FLORIDA FUELIC SERVICE CONSISSION Capital Circle Office Center • 2540 Shumard Oak Boulevard Tallehassee, Florida 32399-0050

RECEIVED

MEMORANDUM

Pebruary 5, 1998

FEB 05 1998 FPSC - Records/Reporting

TO:

DIRECTOR, DIVISION OF RECORDS AND RESORTING

FROM:

DIVISION OF MACHE AND MACHINETS (MILLER, RED

RE:

DOCKET NO ACCUSED - APPLICATION FOR CERTIFICATES UNDER CRANDFACTOR RECEIPES SO PROVIDE WATER AND WASTERATER SERVICE BY CRESENA RIVER UTILITIES, INC. IN POLK COUNTY.

ACENDA:

FERRUARY 17, 1996 - SESULAR AGENDA - PROPOSED AGENCY

ACTION - INTERPOSED PERSONS MAY PARTICIPATE

CRITICAL DATES: NOME

SPECIAL IMPERIOREDING: NORE

FILE LOCATION: I:\PSC\LES\NF\961014R.RCM

CASE PACEMOND

On September 3, 1996, Crystal River Utilities, Inc. (Crystal River) filed an application with this Commission for grandfather certificates to provide water and wastewater service in Polk County, pursuant to Section 367.171, Florida Statutes. The application was filed after the Board of County Commissioners of Polk County adopted a resolution on May 14, 1996, which made the utilities in the County subject to the provisions of Section 367, Florida Statutes.

At the time the Commission received jurisdiction, the utility was owned by Rosalie Oaks Utility Corporation (Rosalie Oaks), not by Crystal River. Crystal River entered into an agreement on August 14, 1996, to purchase the system from Rosalie Oaks and has been operating the system since that time without prior approval of the Commission.

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Crystal River's application and the circumstances surrounding the transfer were considered at the August 18, 1997 agenda conference. At that time, it was determined by the Commission that it was not appropriate to initiate show cause proceedings against Rosalie Oaks for entering into an agreement and turning the system over to Crystal River to operate prior to Commission approval. The Commission did, however, find it appropriate to require Crystal River to notice the customers, the Office of Public Counsel and the Polk County Commission of the action taken at the agenda conference by providing them with a copy of the order within seven days of its issuance. The Commission also found it appropriate to require Crystal River to publish the notice in a newspaper of general circulation in the utility's service area within seven days of the date of the Order.

On September 5, 1997, this Commission issued Order No. PSC-97-1048-FOF-WB (copy attached). The portion of that Order declining to initiate show cause proceedings and establishing rates and charges was issued as final agency action. The portion granting grandfather certificates, requiring proof of land ownership, and requiring noticing was issued as Proposed Agency Action.

By letter dated October 24, 1997, a copy of a recorded warranty deed in the name of Crystal River was provided as proof of ownership. Crystal River has not, however, noticed as directed by Order No. PSC-97-1048-FOF-MS due to a misunderstanding. This recommendation addresses the rescission of Order No. PSC-97-1048-FOF-MS, and the issuance of a new order to incorporate clarifications of the noticing requirements.

ISSUE 1: Should the Commission rescind Order No. PSC-97-1048-FOF-WS and issue a new order to include a clarification of the required notice?

RECOMMENDATION: Yes, Order No. PSC-97-1048-FOF-WS should be rescinded. However, the Commission should issue a new order to incorporate the clarifications discussed below in the Staff Analysis. That portion granting grandfather certificates, requiring proof of land ownership, and requiring noticing should be issued as proposed agency action. That portion of the order declining to show cause and setting rates should be issued as final action. (CROSBY)

STAFF ANALYSIS: As stated previously, Order No. PSC-97-1048-FOF-WS was issued on September 5, 1997. That Order states, in part,

The rules and atatute did not require noticing for grandfather certificate applications. However, because a sales contract was entered into and Crystal River began operating the system prior to the issuance of the grandfather certificates, we find it appropriate to require Crystal River to notice the customers, the Office of Public Counsel, and the Polk County Commission, by providing them a copy of this Order within seven days of its issuance. We further find it appropriate to require Crystal River to provide notice in a newspaper of general circulation in the utility's service area.

Although the body of the order required Crystal River to provide a copy of the order to the Office of Public Counsel, the Polk County Commission, and the customers, it did not clearly state what notice was to be provided in the newspaper. In addition, the Ordering paragraphs did not state that a copy of the order was to be provided to the customers.

The third Ordering paragraph states, that "Crystal River Utilities, Inc. shall provide a copy of this Order to the Office of Public Counsel and the Polk County Commission within seven days of the date of this Order. Crystal River Utilities, Inc. shall also provide notice to the customers of the utility within seven days of the date of this Order." The fourth Ordering paragraph required Crystal River to provide notice of the action taken "herein" once in a newspaper of general circulation in the service territory

approved in the Order. Such notice was to have been published within seven days of the date of the Order.

Because the language in the body of the Order and in the Ordering paragraphs was somewhat confusing to Crystal River, Crystal River was uncertain as to what to provide to the customers and in the newspaper. Arguably, Crystal River should have contacted the Commission to clear up the confusion prior to the expiration of the seven-day period. However, because of the confusion, staff recommends that the Commission rescind Order No. PSC-97-1048-FOF-WS and issue a new order in this docket to incorporate that Crystal River should be required to notice the Office of Public Counsel, the Polk County Commission, and its customers by providing a copy of the new order within seven days of the date of the new order.

In addition, Staff recommends that Crystal River provide notice in a newspaper of general circulation in its service area within seven days of the date of the new order. The notice should state that the Commission granted Crystal River Grandfather Certificates Nos. 594-W and 510-8. The notice should include a description of the service area granted, and reference the 21-day protest period.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed if no timely protests are filed to the proposed agency action issues. (CROSBY)

STAFF ANALYSIS: If there are no timely protests filed by a substantially affected person to the proposed agency action issues, no further action will be required and the docket should be closed.

ORDER NO PSC-97-1048-FOF-MS DOCKET NO 961014-MS PAGE 12

48" and a radius of 2785.00 feet; thence along said curve for an arc length of 1067.58 feet to the end of said curve; thence Borth 69" 24" 18" Meet, 342.13 feet; thence Borth 35" 24" 10" West, 538.72 feet; thence Borth 54" 35" 50" East, 210.00 feet; thence Borth 35" 24" 10" Meet, 190.58 feet; thence Borth 41" 21" 50" East, 102.73 feet to the FOIRT OF BROISBIRG.

BOSALIE CANS WATER TREATMENT PLANT

ALSO, communes at the Mortheast corner of Section 29, Township 29 South, Range 29 Sect, Polk County, Floride, and run South along the Sect boundary of Section 29, 1966.41 feet; thence Worth 79° 24' 16' Nest, 900.00 Sect to the centerline of Comp Sect Seed; thence along said conterline. South 50° 9' 10' Meet, 123.40 feet to the beginning of a curve to the left having a central angle of 90° 47' 20° and a radium of 2752.10 feet; thence along said curve, for an arc length of 422.17 feet to the end of east curve; these South 41° 21' 50° Meet, 106.72 feet; themse South 53° 36' 30° Sect, 430.00 feet; themse South 55° 36' 26' Sect, 50.00 feet; themse South 55° 36' 30° Sect; these South 55° 36' 30° Sect; these South 55° 36' 30° Sect; these South 53° 36' 30° Sect; these South 50° 35' 40° Sect; these South 53° 36' 30° Sect; these South 53° 36' 30° Sect; these South 53° 36' 30° Sect; these South 53° 36' 50° Sect; these South 53° 36' 30° Sect; these South 53° 36' 3

BEFORE THE FLORIDA PUBLIC SERVICE CONNISSION

In re: Application for certificates under grandfather sights to provide water and wastewater service by Crystal River Utilities, Inc. in Polk County. DOCKET NO. 961014-WS ORDER NO. PSC-97-1048-FOF-WS ISSUED: September 5, 1997

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman J. TERRY BEARON SUGAN F. CLARK DIAME H. HIESELING JOE GARCIA



DEFICE 15 MINERY CIVES by the Ploride Public Service Commission that the action granting certificates and requiring noticing, so discussed barein, is preliminary in nature and will become final unless a person where interests are exhaustially different files a printials for a formal presenting, personnt to bale 35-23.029, Florida Administrative Code.

Beelinson

On Suptember 1, 1996, Crystal River Utilities, Inc. (Crystal River or utility) filed an application with this Commission for grandfather certificates to provide unter and unstructure service in Polk County, pursuest to Section 167-171, Florids Statutes. The application was filed after the Seard of County Commissioners of

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ORDER NO. PSC-97-1046-POF-MS DOCKET NO. 961016-MS PAGE 2

Polk County adapted a resolution on May 16, 1996, which made the utilities in the County subject to the provisions of Section 367, Florida Statutes.

At the time we received jurisdiction, the system, which convents to residential customers, was comed by headle Cake Utility Chrystation (Shoulis Cake). Although Crystal River extered into an agreement on August 14, 1996, to purchase the system from Smalls Cake, classing of the cale was conditioned upon Cammissian approval. Crystal River has been appreciant the system class the agreement was eigend. To eliminate deplicate fillings, Crystal River applied for conditable cartificates in its mass. Second Smalls Cake entered into a continuent to call the agreement the system over to Crystal River to equate prior to Camissian agreement, Reseals Cake is in agreement violation of Section 247.973, Florida Statutos.

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As extend provincely, hamilis Cabe is in apparent violation of Sections 267.073, Florida Stateston, which states, in part, "the utility deall call, casion, or transfer its certificate of outberlastics. Shallities or any parties thereof. . . without determination and approval of the commission that the proposed cale, emigranel, or transfer is in the public interest. Shallic cale and Greated Stiver on August 14, 1806. Crystal Stour has been operated by Capital Stour as August 14, 1806. Crystal Stour has been operating the apparent providing union and emissions or approximate the time. Such catter in wallful in the same intended by Section 367.361, Florida Statutes, Section 367.161, Florida Statutes, estherizes the Capital Statutes. Section 15 been appropriate to incommingly released to camply with, or to have dillfully violated my provision of Statutes, Section 15, Florida Statutes, and Statutes, the Statutes, the Statutes, the Statutes, the Statutes, the Statutes, the Statutes, and the Statutes, and the Statutes of the statutes as statute or rule. If the Statutes is distinct from an intent to violate a next, and this is distinct from an intent to violate a next, and this is distinct from an intent to violate a next, and this is distinct from an intent to violate a next, and this is distinct from an intent to violate a next, and the filling an view, "violitial implices an intent to do an act, and this is distinct from an intent to violate a next, and the statutes.

Rosalie Cake failed to obtain Commission approval before entering into the contract for sale and turning the system over to Crystal River to operate. Section 14(a) and (b) of the sales agreement, which was signed by Rosalie Cake and Crystal River in ORDER NO. PSC-97-1048-POF-MS DOCKET NO. 961014-MS PAGE 11

CHYSTAL RIVER UTILITIES, INC.

TREEITORY DESCRIPTION

THE ROSALIE CARS SUPPLYISION

Commence of the Shrthmast corner of Section 29, Township 29 South, Bange 29 Shot, Folk County, Floride, and run South along the Section 20, 1546.41 feet; thence Shorth 79° 20° 10° thet, 190.46 feet to the conterpline of Camp Stack Shouth themse along said conterline, Smoth 50° 69° 10° Shot, 123.40 feet to the beginning of a curve to the left having a control angle of 60° 47° 30° and a redium of 2752.10 feet; theses along said curve, for an are longth of 432.17 feet to the end of said curve; theses South 61° 21° 50° Shot, 143.08 feet; themes South 30° 24° 10° Shot, \$1.35 feet to the south 30° 24° 10° Shot, \$1.35 feet to the state of th

ORDER NO. PSC-97-1048-FOF-MS DOCKET NO. 961014-MS PAGE 10

Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Flor.ds Rules of Appellate Procedure.

hey party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a matter for reconsideration with the Birector, Division of Records and Engerting within fifteen (15) days of the incumes of this order in the form prescribed by hele 25-22.060, Florida Administrative Code, or (2) judicial review by the Florida Deprese Court in the case of an electric, gas or telephone willity or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Engerting and filing a capy of the matice of agpeal and the filing fee with the appendiate court. This filing must be completed within thirty (10) days after the lemman of this order, pursuant to Bule 9.110, Florida Relea of Appellate Precodure. The notice of appeal must be an the form specified in Rule 9.900(a), Florida Relea of Appellate Precodure.

ORDER NO. PSC-97-1048-POF-NS DOCKET NO. 961014-MS PAGE 3

August, 1996, deals with Floride Public Service Commission enters. Section 14(a) states, in part, "Frier to Cleaing. Purchaser shall submit an application to the Floride Public Service Commission (FFSC) to issue a cortificate of authorization.... Section 14(b) states, in part, "... In the event the FFSC does not approve the application for transfer...., the approximate shall be terminated." Although technically, Crystal Biver did not file an application for transfer prior to entering into this contrast and ensuring approximate and conversations with Crystal River, the closing of the case is a contingent upon Camicalen approval of the cale and issuesse of cartificates to Crystal River. Failure of Section 267.071, Floride Statutes.

to have reviewed the application and the cales approximated, although Crystal River has been appreciate the utility cines the approximate was eigened in Ampact of 1896, cleaning of the cale is conditioned upon Consission approximate. Therefore, us do not find that the violation of Section 167.971, Florido Statutes, rises in these circumstances to the level of uncreasing initiation of show came proceedings. Therefore, a show came proceeding will not be initiated against Benship Cabe for failure to obtain Commission approval prior to entering into the sales contrast and turning the utility over to Crystal River.

Amplication.

On Suptember 3, 1886, Crystal River filed an application for grandfather certification in Polk Granty. Enough as discussed lesses, the application is in compliance with Section 167.171, Fieride Statutes, and other portional statutes and provision of the Ploride Administrative Code. In portioning, the application contains a filing fee in the assent of \$100, as required by Sale 25-30.600, Floride Administrative Code.

The rules and statute do not require noticing for grandfather certificate applications. However, because a make contract was extered into and Crystal River began operating the system prior to the incusance of the grandfather certificates, we find it appropriate to require Crystal River to notice the customers, the Office of Public Counsel, and the Folk County Commission, by providing them a copy of this Order within seven days of its incusance. We further find it appropriate to require Crystal River to provide notice in a newspaper of general circulation in the utility's service area. We find that this action is consistent

CREEN NO PSC-97-1046-POF-MS DOCKET NO. 961016-WS PAGE 4

with previous similar Commission decisions. San Order No. 19848, issued August 22, 1988, in Docket No. 880013-WE, Application of Romesass Utilities. Inc. for water and samer certificates under grandfather rights, hunter County. Florids.

Bule 25-30.035(6), Florida Administrative Code, requires a utility to provide greef that it came the lead or has continued use of the land upon which its facilities are located. Crystal River browided a copy of a warranty deed in Reselie Cake' name. Therefore, Crystal River shall provide a copy of a recorded warranty deed in its name as proof that it came the land upon which the utility facilities are located within 60 days of the date of this order.

Adequate service territory and system maps and a territory description have been provided as prescribed by Sules 25-30.035(9), (18), and (13), Florida Administrative Code. A description of the territory requested by the applicant is shown on Attachment A of this order, which by reference is incomparated begain.

The utility is current with regard to regulatory accounts from and the filling of animal reports through 1805. Gyptal Elver will pay regulatory accounts fore and file the animal report for 1997. In addition, according to the Experiment of Environmental Franceties, there are no outstanding setions of violation against the utility.

based on the ferming, we first that it he is the public immers to prest Crystal Sirer Cartification Sac. 186-8 and 116-8 as sorre the territory described in Standards & of this order. Crystal Siver shall good a copy of this order to the Soli County Conficient, and the Office of Polic Crystal Siver shall public the the of its immers. Parties, Crystal Siver shall public the state of its immers. Parties, Crystal Siver shall public the state one is a manager of general closulation to the utility's person territory. In addition, Crystal Siver shall provide a copy of the maintenance of the utility of the state of t

Better and Greens

On Pubroary 10, 1901, the Publ Genety Sized of County Security Sec

ORDER NO. PSC-97-1048-POF-MS DOCKET NO. 961014-MS PAGE 9

MOTICE OF PRINCE PROCESDINGS OF JUDICIAL BENIEW

The Florida Public Service Commission is required by Section 120.569(1). Plorida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68. Plorida Statutes, as well as the precedures and time limits that apply. This metics chould not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief angle.

As identified in the body of this order, our action greating greatfactor cortificates, requiring proof of land connecting and noticing is polinicary in acture and will not become offeative or final, except as provided by hale 24-22.029, Florido behindstrative Code. Buy person where substantial interests are affected by the action proposed by this order may file a patition for a formal proceeding, as provided by hale 24-22.029(0), Florido behindstrative Code, the periodic for a formal proceeding, as provided by hale 24-22.029(0), Florido behindstrative Code. This polition must be received by the birector, Nivision of Brossch and Experting, at 25:00 Shamare Cok Employment, Tallahanses, Florido 123:00-0300, by the class of besidens on faminates M., 1967. If each a polition is filed, embletion may be smalladed on a cost-by-cost beside. If endiation is conducted, it does not affect a substantially interested person's right to a hearing. In the chances of each a polition, this order chall become effective on the data subsequent to the above data as provided by this 25-22.029(6), Florido behindstrative Code.

May objection or protect filed in this deshet before the insumer date of this order is considered characters unless it cotiofies the foregoing conditions and is removed within the opening protect period.

If the selectest portion of this order become final and effective on the date described above, any party adversely offested any request judicial review by the Florida Seprema Court in the case of an electric, gas or telephon-utility or by the First District Court of Appeal in the case of a unter or unetowater utility by filing a motion of appeal with the Director, Division of Seprets and Separting and filing a capy of the action of appeal and the filing fee with the appropriate owner. This filing must be completed within thirty (36) days of the offective date of this coder, pursuant to hale 9.110, Florida Select of Appellate

ORDER NO. PSC-97-1048-FOF-MS DOCKST NO. 961014-MS

ORDERED that Crystal River Utilities, Inc. shall provide notice of the action taken herein once in a newspaper of general circulation in the service territory approved by this Order. Such notice must be published within seven days of the date of this Order. It is further

COMMINDS that the rates and charges set forth in the body of this Order are hereby approved. Crystal River Willities, Inc. shall charge those rates and charges until authorised to change by this Commission in a subsequent proceeding. It is further

common that the provisions of this Order, issued as proposed agency action, chall become final and effective unless in appropriate patition, in the term provided by Bale 25-22-036, Pleride Administrative Orde, is reserved by the Minester, Division of Records and Reporting, 1840 Shamerd Orde Sections, Talishamore, Pleride 13795-0846, by the class of business on the date not forth in the "Bation of Recther Proceedings or Judicial Review" attached hereto. It is further

county that in the event this Order becomes final, this Deshot shall be closed.

By CHARL of the Florida Public Service Countacion this Sth

Maria of Santa and Appareing

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MC

ORDER NO. PSC-97-1048-FOF-WS DOCKET NO. 961014-WS PAGE 5

River. These rates include the pass-through adjustment approved by the Commission.

MAIN Residential Service (Monthly Rates)

Base Pacility Charge:	least.
3/4 X 5/0"	8 9.90
1*	\$ 21.31
2"	\$ 40.30
Gallenage Charge: (per 1,000 Gallena)	
0 - 5,000 Gallens	8 .04
5.001 - 10,000 Callens	8 1.00
Over 10,000 Callens	8 1.36

Base Facility Charge:	-	
3/4 2 5/0*	\$ 13.30	
1.	8 23.77	
	\$101.31	
College Charge - All Flows	8 5.71	

Customer Buncalto

		Mater	Batantes	Teal.
Decidential	Service	825	825	850

ORDER NO. PSC-97-1048-FOF-MS DOCKET NO. 961014-MS PAGE 6

Hotor Tost Descrits

Heter Size:	Charge
5/8 = 3/4"	\$ 15.00
1" and 1 %"	\$ 20.00
2" and ever	\$ 30.00

Missellassons Service Charges

Initial Connection Poor	\$ 15.00
Hornel Recessortion Pee:	9 15.00
Violation Reconnection Poo:	8 15.00*
Preniess Visit Pes:	\$ 15.00
9515.00 or Astrol Cost	

Hotor Installation for

Makes Blans	Charge
3/4" = 5/8"	\$200.00
10	\$200.00
1-1/2	\$200.00
2*	\$600.00
Omr 2°	Actual

ORDER NO. PSC-97-1048-FOF-WS DOCKET NO. 961014-WS PAGE 7

Concessor Connection (Ten-in) Charms

Mater Size	Votes	Unstanter	Intal
3/4" x 5/6"	\$ 200.00	\$600.00	\$800.00
1.	\$ 330.00	\$600.00	\$930.00
1-1/2*	\$ 330.00	\$600.00	\$930.00
2.	\$1,000.00	9500.00	\$1,600.00
Over 2"	Astual Cost	Actual Cost	Actual Cost

the find those rates and charges to be resemble and they are approved. Crystal River shall charge these rates and charges until entherised to charge by this Countains in a entangent princelling. Crystal River has filed a tariff which reflects the rates and charges approved breits. The tariff shall be effective for corvine realized or connections made on or after the stamped approved date on the tariff shorts.

It is, therefore,

Common by the Florida Public Service Commission that Crystal River Unilities, Inc., Past Office Das 198947, Language, Florida 19782, is hereby greated Cartificates Mas. 594-0 and 510-8 to provide curvice in Publ County. Crystal River Utilities, Inc. is authorized to serve the territory shown on Attachment & of this Guder. It is further

of a recorded varranty doed in its name as proof that it came the land upon which the utility facilities are located. The doed shall be provided within 60 days of the date of this Order. It is further

CREATED that Crystal River Utilities, Inc. shall provide a capy of this Order to the Office of Public Counsel and the Polk County Countesies within seven days of the date of this Order. Crystal River Utilities, Inc. shall also provide notice to the customers of the utility within seven days of the date of this Order. It is further

STATE OF PLOSMA

Commissioners:
JULIA L. JOIGHON, CHARMAN J. TERRY DEAGON
SUBAN F. CLARK
DIANE K. KERLING
JOE GARCIA



DIVISION OF LEGAL SERVICES NORMAN S. DAVIS DIRECTOR (830) 413-6199

Public Berbice Commission

RECEIVED

February 6, 1998

FEB 1 0 1998

FPSC - Records/Reporting

Crystal River Utilities, Inc. P.O. Box 520367 Longwood, Plotida 32753-6367

Re: Desirt No. 988044-WS - Application for cortificates under grandfather rights to provide water and wastewater envice by Crystal River Utilities, Inc. in Polk Countr.

To whom it may consern:

Enciosed is a copy of the Staff Recommendation filed in this matter on Pobruscy 5, 1998. The Commission is expected to consider this Recommendation at its Pobruscy 17, 1998, Agenda Conference which will be held in Recom 148, Entry Encley Conference Conter, 4075 Explanade Way, in Tallahassee beginning at 9:30 a.m. Due to the number of items to be covered at this conference, we cannot state the count time at which this item will be heard. You are welcome to come to this Agenda Conference and cheave unifer participate in the discussion of this item. If you have any questions, please feel thee to call one at (850) 413-6222.

Statemby.

Alice L. Crosby 15/

ALC/

cc: Division of Water and Wastewater (Temiliason, Redomann)
Division of Records and Reporting