

MEMORANDUM

March 10, 1998

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12/15
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (OTTINOT) *ALM*

RE: DOCKET NO. 971297-WU - APPLICATION FOR AMENDMENT OF
CERTIFICATE NO. 363-W BY SUNSHINE UTILITIES OF CENTRAL
FLORIDA, INC. IN MARION COUNTY.

78-0355-7 of 11

Attached is an ORDER AMENDING CERTIFICATE TO INCLUDE
ADDITIONAL TERRITORY AND NOTICE OF PROPOSED AGENCY ACTION ORDER
APPROVING SPECIAL SERVICE AVAILABILITY AGREEMENT to be issued in
the above-referenced docket.

(Number of pages in order - 9)

HO/dr

Attachment

cc: Division of Water and Wastewater (Redemann, Crouch)

I:971297-o.ho

*faxed-
mailed 4/0.*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment
of Certificate No. 363-W by
Sunshine Utilities of Central
Florida, Inc. in Marion County.

DOCKET NO. 971297-WU
ORDER NO. PSC-98-0385-FOF-WU
ISSUED: March 11, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS

ORDER AMENDING CERTIFICATE TO INCLUDE ADDITIONAL TERRITORY

AND

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING SPECIAL SERVICE AVAILABILITY AGREEMENT

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein, approving the service availability agreement, is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Background

Sunshine Utilities of Central Florida, Inc. (Sunshine or utility) filed an application with this Commission for a quick take amendment of Certificate No. 363-W to include additional territory in Marion County. Sunshine is a Class B utility which provides water service to approximately 2,584 water customers. Wastewater service is provided by septic tanks. The utility's 1996 annual report shows an annual operating revenue of \$700,856 and a net operating income of \$52,654. The utility seeks to amend

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Certificate No. 363-W to provide service to seven mobile home residents whose private wells have been contaminated.

Special Service Availability Agreement

On January 20, 1998, the Florida Department of Environmental Protection (DEP) entered into a Special Service Availability Agreement with Sunshine in order to provide primary funding for a main extension to serve seven individuals with contaminated wells. Pursuant to Section 376.307, Florida Statutes, the DEP Water Supply Restoration Program is authorized to expend funds from the Water Quality Assurance Trust Fund to restore or replace contaminated potable water systems. This statute provides for subsidies to connect these potable water supplies to existing public water supply systems or extensions thereof, provided that no such subsidy shall exceed the present worth of the ten-year cost of providing and maintaining filters for the residents served by the connections. The ten-year present worth cost of providing filters to the homes at issue on the proposed water line extension is \$31,885.32.

The provisions of the Special Service Availability Agreement are that the DEP will pay the utility a \$342.86 hook-up fee and a \$15 miscellaneous service charge. The utility also proposes to charge \$117 for a backflow prevention device for each of the seven customers. Sunshine does not have a tariff charge for backflow prevention devices. However, DEP requires that these devices be installed in the case of contaminated wells. The sum of these three connection charges is \$474.86 per customer. This portion of the cost represents the utility's connection fees, and will be reimbursed by DEP at a total amount of \$3,324.02. Pursuant to Section 376.307, Florida Statutes, the remaining portion to be paid by the DEP is \$28,561.30 which is the difference in total funding available and the maximum connection fees to be paid by DEP. It is estimated that the cost of the main extension, including engineering and construction, will be approximately \$31,885.32.

The Special Service Agreement was necessary for two reasons. First, the utility does not have a provision to accept donated lines. The DEP agreement would cover the service availability charges and provide for recovery of a substantial portion of the main extension expense, which would then be donated to the utility. Second, the mandatory installation of backflow prevention devices required by DEP is not authorized by the utility's tariff.

After reviewing the Special Service Availability Agreement, we find that it benefits the short and long-term interests of the customers and the utility. The new customers will receive uncontaminated drinking water. The Special Service Availability Agreement will not impact the rates of existing customers because DEP is paying for the extension. Based on the foregoing, we find it appropriate to approve the Special Service Availability Agreement between Sunshine and DEP.

Correction to Tariff

In researching the appropriate service availability charges for the Special Service Availability Agreement, we discovered an error in Sunshine's tariff. This error was caused when the utility's tariff sheet was inadvertently changed to comply with our Division of Water and Wastewater's model tariff. The service availability charges in Sunshine's tariff sheet were incorrect. Therefore, the utility shall file the revised tariff to reflect the appropriate service availability charges which are indicated on Attachment A of this Order, which by reference is incorporated herein.

Application

The application filed pursuant to Rule 25-30.036(2)(3), Florida Administrative Code, is in compliance with Section 367.045, Florida Statutes, and other pertinent statutes and provisions of the Florida Administrative Code. In particular, the application contains a filing fee in the amount of \$100, as required by Rule 25-30.020, Florida Administrative Code. Sunshine provided a copy of a warranty deed as proof that it owns the land upon which the facilities are located, pursuant to Rule 25-30.036(3)(d), Florida Administrative Code.

Adequate service territory and systems maps and a territory description have been provided, as prescribed by Rule 25-30.036(3)(e), (f), and (I), Florida Administrative Code. The territory which Sunshine has requested to serve is shown on Attachment B of this Order, which by reference is incorporated herein.

Sunshine provided proof of compliance with the noticing requirements set forth in Rule 25-30.030, Florida Administrative Code. The application states that the seven customers' wells have been contaminated and the DEP currently has these systems on water

filters. To serve these customers the utility will extend its water lines. In addition, according to the DEP, there are no outstanding notices of violation against the utility.

Sunshine has been in existence since 1974. The Lakeview Hills water treatment plant has a design capacity of 57,000 gallons per day (gpd) and the current peak flows is 15,300 gpd. The seven customers can be easily be added to the water treatment plant. The utility proposes that water lines will be contributed by the DEP. Therefore, it appears that this amendment will have no negative effect on the financial ability of Sunshine to provide service to the customers in the additional territory.

In accordance with Rule 25-30.036(2), Florida Administrative Code, a request for service expansion shall be considered approved if no protest is timely filed to the application. No protests have been filed and the time for such has expired. Based on the foregoing, we believe that it is in the public interest to acknowledge the quick take amendment application for Sunshine, to add the additional territory shown on Attachment B of this Order which by reference is incorporated herein. Sunshine has returned Certificate No. 363-W to the Commission for entry reflecting the additional territory.

Rates and Charges

Sunshine's approved rates became effective on September 13, 1997, pursuant to a price index. Sunshine's rates were established by Order No. PSC-94-0738-FOF-WS, issued June 15, 1994 in Docket No. 900386-WU, a rate case. The utility's approved service availability charges were effective August 10, 1989, pursuant to Order No. 20707, issued February 28, 1989 in Docket No. 880907-WU, a transfer case involving the Lakeview Hills system. Sunshine shall charge the customers in the additional territory the rates and charges approved in its tariff until authorized to change by this Commission in a subsequent proceeding. The utility will file revised tariff sheets reflecting the additional territory.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Sunshine Utilities of Central Florida, Inc.'s application for amendment of Certificate No. 363-W, is hereby acknowledged to include the territory described in Attachment B of this Order. It is further

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ORDERED that the Special Service Availability Agreement between Sunshine Utilities of Central Florida, Inc. and the Department of Environmental Protection is hereby approved. It is further


ORDERED that Sunshine Utilities of Central Florida, Inc. shall charge the customers in the additional territory the rates and charges as approved in its tariff until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that Sunshine Utilities of Central Florida, Inc., shall file a revised tariff sheet specifying the charges in Orders Nos. 20707 and 17733.

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review", attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 11th day of March, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(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.

As identified in the body of this order, our action approving the special service availability agreement is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 1, 1998. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water 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 of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate

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Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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 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.

ATTACHMENT A

Service Availability Charges
All Systems Except Whispering Sands and Lakeview Hills

Meter Installation Charges

5/8" x 3/4" - \$100
1" and above - Actual Cost

System Capacity Charge

Per ERC - \$420

Whispering Sands (1)
Customer Connection Charge

Per Quadraplex - \$300 (Includes meter and service line connection)

Lakeview Hills (2)
Connection Charge

Per ERC - \$400 (Includes meter and service line connection)

(1) Transferred to Sunshine Utilities by Order No. 17733, issued on June 22, 1987.

(2) Transferred to Sunshine Utilities by Order No. 20707, issued on February 6, 1989.

SUNSHINE UTILITIES OF CENTRAL FLORIDA, INC.

MARION COUNTY

LAKEVIEW HILLS WATER SERVICE AREA

Township 17 South, Range 23 East

Section 1

Beginning at the Southwest corner of Section 1, Township 17 South, Range 23 East; thence run North $89^{\circ}31'48''$ East a distance of 800.00 feet; thence North $89^{\circ}31'48''$ East a distance of 520.99 feet; thence North $00^{\circ}09'18''$ West for a distance of 1179.79 feet; thence South $67^{\circ}22'30''$ East for a distance of 1401.12 feet; thence North $00^{\circ}19'53''$ West for a distance of 1062.45 feet; thence South $89^{\circ}06'59''$ West for a distance of 340.00 feet; thence South $00^{\circ}19'53''$ East for a distance of 20.00 feet, thence South $89^{\circ}06'59''$ West for a distance of 283.00 feet; thence North $00^{\circ}19'53''$ West for a distance of 59.61 feet; thence South $88^{\circ}42'57''$ West for a distance of 426.51 feet; thence South $00^{\circ}19'53''$ East for a distance of 173.08 feet; thence North $67^{\circ}22'30''$ West a distance of 664.00 feet, more or less; thence North $27^{\circ}14'14''$ East for a distance of 340.98 feet; thence North $71^{\circ}01'10''$ West for a distance of 244.18 feet, more or less; thence South $21^{\circ}15'10''$ West for a distance of 324.44 feet; thence North $67^{\circ}22'30''$ West a distance of 331.70 feet; thence South $00^{\circ}01'09''$ West for a distance of 470.22 feet; thence South $67^{\circ}22'30''$ East a distance of 233.29 feet, more or less; thence due South a distance of 485.65 feet; thence continue due West a distance of 660.00 feet; thence due South a distance of 975.05 feet to the Point of Beginning. Containing 69 acres, more or less.