

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for transfer) DOCKET NO. 961140-WS
of Certificates Nos. 400-W and) ORDER NO. PSC-97-0205-FOF-WS
338-S from Sateke Utilities,) ISSUED: February 21, 1997
Inc., to Sateke Village)
Utilities Homeowners)
Association, Inc., in Marion)
County.)
_____)

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING

ORDER APPROVING TRANSFER OF SATEKE UTILITIES, INC., TO
SATEKE VILLAGE UTILITIES HOMEOWNERS ASSOCIATION, INC.,
CANCELLING CERTIFICATES, AND CLOSING DOCKET

BY THE COMMISSION:

BACKGROUND

Sateke Utilities, Inc. (Sateke or utility), is a Class C water and wastewater utility, which provides service to approximately thirty-three customers in Marion County. The annual report for 1995 shows that the consolidated annual operating revenue for the system is \$6,377 and the net operating loss is \$7,651.

By Order No. 11784, issued April 4, 1983, in Docket No. 820536-WS, the Commission granted the utility Water Certificate No. 400-W and Wastewater Certificate No. 338-S to operate a water and wastewater utility. At that time, the utility was granted authority to serve approximately 320 acres of land. Shortly after obtaining the certificates, most of the territory was sold to the State of Florida. The State now operates the Rainbow River State Campground in what was Sateke's service area.

On January 3, 1995, Mr. Terry Roberts, owner, requested a small system exemption from the Commission for water and wastewater service, pursuant to Section 367.022(6), Florida Statutes. The application stated that the capacities for the water and wastewater utility were 10,000 gallons per day. The water and wastewater

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capacities when verified were slightly higher than 10,000 gallons per day. The water plant is producing approximately 30,000 gallons per day and the wastewater plant is permitted for 20,000 gallons per day. Therefore, the utility did not qualify for a small system exemption, pursuant to Section 367.022(6), Florida Statutes. We denied the request for exemption by Order No. PSC-95-0552-FOF-WS, issued May 8, 1995, in Docket 950008-WS.

APPLICATION

On September 18, 1996, Sateke Village Utility Homeowners Association, Inc. (Sateke Village), filed an application for transfer of the lines, assets and customers of Sateke. Sateke Village also requests to be recognized as an exempt entity from Florida Public Service Commission regulation for provision of water and wastewater service. Sateke Village is a non-profit corporation providing water and wastewater service in Marion County. The company was formed on June 28, 1996, has filed with the Office of the Secretary of State as a non-profit entity, and has fulfilled all of the criteria to be considered an exempt entity.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, including notice to the customers of the system to be transferred. No objections to the notice of application have been received and the time for filing such has expired. The application is in compliance with the governing statute, Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for transfer of utility assets. The application contains checks for water and wastewater service totaling \$750.00, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

The filing by Sateke requests that the transfer include the water treatment plant, water distribution lines and the wastewater collection lines. The Sateke water and wastewater systems will be operated by Sateke Village. According to the contract for sale, the purchase price for both systems is \$10,000. Sateke Village will fund the purchase through operating capital. The nonprofit association has indicated that this transaction will not jeopardize its financial standing.

Sateke has been in operation since 1983. The utility has consistently met Department of Environmental Protection (DEP) standards and has provided customers with quality service. Sateke has no outstanding violations.

According to the application, Sateke Village will continue to utilize the professional services of Enviro-Masters Water and Wastewater Services, Inc., which has operated the system since 1991. The buyer is committed and willing to make any necessary repairs to the system. Because the operation of the systems will be relatively unchanged, the customers should experience consistent service provided within DEP standards. We believe that these considerations demonstrate a financial and technical ability to provide quality utility service and that Sateke Village is capable of fulfilling the commitments, obligations and representations of the utility. Therefore, we find that the transfer of Sateke to Sateke Village is in the public interest and is hereby approved. Accordingly, because Sateke Village meets the definition of an exempt utility, pursuant to 367.022, Florida Statutes, Certificates Nos. 400-W and 338-S are hereby cancelled. Because no further action is necessary, this docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of Sateke Utilities, Inc., 606 Southwest 2nd Avenue, Ocala, Florida 34474-4215 to Sateke Village Utilities Homeowners Association, Inc., 10021 Southwest 182nd Circle, Dunnellon, Florida 34432 is hereby approved. It is further

ORDERED that Certificates Nos. 400-W and 338-S are hereby cancelled. It is further

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission, this 21st day of February, 1997.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay J. Lyon
Chief, Bureau of Records

(S E A L)

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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 Records and Reporting, 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 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.