

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for amendment
of Certificates Nos. 279-W and
226-S to add territory in
Seminole County by Florida Water
Services Corporation.

DOCKET NO. 980657-WS
ORDER NO. PSC-00-0734-FOF-WS
ISSUED: April 14, 2000

The following Commissioners participated in the disposition of
this matter:

J. TERRY DEASON
SUSAN F. CLARK
E. LEON JACOBS, JR.

ORDER ACKNOWLEDGING NOTICES OF WITHDRAWAL OF PROTESTS,
GRANTING APPLICATION FOR AMENDMENT OF CERTIFICATES NOS.
279-W AND 226-S TO ADD TERRITORY IN SEMINOLE COUNTY,
AND CLOSING DOCKET

BY THE COMMISSION:

BACKGROUND

Florida Water Services Corporation (FWSC or utility) provides water service to approximately 826 water customers and 151 wastewater customers in the Chuluota development of Seminole County. The majority of the residents' wastewater service is provided by septic tanks. FWSC provides service in 24 counties which are regulated by the Commission. The utility's 1998 annual report shows a total annual operating revenue of \$47,407,245 and a net operating income of \$8,306,392. The utility is a Class A utility company.

On May 15, 1998, pursuant to Section 367.045, Florida Statutes, FWSC applied for an amendment of Certificates Nos. 279-W and 226-S to add territory in Seminole County. The utility proposes to provide service to the area surrounding the Chuluota development and restricted to the County. This amendment will add about 1,663 acres of additional water and wastewater service area to the utility's certificated area. Pursuant to Rule 25-30.030, Florida Administrative Code, the utility provided notice of its application and notice by publication.

DOCUMENT NUMBER-DATE

04577 APR 14 8

FPSC-RECORDS/REPORTING

ACKNOWLEDGING NOTICES OF WITHDRAWAL OF PROTESTS

Protests to FWSC's application were timely filed by the City of Oviedo (City) on June 1, 1998, Mr. Stanley E. Stevens on June 4, 1998, Alafaya Utilities, Inc. (Alafaya) on June 11, 1998, Seminole County (County) on June 15, 1998, and the Coalition for Responsible Econlockhatchee Development, Inc. (CRED) on June 24, 1998. Accordingly, pursuant to Order No. PSC-98-1051-PCO-WS, issued August 5, 1998, this matter was set for an administrative hearing.

During conversations with Commission staff, Mr. Stevens clarified that he did not wish to pursue his objection to hearing. Accordingly, Mr. Stevens' comments were placed in the correspondence section of the docket file and his status was modified to reflect his position as an interested person, rather than as a full party to the case.

On June 19, 1998, the 1000 Friends of Florida (1000 Friends) filed a letter requesting that the organization be allowed to appear before the Commission regarding FWSC's application. In subsequent conversations with Commission staff however, the 1000 Friends clarified that the organization wished to participate only in an advisory capacity, and did not intend to participate as a party to the proceeding. Accordingly, the 1000 Friend's status is that of an interested person rather than a party to the case.

Pursuant to the Memorandum of Understanding (MOU) between the Commission and the Florida Department of Community Affairs (DCA), which was entered into on June 5, 1998, we provided the DCA a copy of the amendment application for review and comment. The DCA's response was received October 14, 1998.

On January 12, 1999, Alafaya filed a Notice of Withdrawal of its protest of FWSC's amendment application.

On February 17, 1999, the City filed a Notice of Withdrawal of its objection, conditioned upon FWSC removing from the territory requested in its application all areas which lie within the City's limits. On March 3, 1999, FWSC filed the revisions to its requested territory, thereby removing the areas of concern to the City from FWSC's amendment application.

On August 16, 1999, the County filed its Notice of Withdrawal of its protests to FWSC's amendment application. In its notice, the County noted that on June 16, 1999, FWSC amended its

application so as to remove from its request the areas to which the County had objected.

CRED filed a Notice of Withdrawal of its protest on August 23, 1999. In its notice, CRED also cited to the fact that FWSC's application had been amended so as to remove from its request the areas in the County which were the subject of CRED's objection.

We find that the concerns expressed in the DCA's comments are eliminated by changes implemented to the County's Comprehensive Plan (SCCP). The DCA's comments were largely in response to the fact that the area requested in FWSC's original amendment application was located in a region designated as rural in the SCCP. The County subsequently changed the urban/rural boundary and FWSC amended its application to withdraw its request for areas outside of the boundary, which effectively render the DCA's original comments moot. In fact, on June 23, 1999, the DCA published its Notice of Intent to find the SCCP amendments in compliance with applicable rules and laws. No objection to the notice was filed, and the SCCP amendments became effective on July 14, 1999.

We therefore acknowledge the withdrawals of the protests to FWSC's amendment application. No other protests were filed in this docket, and the withdrawal of the protests as discussed above obviate the need for any hearing.

APPLICATION FOR AMENDMENT

On May 15, 1998, the utility filed an application for amendment of Certificates Nos. 279-W and 226-S to add territory in Seminole County, pursuant to Rule 25-30.036(3), Florida Administrative Code. As noted previously, the utility amended its application on March 3, 1999 (by removing area of concern to the City), and on August 16, 1999 (by removing areas of concern to the County). The application is in compliance with the governing, statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for amendment of certificate. The application contains a check in the amount of \$4,500, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The utility has provided copies of warranty deeds which provide for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description has been provided as prescribed by Rule 25-30.036(3) (e), (f) and (i), Florida Administrative Code. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. Objections to the application were filed; however, they have been resolved, as addressed in greater detail above.

FWSC has been regulated by the Commission since 1964 and currently owns and operates more than one hundred water and wastewater facilities throughout the state which are under the Commission's jurisdiction. The utility has a staff of engineers, scientists, accountants, and other professionals based in its Orlando headquarters, as well as licensed operators that operate and maintain facilities located throughout the state. At year-end 1998, FWSC's capital structure consisted of more than \$205 million in total capital, including more than \$117 million in long-term debt and more than \$86 million in equity capital.

The Chuluota water treatment system consists of three supply wells. The water treatment system can deliver a maximum daily demand of about 2,088,000 gallons per day (gpd), and a peak instantaneous demand of more than 3,000 gallons per minute. FWSC has sufficient capacity, and in the near future will expand its water treatment system as required when additional facilities are needed.

The wastewater system currently serves less than one-half of the development's existing residents. In addition, the majority of water customers are served by septic tanks. The current permitted capacity is 100,000 gpd on a three-month average basis. The wastewater treatment plant and effluent disposal system are not currently scheduled to be expanded. However, the applicant acknowledges that the expansion of its service area initiates the future expansion of its wastewater treatment plant capacity. The Department of Environmental Protection (DEP) has no outstanding notices of violation against this system.

Based on the above information, we find that the utility has the capacity and the technical expertise to serve these customers in the future.

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FWSC's rates were approved in Docket No. 950495-WS. Final Order No. PSC-96-1320-FOF-WS, issued October 30, 1996, was affirmed in part, and reversed in part on appeal. The pending issues on remand were disposed of by Order No. PSC-99-1794-FOF-WS, issued September 14, 1999. FWSC shall charge the customers in the territory added herein its approved rates and charges until authorized to change by this Commission in a subsequent proceeding.

The utility has returned the certificates for entry of the additional territory and filed revised tariff sheets which reflect the amended territory description.

Based upon the circumstances discussed herein, we find that it is in the public interest to approve FWSC's amended application and the application as amended is granted. A description of the territory approved herein is appended to this Order as Attachment A. Also appended to this Order as Attachment B is the composite territory description that includes all previously granted territory and the additional water and wastewater service area. FWSC shall charge the customers in the territory added herein (Attachment A) its approved rates and charges until authorized to change by this Commission in a subsequent proceeding.

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 notices of withdrawal of protests filed by the City of Oviedo, Alafaya Utilities, Inc., Seminole County, and the Coalition for Responsible Econlockhatchee Development, Inc. are acknowledged. It is further

ORDERED that Florida Water Services Corporation's application for amendment of Certificates Nos. 279-W and 226-S to add territory in Seminole County, as set forth in the body of this Order, is hereby approved. It is further

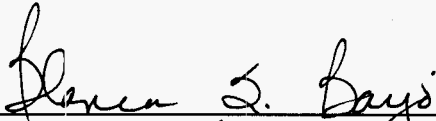
ORDERED that Certificates Nos. 279-W and 226-S, held by Florida Water Services Corporation, are hereby amended to include the territory described in Attachment A of this Order, which by reference is incorporated herein. It is further

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ORDERED that Florida Water Services Corporation shall charge the customers in the territory added herein (Attachment A) its approved rates and charges until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission this 14th day of April, 2000.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

JSB

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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.

FLORIDA WATER SERVICES CORPORATION

SEMINOLE COUNTY

ADDITIONAL TERRITORY

Additional Water and Wastewater Territory

Township 21 South, Range 32 East, Seminole County, Florida.

Sections 16 and 17

Beginning at the Southeast corner of the Southwest 1/4 of said Section 16, run North to the Northeast corner of the South 1/2 of the Northeast 1/4 of the Southwest 1/4 of said Section 16, thence run West 721 feet, thence South 54 degrees 30 minutes West 2693 feet to the Easterly Right -of -Way of F.E.C.R.R., thence Southeast along said Right -of-Way to the South line of said Section 17, thence East, to the Point of Beginning.

Section 21

The North 1/2 of the Northwest 1/4 of said Section 21; the Northwest 1/4 of the Northeast 1/4 of said Section 21; the South 1/2 of the North 1/2 less the Lake Crescent Subdivision and less the East 200 feet of said Section 21; and the North 1/2 of the Northeast 1/4 of the Southeast 1/4 less the East 200 feet of said Section 21.

Section 28

The Southwest 1/4 of said Section 28.

Section 29

The Southeast 1/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 29; the Southwest 1/4 of the Northeast 1/4 of said Section 29; the Southeast 1/4 of said Section 29; and the East 1/2 of the Southwest 1/4 of said Section 29.

FLORIDA WATER SERVICES CORPORATION
CHULUOTA
SEMINOLE COUNTY
COMPOSITE WATER AND WASTEWATER TERRITORY DESCRIPTION

The following territory description is the composite territory description that includes all previously granted territory and the additional water and wastewater.

Township 21 South, Range 32 East, Seminole County, Florida.

Sections 16 and 17

Beginning at the Southeast corner of the of the Southwest 1/4 of said Section 16, run North to the Northeast corner of the South 1/2 of the Northeast 1/4 of the Southwest 1/4 of said Section 16, thence run West 721 feet, thence South 54 degrees 30 minutes West 2693 feet to Easterly Right-of-Way of F.E.C.R.R., thence Southeast along said Right-of-Way to the South line of said Section 17, East, to the Point of Beginning.

Section 20

The East 1/2 of said Section 20.

Section 21

The West 3/4 of said Section 21; the Southeast 1/4 of the Northeast 1/4 less the East 200 feet of said Section 21; and the North 1/2 of the Northeast 1/4 of the Southeast 1/4 less the East 200 feet of said Section 21.

Section 28

The West 1/2 of said Section 28 and the West 1/2 of the Northeast 1/4 of said Section 28

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Attachment B
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Section 29

The East 1/2 of the Northeast 1/4 of said Section 29; the Southeast 1/4 of the Northwest 1/4 of the Northeast 1/4 of said Section 29; the Southwest 1/4 of the Northeast 1/4 of said Section 29; the Southeast 1/4 of said Section 29; and the East 1/2 of the Southwest 1/4 of said Section 29.