

State of Florida



Public Service Commission

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APR - 6 AM 10:42
RECORDS AND REPORTING

DATE: APRIL 6, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF LEGAL SERVICES (VAN LEUVEN) *DR res*
DIVISION OF WATER AND WASTEWATER (BRADY, REDEMANN) *pb RPR*

RE: DOCKET NO. 980731-WS - APPLICATION FOR CERTIFICATE TO
PROVIDE WATER AND WASTEWATER SERVICE IN CHARLOTTE COUNTY
BY HUNTER CREEK UTILITIES, LLC.
COUNTY: CHARLOTTE

AGENDA: 04/18/00 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\980731B.RCM

CASE BACKGROUND

Hunter Creek Utilities, LLC, (Hunter Creek or utility) is a Class C water and wastewater utility currently providing service to the Rivers Edge mobile home development in Charlotte County. According to its 1998 annual report, the utility serves approximately 44 customers. Its total gross revenues were \$13,787 with a net operating loss of \$21,470.

By Order No. PSC-99-0756-FOF-WS, issued April 19, 1999, in this docket, the Commission granted the utility Certificates Nos. 611-W and 527-S. The utility's water and wastewater service territory included both the served and unserved portions of the subdivision. However, due to the existence of radioactive contaminants in its potable water system, the utility was only allowed to serve existing water customers until the utility met the Florida Department of Environmental Protection's (FDEP's) maximum standards on a sustained basis.

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FPSC-RECORDS/REPORTING

Additionally, the Commission ordered that if the utility did not achieve the FDEP's maximum standards on or before September 30, 1999, staff would prepare another recommendation to limit the utility's water service territory to existing customers until compliance with the FDEP's standards was achieved. The utility failed to meet the September 30, 1999, deadline. Therefore, by Order No. PSC-99-2380-PCO-WS, issued December 6, 1999, in this docket, the Commission ordered the initiation of proceedings for the possible deletion of the unserved portion of Hunter Creek's water service territory.

By letter dated February 16, 2000, staff was informed by the FDEP that the utility's water treatment system modifications had been completed and were approved for service. Furthermore, the follow-up tests on Hunter Creek's new treatment system were so low for radioactive contaminants that the FDEP informed staff on March 21, 2000, that the utility should have no difficulty maintaining compliance on a sustained basis for the foreseeable future.

The purpose of this recommendation is to address the territory deletion proceedings in light of Hunter Creek's compliance with FDEP radioactive contaminants standards.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission order the deletion of the unserved territory in Hunter Creek's water service territory?

RECOMMENDATION: No. The Commission should not proceed with the deletion of the unserved portion of Hunter Creek's water service territory. Hunter Creek's water service territory should remain as currently authorized by Order No. PSC-99-0756-FOF-WS. (VAN LEUVEN, BRADY)

STAFF ANALYSIS: As noted in the Case Background, Order No. PSC-99-2380-PCO-WS, issued December 6, 1999, in this docket, required the initiation of proceedings for possible deletion of the unserved portion of Hunter Creek's water service territory because the utility had not met the FDEP's maximum standards with respect to radioactive contaminants.

As part of the deletion proceedings, the order also required notice to be given pursuant to Section 367.045(6), Florida Statutes, and Rule 25-30.030, Florida Administrative Code. The required notice was published in the Florida Administrative Weekly on December 30, 1999. The 30 day comment period elapsed with only one comment filed by the Southwest Florida Regional Planning Council, which indicated that it had no objection to the Commission's intent to initiate deletion proceedings.

Meanwhile on January 3, 2000, staff was informed by the FDEP that Hunter Creek's construction permit for plant improvements had been approved effective December 29, 1999. By letter dated January 18, 2000, staff indicated to the utility that compliance would not be considered achieved until the actual plant modifications were installed and inspected by the FDEP. By phone conversation and follow-up letter dated February 16, 2000, the FDEP notified staff that Hunter Creek's system modifications had been completed and were being approved for service that date. Subsequent test results on the utility's system modifications were so low for radioactive contaminants, that the FDEP notified staff on March 21, 2000, the utility will have no difficulty maintaining compliance on a sustained basis for the foreseeable future.

Since the FDEP's radioactive contaminants standards have been achieved, staff does not believe there is a need to proceed with the deletion of Hunter Creek's unserved water territory. Therefore, staff recommends that these proceedings be canceled, and that Hunter Creek's water and wastewater service territory should remain as currently authorized by Order No. PSC-00-0756-FOF-WS.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. The docket should be closed because no further action is required. (VAN LEUVEN)

STAFF ANALYSIS: The docket should be closed because no further action is required.