



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: January 20, 1998

TO: Jennifer Brubaker, Attorney, Division of Legal Services
 Hans Ottinot, Attorney, Division of Legal Services
 Division of Records and Reporting

FROM: Martha Golden, Economic Analyst, Division of Water & Wastewater *mid* *bcg* *PM*

RE: Docket No. 970273-WU; Request for approval of transfer of water facilities of Duval Utility Company to Clay County Utility Authority and cancellation of Certificate No. 299-W in Clay County.

Duval Utility Company (Duval or utility) is a Class C utility that provides water service to 92 customers in Clay County. On March 4, 1997, the Commission received an application requesting approval to transfer Certificate No. 299-W from Duval Utility Company to Sun Coast Utility (Sun Coast.) After reviewing the utility's application, staff found it to be deficient. Staff requested that the utility correct the deficiencies. However, prior to completing the deficiency corrections, Duval and Sun Coast decided to transfer the utility facilities to the Clay County Utility Authority (Clay County or County) rather than proceeding with the previously requested transfer.

On August 29, 1997, the Commission received a new application from Duval requesting approval to transfer the water facilities to the Clay County Utility Authority and cancellation of Certificate No. 299-W. The transfer of the facilities to Clay County was approved by the Clay County Board of County Commissioners on August 12, 1997, pursuant to Clay County Resolution No. 96/97-86. The utility's facilities were subsequently donated to Clay County. ~~The provisions of Section 367.071, Florida Statutes, require an application for approval of transfers of water and/or wastewater utilities to governmental agencies, although such transfers are approved as a matter of right. Section 367.022(2), Florida Statutes, exempts from regulation by the Commission systems owned, operated, managed or controlled by governmental agencies.~~

The application for transfer was filed in accordance with Section 367.071(4), Florida Statutes, and Rule 25-30.037(4), Florida Administrative Code. In addition, the County obtained from the Commission the most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes and contributions-in-aid-of-construction.

According to the application, all of the customer deposits held by Duval were transferred to the County on August 20, 1997. Further, the utility is current on all annual report and regulatory assessment fees. The transfer of the utility and cancellation of Certificate No. 299-W should not affect the authority of the Commission to collect, or the obligation of the utility to pay, regulatory assessment fees accrued up until the date of transfer, as recognized by order of the Commission.

DOCUMENT NUMBER DATE

01161 JAN 21 98

FPSC-RECORDS/REPORTING

Therefore, staff recommends that an administrative order be issued as soon as possible acknowledging the transfer of Duval Utility Company to the Clay County Utility Authority, cancelling Certificate No. 299-W in Clay County, and closing the docket.

I:\970273WU.RCM