

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment of)	DOCKET NO. 910760-WU
Certificate No. 496-W to include Lake)	
Saunders Acres Subdivision in Lake County)	ORDER NO. 25286
by Lake Utility Services, Inc.)	
<hr/>		ISSUED: 11/01/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 SUSAN F. CLARK
 J. TERRY DEASON
 BETTY EASLEY

ORDER APPROVING TRANSFER OF ASSETS, AMENDING
 CERTIFICATE NO. 496-W, APPROVING TEMPORARY RATES
 AND CHARGES, AND CLOSING DOCKET

BY THE COMMISSION:

On July 8, 1991, Lake Utility Services, Inc. (LUSI) filed an application with this Commission for the amendment of Certificate No. 496-W to include the Lake Saunders Acres Subdivision (Lake Saunders or Subdivision), which is a small residential development. In addition to the amendment, the application involves the transfer of assets of Lake Saunders from the developer, Mr. Charlie Squibb, to LUSI.

LUSI is an affiliate of Utilities, Inc. of Florida (Utilities, Inc.), which is wholly-owned by Utilities, Inc. of Northbrook, Illinois. Utilities, Inc. operates a number of water and wastewater utilities in Florida and other states.

The sale of the assets of Lake Saunders to LUSI occurred on April 26, 1991. Since the sale was contingent upon Commission approval of the transfer, we will not initiate show cause proceedings against LUSI.

Application

Except as discussed previously, the application is in compliance with Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules. With its application, LUSI submitted a filing fee in the amount of \$300, as prescribed by Rules 25-30.020, Florida Administrative Code. The fee includes \$150 for the transfer/amendment of the Certificate and \$150 for the

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limited proceeding necessary to establish rates and charges in the territory added herein.

LUSI also submitted evidence that it owns the land upon which its facilities are located, as required by Rule 25-30.037(1)(o), Florida Administrative Code. In addition, according to the information submitted with the application, LUSI is in compliance with the noticing requirements of Rule 25-30.030, Florida Administrative Code, including notice to the customers of the system transferred. No objections to the application have been received and the time for filing such has expired.

As stated previously, LUSI is an affiliate of Utilities, Inc. of Florida, which is wholly-owned by Utilities, Inc. of Northbrook, Illinois. The parent has been in the utility business for 25 years and operates water and wastewater systems in 12 states, serving approximately 110,000 customers. Therefore, we find that LUSI has the financial and technical ability to provide service to the additional territory. Further, according to the Department of Environmental Regulation (DER), there are no problems with the Lake Saunders system.

Based on the foregoing, we find that the transfer of assets from Mr. Charles Squibb, Lake Saunders Acres Subdivision to LUSI is in the public interest and it is approved. Certificate No. 496-W is hereby amended to include the territory described in Attachment A of this Order, which by reference is incorporated herein. LUSI is directed to return Certificate No. 496-W to the Commission within 30 days of the date of this Order for entry reflecting the additional territory.

Rates and Charges

Mr. Squibb, the developer and owner of the Lake Saunders system, has no established rates and charges and, therefore, never charged the residents of the subdivision for service. LUSI has requested to charge the customers in the additional territory the rates and charges approved for its Crescent Bay subdivision in Lake County.

In instances where a utility acquires a system which has not charged for service prior to the transfer, rates and charges are normally established in a limited proceeding. However, it should be noted that the procedure used in processing this application is a new approach to the acquisition of small utility systems. We are

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in the process of drafting a rule (Expedited Application for Acquisition of an Existing Small System), which will be used in future proceedings involving the acquisition of small systems.

According to the new procedure, the purchaser of an existing small system may request rates and charges, which will go into effect on a temporary basis, subject to refund. The temporary rates shall be secured by an irrevocable letter of credit, escrow account or corporate undertaking. The purchaser will be required to keep separate records for the acquired system for one year following the initiation of the temporary rates. The purchasing utility will file Schedules W-1 through W-10 and W-12 of the Annual Report Form PSC/WAS 3 for the acquired system within sixty days after it acquires twelve months of actual operating data. At that time, a docket will be opened to determine permanent rates for the acquired system.

Based on the foregoing, we find it appropriate to approve LUSI's request to charge the customers in the additional territory the rates and charges approved for the customers of its Crescent Bay subdivision on a temporary basis, subject to refund with interest. The temporary rates shall be secured by corporate undertaking in the amount of \$8,000. The corporate undertaking must be filed with the Commission within 30 days of the date of this Order.

LUSI must keep an accurate account, in detail, of all monies received, specifying by whom and on whose behalf such amounts were paid. Separate records shall be kept for the system for one year after the effective date of the rates and charges. LUSI shall file Schedules W-1 through W-10 and W-12 of the Annual Report Form PSC/WAS 3 for the Lake Saunders system within 60 days after it accumulates 12 months of actual operating data. After the one year period and after we have received and reviewed the Schedules, a docket will be opened to establish permanent rates for the Lake Saunders system.

It is, therefore,

ORDERED by the Florida Public Service Commission that the transfer of assets from Lake Saunders Acres Subdivision, Post Office Box 1207, Tavares, Florida 32778, to Lake Utility Services, Inc., 200 Weathersfield Avenue, Altamonte Springs, Florida 32714, is hereby approved. It is further

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ORDERED that Certificate No. 496-W, held by Lake Utility Services, Inc., is hereby amended to include the territory described in Attachment A of this Order, which by reference is incorporated herein. Lake Utility Services, Inc. shall return Certificate No. 496-W to this Commission for amendment within 30 days of the date of this Order. It is further

ORDERED that Lake Utility Services, Inc. is hereby authorized to charge the customers in the additional territory the rates and charges approved in its tariff for its Crescent Bay system in Lake County, on a temporary basis, subject to refund with interest. It is further

ORDERED that Lake Utility Services, Inc. shall, within 30 days of the date of this Order, submit a corporate undertaking in the amount of \$8,000 to secure any potential refund. It is further

ORDERED that Lake Utility Services, Inc. shall file Schedules W-1 through W-10 and W-12 of the Annual Report Form PSC/WAS 3 for the Lake Saunders system within 60 days after it accumulates 12 months of actual operating data so that the Commission can establish permanent rates and charges for the customers in the territory added herein. It is further

ORDERED that the tariff filed by Lake Utility Services, Inc., reflecting the action taken herein, shall be effective for service provided or connections made on or after the stamped approval date on the tariff sheets. It is further

ORDERED that Docket No. 910760-WU is hereby closed.

By ORDER of the Florida Public Service Commission, this 1st day of NOVEMBER, 1991.

STEVE TRIBBLE, Director
Division of Records and Reporting

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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 9.90C (a), Florida Rules of Appellate Procedure.

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ATTACHMENT A

LAKE UTILITY SERVICES, INC.

Territory Description

The following described lands located in portions of Section 27, Township 19 South, Range 26 East, Lake County, Florida:

Section 27

Lake Saunders Acres Subdivision

From the West one-quarter section corner of Section 27, Township 19 South, Range 26 East, Lake County, Florida, run east along the South line of the North one-half of said Section 27, a distance of 1980 feet, more or less to the centerline of Merry Road, (County District Road 3-4355) and the Point of Beginning of this description; from said Point of Beginning, continue East along the South line of the North one-half of said Section 27, a distance of 1200 feet; more or less to the waters of Lake Saunders and a point hereby designated as Point A: Return to the Point of Beginning and run North along the centerline of Merry Road 665.07 feet; thence East 190.00 feet; thence North 120.00 feet; thence West 190.00 feet; to the centerline of said Merry Road; thence North along said centerline 280.00 feet to the North line of the Said Lake Saunders Acres; thence East 740 feet, more or less to the waters of Lake Saunders; thence Southerly along and with said waters to the aforescribed Point A.