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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

June 22, 1999

Mr. William J. Rish, Jr.
2010 Monument Avenue
Port St. Joe, FL 32457

Re: Docket No. 981343-WU, Application for amendment of Certificate No. 491-W to add territory in Gulf County by Lighthouse Utilities Company, Inc.

Dear Mr. Rish:

This letter is to follow-up staff's conversations with you regarding the need to properly notice the subject amendment application. As staff has informed you, the requirements of Rule 25-30.030, Florida Administrative Code (F.A.C.), must be adhered to regardless of the relative isolation of the proposed territory. It is my understanding you have instructed your consulting engineer, Mr. William J. Kennedy, to take care of this matter for you. Staff informs me that Mr. Kennedy has given his assurance the noticing requirements will be completed upon receipt of this letter. However, this must be the last letter from staff detailing the noticing requirements. Failure to timely give proper notice may result in Commission action pursuant to Section 367.161, Florida Statutes.

In the interim between staff's conversations with Mr. Kennedy and this letter, there has been a slight change in legal's position on noticing requirements for amendment applications. It is legal's position that Rule 25-30.030(6), F.A.C., does not refer to amendment applications. Therefore, there will be no requirement for notice to be given to any potential customers in the proposed territory to be served. The other two noticing requirements of Rule 25-30.030, F.A.C., must be given and affidavits attesting to the notice timely filed with the Commission. A copy of Rule 25-30.030, Florida Statutes, is attached for your review.

In addition to the noticing requirement, some of the utility's responses to staff's earlier notice of deficiencies are not adequate or have posed additional questions. These items are listed following the re-statement of noticing requirements.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC 1
- WAW _____
- OTH _____

DOCUMENT NUMBER-DATE
07706 JUN 24 99
FPSC-RECORDS/REGISTRATION

Continued Noticing Deficiencies:

1. List of Applicable Governments and Local Utilities:
Pursuant to Rule 25-30.030(2), F.A.C., the utility shall obtain a list from the Commission of the applicable governments and local utilities to be noticed. Attached are the lists. Since the territory proposed to be served is adjacent to Franklin County, a list is provided for both Gulf and Franklin Counties.
2. Notice Format:
Pursuant to Rules 25-30.030(2) and (3), F.A.C., the legal description must be accurate and the notice appropriately styled. Since the utility has yet to file a notice that staff can verify and since the legal description given in the application included territory already granted by the Commission, staff is attaching a sample of the notice format with a revised legal description. Please ensure that the notices are in the attached sample format and the date the notices are given is filled-in.
3. Notice to Applicable Governments and Local Utilities:
Pursuant to Rule 25-30.030(5), F.A.C., the utility shall provide a copy of the notice by regular mail to applicable governments and local utilities. Please ensure that the notice described in Item No. 2, above, is mailed to each entity on the lists provided pursuant to Item 1, above. In the case where the same government agency is listed on both the Gulf and Franklin County lists, only one notice needs to be given. The notices should be mailed within seven days of the receipt of this letter.
4. Notice Published in Newspaper of General Circulation in Area
Pursuant to Rule 25-30.030(7), F.A.C., notice shall be published at least once in a newspaper of general circulation in the territory proposed to be served. Please ensure that the notice described in Item No. 2, above, is published in a local newspaper of general circulation within seven days of the receipt of this letter.
5. Affidavits of Notices
Pursuant to Rule 25-30.030(8), F.A.C., an affidavit of the notices must be filed with the Commission. Please ensure that affidavits of the notices given pursuant to Item Nos. 3 and 4, above, are filed with the Commission within fifteen days of the date given. The affidavit of the notices given to applicable governments and local utilities should be accompanied by a copy of the notice and a copy of the lists provided pursuant to Item No. 1, above. The affidavit of the published notice should be furnished by the newspaper in which it is given.

Other Continued Deficiencies:

6. Filing Fee

A \$200.00 filing fee accompanied the utility's application for amendment. Pursuant to Rule 25-30.020(2)(b), F.A.C., a \$200.00 filing fee is for applications in which the area to be served has the proposed capacity to serve from 101 to 200 equivalent residential connections (ERCs or units). According to the Department of Community Affairs, the proposed territory extension includes approximately 25 square miles or 16,000 acres in which the allowed densities would range from a minimum of 1 unit per 40 acres up to a maximum of 4 units per acre. For 16,000 acres, this would be between 400 and 64,000 units. Please provide a statement of the basis the utility used for determining that the area to be served would only have a proposed capacity between 101 to 200 ERCs.

7. Statement of Financial and Technical Ability, Method of Financing, and Impact on Rates and Service Availability Charges

Pursuant to Rules 25-30.036(3)(b), (l) and (n), F.A.C., the utility must provide a showing of financial and technical ability to provide service in the area requested including the proposed method of financing any construction and any impact on utility rates and service availability charges. In response to staff's earlier notice of deficiencies, the utility's consulting engineer, Mr. William Kennedy, stated that studies have shown the utility's facility can provide adequate service to the extended service area. Although no details of the studies were provided, presumably the statement was for a proposed capacity between 101 to 200 ERCs as noted in Item No. 6, above. From the average daily unused capacity of 375,000 gallons, it would appear that the maximum number of additional ERCs the utility can currently serve efficiently is approximately 1,000.

Please provide additional clarification of the utility's current technical ability to provide service to the entire proposed territory extension. If additional plant would be necessary to serve the proposed territory, please indicate the utility's financial resources to expand its treatment plants including the proposed method of financing the construction. Also, please provide a statement of the projected impact on the utility's monthly rates and service availability charges. Finally, please identify the intended operator(s) for the proposed territory extension as well as their Florida Department of Environmental Protection (FDEP) licenses.

8. Land Ownership, Detailed System Maps and FDEP Construction Permits

Since applications for territory amendments are based on actual need for service, Rules 25-30.036(3)(d), (f) and (k), F.A.C., require evidence of ownership of the land upon which the utility treatment facilities will be located, detailed system maps showing the proposed lines and treatment facilities, and FDEP construction permit number(s). Please provide an explanation why detailed system maps, including the location and deeds for any additional plant and FDEP construction permit numbers have not been provided.

Mr. William J. Rish, Jr.

Page 4

June 22, 1999

9. Proposed Tariffs

Apparently, the utility has misunderstood the sample tariff sheets required by Rule 25-30.036(3)(o), F.A.C. The proposed tariff sheets required are those that update the territory served. They would be a continuation of Tariff Sheet Nos. 3.1 and 3.2 (copy attached) and would show the proposed territory as reflected in the utility's notice.

10. Current Certificate

Apparently, the utility has also misunderstood the requirement of Rule 25-30.036(3)(p), F.A.C., to return of the utility's current certificate. The rule requires that the actual certificate be returned, not a copy of the certificate.

Please ensure that the notices required in Item Nos. 3 and 4, above, are served within seven days of the receipt of this letter. Please ensure that the affidavits described in Item No. 5, above, are filed within fifteen days of the notices. Please file the responses to the Item Nos. 6 through 10, above, by July 22, 1999 with the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850. If you have any questions about the information requested, please contact either Ms. Patricia Brady at (850) 413-6686 or Mr. Lee Munroe at (850) 413-6954. If you have any legal questions, please contact Ms. Samantha Cibula, at (850) 413-6202.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

Attachments

JDW:plb

cc: Mr. William J. Kennedy
Division of Water and Wastewater (Brady, Munroe)
Division of Legal Services (Cibula)
Division of Records and Reporting