



Public Service Commission

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

DATE: April 22, 1999
 TO: Alice Crosby, Division of Legal Services
 Division of Records and Reporting
 FROM: Patricia Brady, Division of Water and Wastewater *pb BSM DW bl*
 RE: Docket No. 982020-WS, Application for transfer of facilities of IBSCO, Inc. to Martin County Utilities in Martin County and for cancellation of Certificate Nos. 382-W and 328-S.

IBSCO, Inc. (IBSCO or utility) is a Class C water and wastewater utility providing service to Jensen Park Estates, Jensen Park Villas and Savannas Club in Martin County, Florida. According to its 1997 annual report, IBSCO serves approximately 296 water and 292 wastewater customers with combined water and wastewater revenues of \$159,610 and a combined net operating loss of \$46,833.

The Commission granted IBSCO's original certificates in Docket No. 810130-WS, by Order No. 11604, issued February 11, 1983. The certificate action was pursuant to a September 23, 1980 resolution by the Board of County Commissioners of Martin County invoking Commission jurisdiction in Martin County. IBSCO's only other certification action was a territory amendment granted in Docket No. 830404-W, by Order No. 13330, issued May 24, 1984.

On December 31, 1998, IBSCO filed an application to transfer its facilities to Martin County Utilities (Martin County) and to cancel its certificates. Subsequent to the filing of the application, a copy of the "Water and Sewer System Asset Purchase and Sale Agreement" (Agreement) was filed with the Commission. The Agreement was entered into on January 27, 1998. However, the closing did not become effective until December 10, 1998. According to the Agreement, the total purchase price for the transfer of assets was not to exceed \$873,670. Of this amount, a maximum of \$537,670 was to be paid to IBSCO. The balance was to be credited to C & D Contractors, Inc., for the water and wastewater lines in Jensen Park Estates Phase 4.

The application states that IBSCO did not require, and has not collected, any deposits from customers or developers. A copy of a Martin County internal memorandum dated January 27, 1998 was provided as evidence that Martin County had obtained the utility's most recently available income and expense statement, balance sheet, statement of rate base for regulatory purposes and contributions-in-aid-of-construction. The memorandum was prepared by Mr. John Polley, Acting Utilities Director.

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