



Public Service Commission

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**DATE:** May 31, 1996  
**TO:** Alice Crosby, Division of Legal Services  
 Division of Records and Reporting  
**FROM:** Patricia Brady, Division of Water and Wastewater *Pb BSM*  
**RE:** Docket No. 960106-WU, Request for approval of acknowledgement of transfer of Canal Point water system from Southeastern States Utilities, Inc. to City of Pahokee and cancellation of Certificate No. 240-W in Palm Beach County.

Southeastern States Utility, Inc. (SSUI) is a Class C water utility serving 270 residents in unincorporated Palm Beach County immediately north of the City of Pahokee (Pahokee). Since 1965, water has been provided to the residents of Canal Point through a bulk users agreement between SSUI and Pahokee. On February 23, 1994, Mr. William Abrams, as president of SSUI, filed notice of intent to abandon the water system pursuant to Section 367.165, Florida Statutes. On April 22, 1994, Judge James T. Carlisle of the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, (Circuit Court) appointed Utilities, Inc. of Florida (Utilities, Inc.) as receiver. The Commission acknowledged the abandonment of SSUI in Order No. PSC-94-0584-FOF-WU, issued May 18, 1994, and the appointment of Utilities, Inc. as receiver in Order No. PSC-94-0917-FOF-WU, issued July 26, 1994.

On January 29, 1996, an application for transfer of the Canal Point System to the City of Pahokee (Pahokee) was filed on behalf of SSUI pursuant to Section 367.071(4)(a), Florida Statutes. The application was filed by Mr. Kenneth N. Schenck, Jr., who is the City Manager of Pahokee. The contract for the sale of the Canal Point System was made on November 13, 1995, between Utilities, Inc. and Pahokee for the sum of \$1.00. On November 20, 1995, in Case Number: CL 94-2102-AC, the Circuit Court issued an "Agreed Order" on the receiver's motion for authority and approval of the sale of SSUI assets to Pahokee.

The contract for the sale, which was furnished with the application, specified that all deposits and interest would be assigned to Pahokee upon closing. Utilities, Inc. filed a 1995 annual report for the period of time in 1995 in which it was receiver for SSUI (January to November of 1995). However, by letter of February 22, 1996, to Mr. Charles H. Hill, the Chairman of the Board of County Commissioners of Palm Beach Counties requested a waiver of SSUI's 1995 regulatory assessment fees on behalf of Palm Beach County, the City of Pahokee and Utilities, Inc of Florida. By letter dated March 18, 1996, (attached) Mr. John Williams responded for Mr. Hill. In that response, Mr. Williams stated:

- CLK
- AFA
- APP
- CAF
- CMU
- CTR
- EAG
- LEG
- LHM
- OPC
- RCH
- SEC
- WAS
- OTH

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

[T]he authority to collect a regulatory assessment fee is set by Section 367.145, Florida Statutes, and this Section also requires the collection of this fee. As such the Commission does not have the discretion to waive its collection....Southeastern States Utilities, Inc., therefore, is responsible for payment of all outstanding regulatory assessment fees."

However, the issue of the failure of SSUI to pay its 1995 annual regulatory assessment fees up to the time of its sale and transfer to a governmental authority will be dealt with in another docket.

Staff finds the application is in compliance with Section 367.071(4), Florida Statutes and Rule 25-30.037(4), Florida Administrative Code. The sale of facilities to a governmental authority shall be approved as a matter of right. Staff recommends that an order be issued within thirty days acknowledging the transfer of SSUI's water system to the City of Pahokee and cancelling Certificate No. 240-W. Upon issuance of the order the final order in this docket, the docket should be closed.

cc: J. Gilchrist, WAW

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State of Florida

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



DIVISION OF WATER &  
WASTEWATER  
CHARLES HILL  
DIRECTOR  
(904) 413-6900

Greg

**Public Service Commission**

March 18, 1996

Mr. Ken Foster, Chairman  
Board of County Commissioners  
Palm Beach County  
P.O. Box 1989  
West Palm Beach, FL 33402-1989

Re: Waiver of 1995 Water Utility Regulatory Assessment Fee for Southeastern States Utilities, Inc.

Dear Mr. Foster:

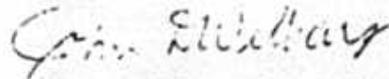
The Commission has received your letter dated February 22, 1996, and William E. Sundstrom's letter of March 11, 1996, regarding 1995 regulatory assessment fees due for Southeastern States Utilities, Inc. The Commission understands and appreciates the difficulties that Utilities, Inc. encountered as receiver for Southeastern States Utilities, Inc. However, the authority to collect a regulatory assessment fee is set by Section 367.145, Florida Statutes, and this Section also requires the collection of this fee. As such the Commission does not have the discretion to waive its collection.

Section 367.071(2), Florida Statutes, states, in part, "... the transferor remains liable for any outstanding regulatory assessment fees, fines, or refunds of the utility." Southeastern States Utilities, Inc., therefore, is responsible for payment of all outstanding regulatory assessment fees. When payment of the fees poses a hardship for the utility, the Commission has, in the past, approved payment plans.

Continuation of Letter to:  
Mr. Ken Foster, Chairman  
March 18, 1996  
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If you have any other concerns about the transfer of Southeastern States Utilities, Inc. to the City of Pahokee, please feel free to contact me.

Sincerely,



John D. Williams  
Bureau Chief

cc: Bevin Beaudet, Director, Water Utilities Department  
Don Rasmussen, Vice President, Utilities, Inc. of Florida  
Raymond Horta, Jr., Mayor, City of Pahokee  
Kathleen M. Scarlett, Assistant County Attorney  
Division of Water and Wastewater (Hill, Shafer, Messer, Brady)  
Division of Legal Services (Jaber, Crosby)