

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for ) DOCKET NO. 910726-WS  
Amendment of Certificates Nos.)  
387-W and 331-S in Martin ) ORDER NO. PSC-92-0116-FOF-WS  
County by Indiantown Company, )  
Inc. ) ISSUED: 3/30/92  
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The following Commissioners participated in the disposition of this matter:

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

ORDER GRANTING MOTION TO DISMISS OBJECTIONS,  
GRANTING AMENDMENT OF CERTIFICATES,  
AND CLOSING DOCKET

BY THE COMMISSION:

Background

On June 27, 1991, Indiantown Company, Inc. (Indiantown or utility), filed an application with this Commission to amend Water Certificate No. 387-W and Wastewater Certificate No. 331-S to include additional territory in Martin County. Indiantown, a Class B utility located in Martin County, provides service to approximately 1,566 water and 1,417 wastewater customers. The utility plans to expand its water and wastewater treatment plants as well as install water transmission lines and wastewater force mains in order to serve the requested territory. The planned construction will begin in 1992 and will be accomplished in phases. It is anticipated that construction will be completed in 1995.

After the filing, we received fourteen objections from the proposed customers in the Little Ranch Estates area (Section 30, Township 39 South, Range 39 East). The customers objected to service from Indiantown because they have their own private wells and septic tanks. On October 10, 1991, the utility amended its application to remove the Little Ranch Estates area from its request for additional territory. Subsequently, four of the fourteen objections were withdrawn. On January 8, 1992, the

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utility filed a Motion to Dismiss Objections. No responses were filed.

Motion to Dismiss

As previously stated, on January 8, 1992, Indiantown filed a motion to dismiss the ten remaining objections. In its motion, the utility seeks to dismiss the objections based on the fact that the territory in dispute was deleted from Indiantown's application pursuant to the amended application, and thus the objectors are no longer substantially affected.

Since the utility's application was amended to remove the Little Ranch Estates area from the service territory requested, the objectors' interests are no longer substantially affected. Based on the facts stated above, we hereby grant Indiantown's Motion to Dismiss Objections.

Application

Indiantown's application is in compliance with Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules. In particular, the notarized application contains:

1. A filing fee in the amount of \$3,000, as prescribed by Rule 25-30.020, Florida Administrative Code.
2. Adequate service territory and system maps and a territory description, as prescribed by Rule 25-30.036, Florida Administrative Code. A description of the territory to be served by the utility is described in Attachment A of this Order, which by reference is incorporated herein. The description also includes the territory granted in a previous order.
3. Evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.036(1)(d), Florida Administrative Code.

4. Proof of notice to all interested governmental and regulatory agencies, and all utilities within a four-mile radius of the territory to be served, and proof of advertisement in a newspaper of general circulation in the county, as prescribed by Rule 25-30.030, Florida Administrative Code.

Indiantown has been in the water and wastewater business since 1976, and based on the information it appears the utility has the technical expertise and financial ability to provide the additional utility customers with quality service. According to the utility, the provision of service will be consistent with the local comprehensive plan. Further, the Department of Environmental Regulation (DER) has informed us that no outstanding notices of violation regarding this utility exist.

Based on the foregoing, we find that it is in the public interest to grant Indiantown's request to amend Water Certificate No. 387-W and Wastewater Certificate No. 331-S to include the territory described in Attachment A of this Order. The utility has returned the certificates for entry to include the additional territory and has filed revised tariff sheets that reflect the correct territory description.

#### RATES AND CHARGES

Indiantown's approved rates for Martin County were effective November 6, 1988, pursuant to a price index rate adjustment. Service availability charges were effective February 10, 1976, when the Commission granted the utility an original certificate and approved its rates. Indiantown shall charge the customers in the additional territory the rates and charges approved in its tariff, until authorized to change by this Commission.

As stated previously in the Background, Indiantown plans to expand both treatment plants and has provided preliminary projections of the cost of the expansion. According to the preliminary plans, Indiantown intends to spend approximately \$6.4 million to increase the capacity of the water system from 1 million gallons per day (mgd) to 3 mgd, and approximately \$7.2 million to increase the wastewater system from 1 mgd to 2 mgd. The utility's 1990 annual report indicates that the current water and wastewater

plant totals \$3.4 million. Therefore, this expansion represents an increase in plant costs of approximately \$10.2 million or 300%.

The utility's tariffs allow a \$300 system capacity charge per equivalent residential connection (ERC) for the water system and \$300 per ERC for the wastewater system. According to our estimates, the utility will collect approximately \$2.7 million in additional water and wastewater service availability charges in the requested territory. Since the total cost of the expansion will be approximately \$13.6 million, the utility investment in the plant expansion will be approximately \$10.9 million or 80% without increased service availability charges.

Based on the fact that there is a significant increase in plant due to this expansion and that the connection charges have not been revised since the original certificate case in 1976, we believe it is necessary to review the utility's service availability charges. Accordingly, Indiantown shall file an application for review of its service availability charges, pursuant to Rule 25-30.565, Florida Administrative Code, by December 31, 1992.

Based on the foregoing, it is therefore,

ORDERED by the Florida Public Service Commission that Indiantown Company Inc.'s Motion to Dismiss, is hereby granted. It is further

ORDERED that Water Certificate No. 387-W and Wastewater Certificate No. 331-S, held by Indiantown Company, Inc., 15158 S.W. Farms Road, Indiantown, Florida 34956, is hereby amended to include the territory described in Attachment A of this Order, which by reference is incorporated herein. It is further

ORDERED that Indiantown Company, Inc. shall charge the customers in the territory added herein the rates and charges approved in the utility's tariff until authorized to change by the Commission. It is further

ORDERED that Indiantown Company, Inc., shall file an application for review of its service availability charges, pursuant to Rule 25-30.565, Florida Administrative Code, by December 31, 1992. It is further

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ORDERED that Docket No. 910726-WS is hereby closed.

By ORDER of the Florida Public Service Commission, this 30th  
day of March, 1992.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

LAJ

by: Kay Flynn  
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Chief, Bureau of Records

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.

INDIANTOWN COMPANY, INC.

ENTIRE SERVICE TERRITORY DESCRIPTION

Township 39 South, Range 38 East, Martin County

All of Section 22, South of State Road 710 R/W

Section 25, The South 1/2

Section 26, The West 1/2 of the South 1/2

All of Section 27, South of State Road 710 R/W

All of Section 34

All of Section 35, South of State Road 710 R/W

All of Section 36

Township 40 South, Range 38 East, Martin County

Section 1

The North 3/4 of the East 1/2, the East 1/2 of the North 1/2 of the West 1/2, and the West 1/2 of the North 1/2 of the West 1/2 lying North of West Farm Road. (West Farm Road can be described approximately as follows: From the Northeast corner of said section Run 3,309 feet South along the East line to the intersection of West Farm Road; thence North 86° West along said road a distance of 1,095 feet; thence North 59° West a distance of 3,017 feet; thence North 77° West a distance of 1,338 feet to the intersection of said road with the West line of said section. This point also being 1,314 feet South of the Northwest corner of said section.)

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ATTACHMENT A  
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INDIANTOWN COMPANY, INC.

ENTIRE SERVICE TERRITORY DESCRIPTION

Township 40 South, Range 38 East, Martin County

Section 2

The area lying North of West Farm Road. (West Farm Road can be described approximately as follows: From the Northeast corner of said section run South along the East Section line a distance of 1,314 feet to the intersection of West Farm Road; thence North 77° West a distance of 1,241 feet; thence North 61° West a distance of 2,093 feet to the intersection of the North line of said section. This point also being 3,090 feet West of the Northeast corner of said section.)

Township 39 South, Range 39 East, Martin County

All of Section 33

Section 31, The South 1/4

Township 40 South, Range 39 East, Martin County

All of Section 5

All of Section 6

All of Sections 4, 7, 8, 9, North of the St. Lucie Canal R/W