



Public Service Commission

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

DATE: February 18, 2000
TO: Tyler VanLeuven, Division of Legal Services
Division of Records and Reporting
FROM: Stephanie Clapp, Division of Water & Wastewater
RE: Docket No. 991937-SU: Application for transfer of facilities in Bay County from Forest Shores Utilities, Inc., to City of Callaway and cancellation of Certificate No. 261-S.

Forest Shores Utilities, Inc. (Forest Shores or utility) is a Class C utility located in Bay County. Forest Shores was granted Certificate No. 261-S pursuant to Order No. 8685, in Docket No. 780034-S, issued January 23, 1979. The utility serves approximately 132 residential wastewater customers. The utility's 1998 annual report lists operating revenues of \$56,598 with a net operating loss of \$1,169. The utility's facilities consist of one wastewater collection system.

On December 16, 1999, Forest Shores filed an application with this Commission for acknowledgment of the transfer of the wastewater collection system to the City of Callaway (city) and cancellation of Certificate No. 261-S in Bay County pursuant to Section 367.071(4)(a), Florida Statutes, (F.S.) and Rule 25-30.037, Florida Administrative Code, (F.A.C.). The sale closing, scheduled for November 1, 1999, was delayed due to property description issues, occurred on December 8, 1999. The copy of the Sewer System Purchase Agreement, included with the application, contains the following statement: "The transfer of ownership and responsibility for the operation is effective upon approval by the Florida Public Service Commission." This statement appears to meet the requirement of Section 367.071(1), F.S. Pursuant to Section 367.022 F.S., the city is exempt from the Commission's regulation.

The application was filed in accordance with Section 367.071(4), F.S., and Rule 25-30.037, F.A.C. According to the application, all customer deposits were refunded. Therefore, no refunds or transfers are outstanding. In addition, the utility provided the city with the utility's most recent available income and expense statement and statement of rate base for regulatory purposes. The utility filed 1998 regulatory assessment fees and annual report. In addition, the utility filed a wastewater system regulatory assessment fee return and a check for fees in the amount of \$1,949 for January 1 to October 31, 1999. The utility stated that the city started maintaining the collection system and billing the customers as of November 1, 1999.

Section 2.07(C)(12), Administrative Procedures Manual, grants the Director of the Division of Records and Reporting, in coordination with the appropriate industry division and the Division of Legal Services, the authority to approve the transfer of utilities from private to governmental agencies when filed and processed in accordance with Chapter 367.

Staff finds the application in compliance with all provision of Rule 25-30.037(4), F.A.C., and recommends that an administrative order be issued recognizing the transfer of facilities from the utility to the city and the cancellation of Certificate No. 261-S. Furthermore, staff recommends that this docket be closed.

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