



Public Service Commission

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

DATE: February 26, 2001
TO: Lorena Espinoza, Division of Legal Services
Division of Records and Reporting
FROM: Patricia Brady, Division of Regulatory Oversight *pb 3/31/01 Amy*
RE: Docket No. 010202-WU, Application for transfer of water facilities to Marion County and for cancellation of Certificate No. 409-W held by Pine Run Utilities, Inc.

Pine Run Utilities, Inc. (Pine Run or utility) is a Class C water utility providing service to the Pine Run subdivision in Marion County, Florida. According to Pine Run's 1999 annual report, the utility provides service to approximately 837 unmetered, residential connections. The utility reported total operating revenues of \$141,066 with a net operating income of \$21,139. The utility was granted Certificate 409-W by Order No. 12647, issued November 2, 1983, in Docket No. 830109-WU, under the name of Pine Run Utility Company. The utility was subsequently transferred to Pine Run Utilities, Inc., by Order No. 15194, issued October 3, 1985, in Docket No. 830393-WU.

On February 9, 2001, an application was filed on behalf of Pine Run to transfer its facilities to Marion County and to cancel Certificate 409-W. The application, as filed, is in compliance with Section 367.071(4)(a), Florida Statutes, and Rule 25-30.037(4), Florida Administrative Code. A copy was provided of the Asset Purchase & Sale Agreement executed by and between Marion County and Pine Run for a purchase price of \$585,000. The closing occurred on February 2, 2001.

A statement was provided with the application confirming that Marion County had obtained the most recently available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction as applicable to the purchased assets. The utility held no customer deposits and has no pending docket before the Commission.

The application provided a statement that all regulatory assessment fees (RAFs) for Decca had been paid in full and that RAFs for 2000, and for 2001 up through February 2, 2001, will be paid by Pine Run in the manner and time frame required by Commission rules. The application further states that there are no fines or refunds owed. Staff has confirmed that the utility is current on annual reports and RAFs through 1999 and has no outstanding fees, fines or refunds. Pursuant to Rule 25-30.110(3), Florida Administrative Code, the utility is required to file an annual report for the year 2000, but not for 2001, since the closing occurred prior to December 31, 2001. Any request for waiver of the 2000 annual report will be handled in a separate docket.

DOCUMENT NUMBER-DATE

02667 FEB 27 2001

APPROVED FOR REPORTING

Based on the above, staff finds that the application is in compliance with Section 367.071(4)(a), Florida Statutes, and Rule 25-30.037(4), 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. Therefore, an order should be issued within thirty days acknowledging the transfer of facilities from Pine Run Utilities, Inc. to Marion County. Certificate 409-W should be canceled and this docket should be closed.

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cc: Division of Economic Regulation (Mailhot)
Division of Administration (Knight)