

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Approval)	DOCKET NO. 921014-WS
of Schedule to Amend)	ORDER NO. PSC-93-0202-FOF-WS
Certificated Territories in)	ISSUED: 02/09/93
Brevard, Citrus, Clay,)	
Hernando, Lake, Marion,)	
Martin, Orange, Osceola,)	
Putnam, Seminole, and Volusia)	
Counties by SOUTHERN STATES)	
UTILITIES, INC.)	
_____)	

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER APPROVING SOUTHERN STATES UTILITIES, INC.'S
SCHEDULE FOR SUBMITTING AMENDMENT APPLICATIONS AND
CLOSING DOCKET

BY THE COMMISSION:

Southern States Utilities, Inc. (SSU) is a Class A utility which provides water and wastewater service to over 30,000 customers in 28 counties in Florida. SSU was incorporated on November 22, 1961. Topeka Group Incorporated (Topeka), a wholly-owned subsidiary of Minnesota Power & Light Company, acquired ownership of SSU in 1984. In 1989, Topeka also acquired Deltona Utilities, Inc. (DUI) and United Florida Utilities Corporation (United). By Order No. 25575, issued January 7, 1992, the Commission acknowledged the corporate reorganization, merger, and consolidation of SSU, DUI, and United.

On October 5, 1992, SSU filed a petition for Commission approval of a schedule to amend its certificated territories. The Petition identifies 49 SSU systems in 13 counties in which the utility is currently serving outside its territory. Pursuant to Section 367.045 (2), Florida Statutes, a utility may not serve customers outside the area described in its certificate of authorization from the Commission. On January 6, 1993, SSU submitted a brief explanation of the circumstances that led to the violation for each of the systems identified in its petition. SSU's explanation is contained in Attachment A of this Order.

DOCUMENT NUMBER-DATE

01560 FEB-93

FPC-RECORDS/REPORTING

Several reasons are identified as to why SSU or DUI provided service to these customers without prior Commission approval - errors in acquisition legal descriptions, immediate need or emergency requests, delays in obtaining information, boundary line meters, free service, and others. These errors include incorrect legal descriptions on properties acquired from developers and not verified by SSU, emergency connections resulting from customer-owned contaminated wells, a lack of original and accurate source material, and connections made prior to a 1989 change in Chapter 367, Florida Statutes. Prior to 1989, Chapter 367, Florida Statutes, allowed utilities to notice an intent to amend its territory and follow up with an application after the lines had been installed.

In its Petition, SSU offered a schedule to systematically file each amendment application beginning in February, 1993. The last application will be submitted by August, 1993, as reflected in Attachment B of this Order. In reviewing the explanations and the time table, we find that the proposed schedule is reasonable, and the utility's Petition is hereby approved.

Our Commission Staff has administrative authority to approve amendment applications when they are filed in accordance with Chapter 367 and no objections are filed. Ordinarily, applications such as these would not be processed administratively because the utility is in violation of Section 367.071, Florida Statutes, by serving outside its approved territory.

However, since SSU has provided details related to the history and extent of its violations and has provided a reasonable time table for correcting the problems, show cause proceedings will not be initiated. If the amendment applications are filed pursuant to Section 367.045, Florida Statutes, Rule 25-30.036, Florida Administrative Code, and in accordance with the approved time table, they may be processed administratively. It is important to note that the utility has violated the statute in these instances. If SSU commits any future violation of Sections 367.045 or 367.071, Florida Statutes, including acquisition of new systems, it will result in show cause proceedings. Also, in the event SSU fails to follow its own proposed schedule, show cause proceedings against SSU may be initiated.

Based on the foregoing, it is, therefore,

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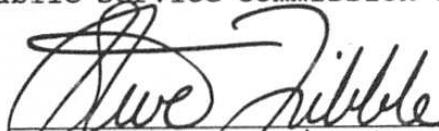
ORDERED by the Florida Public Service Commission that Southern States Utilities, Inc.'s Petition for Approval of Time Schedule is hereby granted. It is further

ORDERED that if Southern States Utilities, Inc. violates Sections 367.045 and 367.071, Florida Statutes, in the future, show cause proceedings will be initiated. It is further

ORDERED that each amendment application which is filed in accordance with Section 367.045, Florida Statutes, Rule 25-30.036, Florida Administrative Code, and the approved time table may be processed administratively. It is further

ORDERED that this docket be closed.

By ORDER of the Florida Public Service Commission this 9th day of February, 1993.



STEVE TRIBBLE, 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 120.59(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 Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

Brevard County/Oakwood: 14 water connections are served outside the official territory. When the Company acquired this system, the original owner's legal description did not encompass Phase II of the subdivision, although the Company believed that it did at the time. This omission was discovered when the 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Citrus County/Apache Shores: 14 water connections are served due to an incorrect legal provided by the original owner upon the company's acquisition of the system. Additionally, the Company's operations department connected 34 water customers prior to 1988 in the belief that the customers were in the authorized service territory. These omissions were discovered when the 1992 Rate Case Maps were prepared and the Company has implemented several procedures which should prevent this from happening again.

Citrus County/Crystal River: A total of 12 water connections are served, all of which were discovered when the 1992 Rate Case Maps were prepared. Five of the connections have meters set within the territory, with the actual homes outside. Six of the connections were made several years ago by the Company's operations department in the belief that the customers were within the territory. One connection was made within the last four years in the belief that the customer was within the territory. The Company has implemented several procedures which should prevent these mistakes from happening again.

Citrus County/Point O' Woods: Three water and sewer connections are served, all in the Moorings Phase II subdivision. The Moorings Phase I is within the Company's service territory and the Phase II customers were connected in an effort to provide service in a timely manner. The Company has implemented several procedures which should prevent this from happening again.

Citrus County/Rolling Green: 27 water connections are served, all of which were discovered when the 1992 Rate Case Maps were prepared. When the Company acquired this system, the original owner's legal description did not include Phase II of the subdivision, although the Company believed that it did include Phase II. The Company has implemented several procedures which should prevent this from happening again. All the meters are set within the existing service territory or on the boundary of the territory, although the homes are outside.

Clay County/Postmaster Village: 51 water connections are served. The original owner of the system expanded its lines and did not apply for an amended territory description. The Company believed that the entire system was included within the territory when it acquired the system. This omission was discovered when the 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Hernando County/Spring Hill: All the necessary information has been gathered, but an amendment for the East/West Linden and Barony Estates Subdivisions (currently serving approximately 66 connections) was not filed in anticipation of this docket. A developer agreement was executed when construction began; however, the Company did not receive all the information necessary to complete the application for amendment due to delays on the developer's part as well as internal Company delays in preparation. The company has implemented procedures which should prevent this from happening again.

Lake County/Fern Terrace: A total of 66 water connections are served. Thirty-three water connections are served due to an incorrect legal provided by the original owner upon the company's acquisition of the system. The Company believed that these connections were within the authorized territory. Additionally, the Company's operations department connected 33 water customers in 1989 in the belief that the customers were in the authorized service territory. These omissions were discovered when the 1992 Rate Case Maps were prepared and the Company has implemented several procedures which should prevent this from happening again.

Lake County/Hobby Hills: Six water connections are served, all six were discovered when the Company's 1992 Rate Case Maps were prepared. The original owner's legal description did not encompass these connections when the Company acquired the system, although the Company believed that these connections were within the

territory. The Company has implemented several procedures which should prevent this from happening again.

Lake County/Holiday Haven: A total of five water connections are served. Three water connections are served due to an incorrect legal provided by the original owner upon the company's acquisition of the system. The Company believed that these connections were within the authorized territory. Additionally, the Company's operations department connected two water customers more than three years ago in the belief that the customers were in the authorized service territory. These omissions were discovered when the 1992 Rate Case Maps were prepared and the Company has implemented several procedures which should prevent this from happening again.

Lake County/Piney Woods: Sixty-six water connections are served. Three water connections are served due to an incorrect legal provided by the original owner upon the company's acquisition of the system. The system contained only 19 connections when it was acquired by the Company in 1974 and was not under FPSC jurisdiction at that time. When the application for a Grandfather Certificate was filed, the incorrect legal was utilized and the company believed that the Piney Woods and Spring Lake Manor subdivisions were both within the authorized territory. This error was discovered when the 1992 Rate Case Maps were prepared and the Company has implemented several procedures which should prevent this from happening again.

Lake County/Skycrest: Twenty-Seven water connections in the Baird Mobile Home Park are served, adjacent to the Company's territory. The company connected these customers in 1986. The Company believed that this territory was included in the Grandfather Certificate granted after the system was acquired; however, the utility relied upon an incorrect legal description provided by the former owner of the system. This error was discovered when the 1992 Rate Case Maps were prepared and the Company has implemented several procedures which should prevent this from happening again.

Lake County/Sunshine Parkway: One water connection, for a "Welcome Center" is served. The meter is located on the boundary of the Company's service territory. The Company believed that the connection would be acquired by the County in a possible taking very shortly after this connection was added and no amendment was prepared for this one connection in that belief.

Lake County/Venetian Village: Forty-one water connections are served. Thirty-nine connections are served due to an incorrect legal provided by the original owner upon the company's acquisition of the system. The Company believed that these connections were within the authorized territory. Additionally, the Company's operations department connected two water customers more than three years ago in the belief that the customers were in the authorized service territory. These omissions were discovered when

the 1992 Rate Case Maps were prepared and the Company has implemented several procedures which should prevent this from happening again.

Lake County/Silver Lakes-Western Shores: the Company has filed an Application for Amendment of its Certificate 106-W and this request is currently pending in Docket Number 921044-WU. There are approximately 150 connections and a majority of these connections were made on an emergency basis to connect customers whose private wells had gone bad.

Marion County/Marion Oaks: 158 sewer connections are served, all of which were discovered when the 1992 Rate Case Maps were prepared. The original owner had "squared off" its legal description and this "squaring off" resulted in a portion of Unit 2 of the subdivision being omitted. The Company acquired this system believing that all of Unit 2 was included, and the Company has implemented several procedures which should prevent this from happening again.

Marion County/Salt Springs: Two water connections are served. These connections were being served when the Company acquired the system. As they were connections for the United States Forestry Service, they were not metered at the time of the Company's acquisition and the Company was unaware that the connections were not included in the territory. This omission was discovered when the Company prepared its 1992 Rate Case Maps. These connections have

been metered, and the Company has implemented several procedures which should prevent this from happening again.

Martin County/Fisherman's Haven: Twenty-four water and sewer connections are served, all of which were discovered when the Company's 1992 Rate Case Maps were prepared. The original owner's legal description did not encompass these connections when the Company acquired the system, although the Company believed that these connections were within the territory. The Company has implemented several procedures which should prevent this from happening again.

Orange County/Dactwyler Shores: Two small commercial water customers are served (a 7-11 store and one other commercial unit). These customers were connected several years ago by the Company's operations department in the belief that these customers would be within the service territory. These omissions were discovered when the Company's 1992 Rate Case Maps were prepared. The Company has implemented several procedures which should prevent this from happening again.

Orange County/Lake Conway: One water connection is served; the meter is located inside the territory although the lot is outside the territory. This was discovered when the Company's 1992 Rate Case Maps were prepared.

Orange County/University Shores: 219 water and sewer connections are served due to a scrivener's error in the legal description. For the Suncrest Subdivision, instead of citing "the SE 1/4 of the SW 1/4" of the township-section-range, the legal reads "the SW 1/4 of the SE 1/4" of the township-section-range. The county and the utility each serve the intended (correct) area rather than the area set forth incorrectly in the legal. This error was discovered when the Company's 1992 Rate Case Maps were prepared.

Osceola County/Tropical Park: A total of 89 water connections are served, all of which were discovered when the Company's 1992 Rate Case Maps were prepared. Ten water connections are served due to the fact that the original owner's legal description did not include these connections although the Company, upon its acquisition, believed that they were included. Additionally, several years ago before the Company's current system of checks and balances was in place, a few individual homeowners and one small subdivision (totalling 79 water customers) were connected onto the system in the belief that this territory was authorized. The Company has implemented several procedures which should prevent this from happening again.

Osceola County/Windsong: Ten water connections, representing one commercial strip, are served. This small strip center was not included in the territory when the Company acquired the system, although the Company believed that the strip center was within the authorized territory. This omission was discovered when the

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Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Putnam County/Beechers Point: 16 water connections are served. The Company's operations department added one phase on Front Street as well as a fish camp in the belief that the City Limits of the City of Welaka served as the Company's territory boundary. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Putnam County/Interlachen Lake Estates: Due to an inaccurate, poorly-written legal description provided to the Company when this system was acquired, 136 water connections are served. The Company believed that these connections were within the territory when it was acquired. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Putnam County/Palm Port: 14 water and sewer connections, the "Cow Creek Subdivision" are served. Although the Company's records do not reflect when this occurred, the developer added lines and facilities onto the system at some point without conveying these lines and facilities to the Company. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the

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Company has implemented several procedures which should prevent this from happening again.

Putnam County/Saratoga Harbour: Two water connections are served, due to their omission from the legal description when the system was acquired by the Company. The Company believed that these lots were included when the system was acquired. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Putnam County/Wooten: Nine water connections are served, due to their omission from the legal description when the system was acquired by the Company. The Company believed that these lots were included when the system was acquired. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Seminole County/Apple Valley: Twenty-Five water connections are served, due to their omission from the legal description when the system was acquired by the Company. The Company believed that these lots were included when the system was acquired. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Seminole County/Dol Ray Manor: Two water connections are served (the subdivision's small commercial section). This commercial section was not included in the legal description provided to the Company upon its acquisition of the system, although the Company believed that the section was included in the territory. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Seminole County/Druid Hills: A total of seven water connections are served. Four individual customers were connected by the Company several years ago in an emergency situation when the wells went bad. These four individuals' connections are located directly across the street from the Company's territory boundary. Additionally, three churches were connected several years ago by the Company's operations department in the belief that these churches were within the territory. These omissions were discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Seminole County/Fern Park: A total of sixteen water customers are served. Four water connections are included due to an error in the legal description provided to the Company when the system was acquired, although the Company believed that these customers were included in the territory. Twelve customers were added several years ago, over a period of time, by the Company's operations

department in the belief that these customers would be within the authorized territory. These omissions were discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Seminole County/Lake Brantley: Three water connections are included and have been served for over five years. These connections are located adjacent to the plant site and no extension fees were paid at the time of connection as it was anticipated that an amendment would be filed in the near future, although this amendment was never completed due to the Company's lack of administrative personnel and the fact that adequate internal controls did not exist. The Company has implemented procedures which should ensure that this does not happen again.

Seminole County/Lake Harriet: A total of 34 water customers are served. Approximately 5-10 of these customers were included due to an incorrect legal description provided by the original owner when the system was acquired by the Company, although the Company believed that these customers were within the service territory. The remaining customers were connected by the utility's operations department over a period of several years before 1989, in the belief that these customers would be within the authorized service territory. These omissions were discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has

implemented several procedures which should prevent this from happening again.

Volusia County/Sugar Mill: Three water and sewer connections are served, due to their omission from the legal description when the system was acquired by the Company. One small section of the territory, in the center of the territory, was inadvertently omitted from the description provided to the Company. The Company believed that these lots were included when the system was acquired. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Volusia County/Jungle Den: 105 water connections and 100 sewer connections are served. These are made up of three to five residences and one multi-family unit. The original owner filed a legal description containing a mistake in its application for the territory. When the Company purchased the system, the incorrect legal description was utilized in the transfer and the Company believed that all the 105/100 connections were included. This omission was discovered when the Company's 1992 Rate Case Maps were prepared, and the Company has implemented several procedures which should prevent this from happening again.

Volusia County/Master Amendment: The Company has entered into an Interlocal Agreement with Volusia County which will best facilitate provision of services to customers throughout Volusia

County. A draft of the amendment reflecting the Company's agreement with the County is complete. This amendment was discussed at the meeting between Company personnel and staff; the Company will file a "blanket" amendment which sets forth the terms and conditions (and territory revisions) agreed upon between the Company and Volusia County in the Interlocal Agreement. The Interlocal Agreement has been filed with the commission and a copy has been provided to staff.

Timetable for Filing Certificate Amendments

Amendments to be filed on or before February 1, 1993:

Lake County Amendment

Carlton Village /Lake Griffin System (new system), Fern Terrace System, Friendly Center System, Hobby Hills System, Holiday Haven System, Imperial Terrace System, Picciola Island System, Piney Woods System, Silver Lakes System, Western Shores System, Skycrest System, Sunshine Parkway System, Venetian Village System

Seminole County Amendment

Lake Crescent System (new system), Apple Valley System, Dol Ray Manor System, Druid Hills System, Fern Park System, Harmony Homes System, Lake Brantley System, Lake Harriet System

Citrus County Amendment

Apache Shores System, Crystal River System, Golden Terrace System, Point O Woods System, Rolling Green System

Volusia County Amendment

Volusia Master Amendment, Jungle Den System, Sugarmill System

Amendments to be filed on or before May 3, 1993:

Orange County Amendment

Daetwyler System, Lake Conway System, University Shores System

Putnam County Amendment

Beechers Point System, Interlachen Lake Estates System, Palm Port System, River Park System, Saratoga Harbour System, St. Johns Highland System, Wooten System

Marion County Amendment

Marion Oaks System, Salt Springs System

Osceola County Amendment

Tropical Park System, Windsong System

Amendments to be filed on or before August 2, 1993:

Hernando County Amendment: Spring Hill System

Clay County Amendment: Postmaster Village System

Martin County Amendment: Fisherman's Haven System

Brevard County Amendment: Oakwood System