



Public Service Commission

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

DATE: August 10, 2000
TO: Alice Crosby, Division of Legal Services
 Division of Records and Reporting
FROM: Patricia Brady, Division of Water and Wastewater *pb p.d*
RE: Docket No. 000671-WS, Application for transfer of facilities of LHTW Properties, Inc. d/b/a Wildwood Estates to City of Wildwood in Sumter County, and for cancellation of Certificates 523-W and 457-S.

LHTW Properties, Inc. d/b/a Wildwood Estates (LHTW or utility) is a Class C water and wastewater utility providing service to approximately 79 mobile home customers in Sumter County. According to its 1999 Annual Report, the utility had combined gross revenues of \$12,940 with a combined net operating loss of \$31,798.

Certificates Nos. 523-W and 457-S were originally granted to Heritage Wood 'N Lakes Estates (Heritage) by Order No. 22152, issued November 6, 1989, in Docket No. 890730-WS. There were two subsequent transfers of certificates. Order No. PSC-92-0335-FOF-WS, issued May 11, 1992, in Docket No. 911054-WS, approved the transfer to EGR Enterprises, Inc. d/b/a Wildwood Estates (EGR). Order No. PSC-98-1571-FOF-WS, issued November 23, 1998, in Docket No. 961444-WS, approved the transfer to LHTW. On June 1, 2000, LHTW filed this application for transfer of its water and wastewater facilities to the City of Wildwood (City) and for cancellation of its certificates.

During the pendency of Docket No. 961444-WS, due to unsurmountable problems with its wastewater treatment facilities, LHTW began negotiations for an interconnection to the City's treatment facilities. As a consequence, the Florida Department of Environmental Protection (FDEP) agreed to suspend any enforcement action. Also, several customers who had initially protested Docket No. 961444-WS, agreed to withdraw their protests as long as LHTW submitted monthly progress reports to the Commission, the FDEP and the customers, themselves, until the interconnection was complete. LHTW fulfilled the requirement for monthly progress reports. On June 1, 2000, LHTW's wastewater collection lines were finally interconnected with the City's treatment facilities and the City began billing for water and wastewater services. Therefore, the effective date of the transfer is June 1, 2000.

The application for transfer, contained a copy the Agreement of LHTW Properties, Inc., and the City of Wildwood, Florida For Extension of City Services (Agreement). The Agreement was executed November 3, 1999, with several subsequent addendums. It required LHTW to pay the cost of the interconnection, any required system upgrades, the installation of meters, and the dismantling and removal of the wastewater treatment plant upon interconnection. In exchange, LHTW received a \$100,900.00 credit against costs from the City for the fair market value of its water systems. The application included a statement that LHTW had provided the City with a copy of its latest annual report. It also contained evidence that LHTW did not charge customer deposits. The utility's original certificates were returned for cancellation.

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FPSC-RECORDS/REPORTING

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Staff has confirmed that LHTW has no open dockets pending before the Commission nor is the disposition of gross-up funds for contributions-in-aid-of-construction an issue. Staff has also confirmed that LHTW is current on Annual Reports and regulatory assessment fees (RAFs) through 1999 and there are no penalties, interest or refunds due. Since the utility will not be jurisdictional on December 31, 2000, pursuant to Rule 25-30.110(3), Florida Administrative Code, an Annual Report for 2000 is not required. On August 8, 2000, LHTW remitted to the Commission 2000 RAFs up through May 31, 2000, fulfilling its final regulatory responsibility.

Based on the above, staff finds that the application is in compliance with Section 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code. Pursuant to Section 367.071(4)(a), Florida Statutes, the sale of facilities to a governmental authority shall be approved as a matter of right. An order should be issued within thirty days acknowledging the transfer of facilities from LHTW Properties, Inc. d/b/a Wildwood Estates, to the City of Wildwood and the cancellation of Certificates Nos. 523-W and 457-S. Furthermore the docket should be closed upon the issuance of the order.

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cc: Division of Economic Regulation (McCaskill)

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