

M E M O R A N D U M

May 24, 1995

TO : EVONNE SAGER, DIVISION OF LEGAL SERVICES
DIVISION OF RECORDS AND REPORTING

FROM : EDITH XANDERS, DIVISION OF WATER AND WASTEWATER *EX 9C JMW*

RE : DOCKET NO. 921098-WS: APPLICATION FOR CERTIFICATES TO
PROVIDE WATER AND WASTEWATER SERVICE UNDER GRANDFATHER
RIGHTS IN ALACHUA COUNTY BY FAMILY DINER, INC. AND TURKEY
CREEK, INC. D/B/A TURKEY CREEK UTILITIES

Family Diner, Inc. and Turkey Creek, Inc. d/b/a Turkey Creek Utilities (Turkey Creek) is a Class C utility in Alachua County which provided water and wastewater service to approximately 300 customers. On October 26, 1992, Turkey Creek filed an application for a certificate to provide water and wastewater service under grandfather rights. Order No. PSC-93-0229-FOF-WS, issued February 10, 1993, granted the certificates to Turkey Creek, approved its service territory and reduced its rates to those which were in effect the date the Public Service Commission received jurisdiction of Alachua County, June 30, 1992. The utility protested this proposed agency action order and as a result, the certificates were never issued to the utility. A second order regarding rates and charges was issued and was also protested by the utility.

Prior to the hearing, the utility withdrew the protests and filed an appeal with the First District Court of Appeal. On March 27, 1995, the First District Court of Appeal affirmed the decisions made by the Commission in this docket. Accordingly, the correct territory was granted to the utility which would allow for the certificates to be issued. However, the utility has been subsequently sold to the City of Alachua. The sale to the city is the subject of this memorandum.

On September 23, 1993, Turkey Creek was purchased by the City of Alachua. Due to the pending hearing and subsequent appeal, the city did not file the appropriate application for a transfer. Since the appeal is now complete, we have received the appropriate documentation for a transfer to a government. In accordance with Rule 25-30.037(4), Florida Administrative Code, we have received the name and address of the utility and its authorized representative, the name of the governmental authority and the name and address of its authorized representative, a copy of the contract transferring the utility system to the governmental authority, and the date on which the governmental authority plans to take official action to acquire the utility. Commission staff forwarded Turkey Creek's most recent available income and expense statement, balance sheet, statement of rate base for regulatory

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purposes and contributions-in-aid-of-construction to the city. In addition, we have received a statement from the city that Turkey Creek's customer deposits were transferred to the city when the city purchased the utility. To date, the city has refunded 85% of these deposits.

Turkey Creek will remain liable for outstanding regulatory assessment fees due for the period January - September, 1993. This amount is estimated to be \$2,454. In addition, it must refund to its customers the excess amounts it received as a result of two unapproved increases in rates and service availability charges. The refunds were required by Order No. PSC-93-1769-FOF-WS, issued December 3, 1993. To date, these refunds have not been completed.

Section 367.071(4)(a) provides that the sale of facilities, in whole or in part, shall be approved as a matter of right. Based on the above, an administrative order should be issued within thirty days acknowledging the transfer from Turkey Creek Utilities to the City of Alachua.