to its 1989 annual report. A foreclosure action was filed against El Agua by Sun Bank/North Florida N.A. On November 13, 1989, a summary final judgment was issued in favor of Sun Bank; and on December 18, 1989, the Clerk of the Court issued Sun Bank a Certificate of Title for all of El Agua's assets. Sun Bank then formed San Pablo Utilities Corporation (San Pablo) and transferred El Agua's assets to San Pablo. The system is currently being managed by Jax Utilities Management, Inc.

On March 23, 1990, Mr. William M. Brannen, receiver of El Agua Corporation, filed an application for approval of the transfer of Certificates Nos. 220-W and 165-S from El Agua to San Pablo. This application is currently being processed under this docket.

Canal Utilities, Inc., (Canal) is a Class "B" utility managed by Jax Utilities Management, Inc. It serves 2,817 water customers and 2,771 wastewater customers according to its 1989 annual report.

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The El Agua water system is currently operating at full capacity. In order to provide adequate fire flow and accommodate expected growth without having to invest immediately in an expansion effort, San Pablo (as transferee-applicant) has entered into an interconnect agreement with Canal. Canal possesses excess capacity and is in a position to readily interconnect with the El Agua system for water service as needed on a daily basis. The interconnect agreement was executed on April 5, 1990, and then furnished to the Commission for review.

#### INTERCONNECT AGREEMENT

The El Agua water system is operating at 100 percent capacity. Fire flow capability is only available from the pumping system from the wells. A minimal reservoir capacity (147,200 gallons) is available from four small tanks in the service area. The system needs added water capacity to ensure adequate fire flow and to accommodate the anticipated growth in customers in El Agua's certificated territory over the next three years.

Canal possesses sufficient unused capacity to provide fire flow at 1,500 gallons per minute, at 20 pounds per square inch (PSI) minimum pressure, for up to four hours. In addition, the San Pablo will reserve 126,700 gallons per day, or 362 Equivalent Residential connections (ERC), of the capacity provided by Canal in anticipation of developer agreements which it expects to enter into in the very near future.

San Pablo will pay for 362 ERCs capacity at the tariffed rate of \$100 per ERC, for a total of \$36,200 in service availability charges. Also, San Pablo will pay the approved CIAC tax impact charge of \$21,270 to Canal. Water will be paid for at the tariffed rate based upon the interconnection meter size and at the gallonage charge for general service customers. We have reviewed the interconnect agreement and find that it does not conflict with Canal's tariff, nor does it contain any requirements which we find to be in conflict with rules, statutes, or policy.

Section 367.121(1)(h), Florida Statutes, specifies that in the exercise of its jurisdiction, the Commission shall have power to "approve any . . . rates related [to interconnections], provided the commission first finds that the utility is financially able to make such additional investment as is

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required without impairing its capacity to serve its existing customers." Canal submitted on June 7, 1990, an affidavit signed by William M. Brannen, Vice President and Secretary of Canal. Mr. Brannen averred that Canal will be able to provide the agreed-upon capacity without impairing service to its existing customers. We note that Canal is operating at about 80 percent of its capacity. Therefore, Canal should be able to provide the agreed upon service for the three year term of the agreement without impairing its service to existing customers.

The interconnect agreement is a viable solution to the capacity problem of the El Agua system and will provide good use of the excess capacity possessed by Canal. Accordingly, we hereby approve the agreement. The approval is effective as of the date of our vote at the agenda conference, June 27, 1990.

Finally, the docket should remain open to complete processing of the transfer application.

It is, therefore,

ORDERED by the Florida Public Service Commission that the interconnect agreement between San Pablo Utilities Corporation and Canal Utilities, Inc., is hereby approved. It is further

ORDERED that this docket shall remain open to complete processing of the transfer application.

By ORDER of the Florida Public Service Commission  
 this 16th day of July, 1990.

STEVE TRIBBLE, Director  
 Division of Records and Reporting

( S E A L )

MF

by: Kay Flynn  
 Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 Records and Reporting 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 or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting 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.