

State of Florida



Public Service Commission  
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TALLAHASSEE, FLORIDA 32399-0850

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**DATE:** July 11, 2002

**TO:** DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

**FROM:** DIVISION OF ECONOMIC REGULATION (WALDEN) PD  
DIVISION OF GENERAL COUNSEL (ECHTERNACHT) KNE NAH T92

**RE:** DOCKET NO. 020148-WS - APPLICATION FOR AMENDMENT OF CERTIFICATE NOS. 580-W AND 500-S TO EXTEND SERVICE AREA IN MARION AND SUMTER COUNTIES, BY LITTLE SUMTER UTILITY COMPANY.

COUNTIES: MARION AND SUMTER

**AGENDA:** JULY 23, 2002 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** NONE

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\020148.RCM

CASE BACKGROUND

Little Sumter Utility Company (Little Sumter or Utility), a Class B utility, applied for additional territory to be included in its water and wastewater certificates on February 21, 2002. Little Sumter was issued Certificates Nos. 580-W and 500-S on September 10, 1996. The utility's 2001 Annual Report indicates that there are 6561 water and 6200 wastewater connections. The annual report further shows total water and wastewater revenues of \$2,740,280 and a net loss of \$173,976.

The service area of Little Sumter is in the Southwest Florida Water Management District. The territory involved is not in a water use caution area. In the original certificate application, the utility planned to provide reuse to a golf course in the

DOCUMENT NUMBER: DATE  
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PSC-COMMISSION CLERK

DOCKET NO. 020148-WS

DATE: July 11, 2002

service area. A tariff sheet with a zero rate was approved in June, 2000, for this service.

An objection to the notice of amendment was received from City of Wildwood (City) on February 25, 2002, but that objection was withdrawn on March 22, 2002, after the city held discussions with the utility. Staff has administrative authority per APM 2.07C(11) to approve amendment applications that are filed and processed in accordance with Chapter 367, Florida Statutes, when no protests have been filed. In the instant case, because an objection was filed and withdrawn, staff has placed the matter on the Commission's agenda. The territory requested in this application is adjacent to the existing territory of Little Sumter. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

**ISSUE 1:** Should the utility's request to amend its certificated territory be approved?

**RECOMMENDATION:** Yes. The utility's request to amend its certificated territory should be approved. The requested territory is described in Attachment A. Little Sumter's current rates and charges contained in the utility's approved tariff should be applied to service in the additional territory unless authorized to change by the Commission in a subsequent proceeding. (WALDEN)

**STAFF ANALYSIS:** The utility filed this application on February 21, 2002, pursuant to Section 367.045(2), Florida Statutes, and Rule 25-30.036, Florida Administrative Code. Included with the application was a filing fee of \$2,750, which is the correct amount pursuant to Rule 25-30.020, Florida Administrative Code. Copies of warranty deeds were provided showing ownership of the land where the water and wastewater facilities are located, as required by Rule 25-30.036(3)(d), Florida Administrative Code.

The utility states that it has the plant capacity to serve the additional connections expected to be added. Plant expansions will be made as required by increased demand. The water treatment plant has a current capacity of 12.86 million gallons per day (mgd), with flows of 4.332 mgd, according to this certificate application. The anticipated water demand of the new area applied for is 0.856 mgd. The wastewater treatment plant has a current capacity of 2.10 mgd, with flows of 0.650 mgd. The anticipated wastewater demand of the area applied for is 0.332 mgd.

The utility has experienced steady growth since first being certificated by the Commission in 1996, and in less than six years, the utility has about 6500 water and 6200 wastewater customers.

Technical ability has been demonstrated during the period the utility has been certificated by this Commission. The utility has no outstanding Notices of Violation or Consent Orders from the Department of Environmental Protection. Little Sumter has an operations agreement with a contract operator to operate, maintain, and manage the utility facilities and equipment. The utility retains consultants for general accounting, regulatory accounting, and legal advice.

The territory requested includes both residential and general service development, and is expected to serve more than 500 water

DATE: July 11, 2002

equivalent residential connections (ERCs) and more than 2000 wastewater ERCs. The proposed additions are areas adjacent to the current certificated territory. The costs expected to be incurred for this territory expansion are anticipated to be financed with internally generated funds, including contributions in aid of construction from new customers.

An affidavit was submitted stating that notice of application, including newspaper publication in the Ocala Star-Banner, was given in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code. A letter of objection containing comments was filed by the City of Wildwood on February 25, 2002, explaining that the City had plans to provide water and wastewater service to certain areas in Sumter County, some of which included a portion of the territory applied for by Little Sumter. After discussions with the utility, the City changed its plans and notified the Commission that it will not provide service to the areas involved in this certificate application. Staff therefore considers the objection withdrawn. No other objections to the notice of application were filed, and the time for filing such objections has expired.

Pursuant to the Commission's memorandum of understanding with the Department of Community Affairs (DCA), the DCA provided comments to the Commission regarding the application and its consistency with the County's comprehensive plan. The input from the DCA noted that the proposed expansion by Little Sumter contained in this application is consistent with or is anticipated to be consistent with the comprehensive plans in Marion and Sumter Counties. The DCA stated that there is a need for water and wastewater in the requested service area, and that both services were required for earlier development orders in the areas included in the original certificates.

Staff recommends approval of the utility's request to serve the territory included in the application. The requested territory is described in Attachment A. Little Sumter's current rates and charges contained in the utility's approved tariff should be applied to service in the additional territory unless authorized to change by the Commission in a subsequent proceeding.

DOCKET NO. 020148-WS

DATE: July 11, 2002

ISSUE 2: Should the docket be closed?

RECOMMENDATION: Yes, if staff's recommendation in Issue 1 is approved, no further action is required and the docket should be closed. (ECHTERNACHT)

STAFF ANALYSIS: If staff's recommendation in Issue 1 is approved, no further action is required and the docket should be closed.

LITTLE SUMTER UTILITY COMPANY

AREA "A": Begin at the Southeast corner of the SW 1/4 of the SW 1/4 of the W 1/4 of Section 33, Township 17 South, Range 23 East, Marion County, Florida; thence run Westerly to the Southwest corner of said SW 1/4 of the SW 1/4 of the NW 1/4; thence run Northerly to the Northwest corner of said SW 1/4 of the SW 1/4 of the NW 1/4; thence run Easterly to Northeast corner of said SW 1/4 of the SW 1/4 of the NW 1/4; thence run Southerly to the Point of Beginning.

AREA "B": Begin at the Southeast corner of the SW 1/4 of the NW 1/4 of the SW 1/4 of Section 33, Township 17 South, Range 23 East, Marion County, Florida; thence run Westerly to the Southwest corner of said SW 1/4 of the W 1/4 of the SW 1/4; thence run Northerly to the Northwest corner of said SW 1/4 of the W 1/4 of the SW 1/4; thence run Easterly to the Northeast corner of said SW 1/4 of the W 1/4 of the SW 1/4; thence run Southerly to the Point of Beginning.

AREA "C": Begin at the Southeast corner of the SE 1/4 of the SW 1/4 of Section 10, Township 18 South, Range 23 East, Sumter County, Florida; thence run Westerly to the Southwest corner of said SE 1/4 of SW 1/4; thence run Northerly to the Northwest corner of said SE 1/4 of SW 1/4; thence run Easterly to the Northeast corner of said SE 1/4 of SW 1/4; thence run Southerly to the Point of Beginning.

AREA "D": The NE 1/4 of the NW 1/4 of Section 16, Township 18 South, Range 23 East, Sumter County, Florida, and the E 1/2 of the SW 1/4, the NW 1/4 of the SE 1/4, and the SW 1/4 of the NE 1/4 of Section 9, Township 18 South, Range 23 East, Sumter County, Florida.

LESS the right of way for County Road 466 and 101 and the following described property in Section 9, Township 18 South, Range 23 East, Sumter County, Florida: the SE 1/4 of NW 1/4;

LESS: Begin at SW corner of SE 1/4 of NW 1/4; thence North 525 feet; thence East 415 feet; thence South 525 feet; thence West 415 feet to Point of Beginning. Less right of way for County Road 101.

DOCKET NO. 020148-WS

DATE: July 11, 2002

AREA "E": Begin at the Southeast corner of the W 1/2 of the SW 1/4 of the NE 1/4 of Section 16, Township 18 South, Range 23 East, Sumter County, Florida; run thence Westerly to the Southeast corner of the NE 1/4 of Section 17, Township 18 South, Range 23 East, Sumter County, Florida; thence along the East line of said NE 1/4 run Northerly to a point that is 218.50 feet North (by perpendicular measurement) of the south line of said NE 1/4; thence parallel with said south line of NE 1/4 run Westerly to a point that is 660 feet East (by perpendicular measurement) of the west line of said NE 1/4 of Section 17; thence parallel with said west line run Northerly to the south right-of-way line of County Road 466; thence along said right-of-way line run Easterly to the East line of Section 17; thence continue Easterly along said right-of-way line to the east line of said W 1/2 of SW 1/4 of NE 1/4 of Section 16; thence along said east line run Southerly to the Point of Beginning.

LESS THE FOLLOWING-DESCRIBED PARCEL: Begin at a point where the east line of the W 1/2 of the SW 1/4 of the NE 1/4 of Section 16, Township 18 South, Range 23 East, Sumter County, Florida, intersects the southerly right-of-way line of County Road 466; thence run West 70 yards along said right-of-way line; thence run South 70 yards; thence East 70 yards; thence North 70 yards to the Point of Beginning.

AREA "F": That part of Section 17, Township 18 South, Range 23 East, Sumter County, Florida, described as follows: Begin on the South right-of-way of County Road 466 at a point located on the North-South mid-section line Section 17, Township 18 South, Range 23 East; thence West 850.00 feet along said right-of-way to a point located 274.80 feet West of the East line of Block E, OXFORD according to the plat thereof recorded in Plat Book 1, Pages 32 and 33, Public Records of Sumter County, Florida; thence South parallel to the East line of Block E, 160.00 feet; thence East parallel to County Road 466, a distance of 210.00 feet; thence South 557.60 to the South line of Block F, of said OXFORD; thence East along the South line of Blocks F and I, for 640.00 feet; thence North along said mid-section line 717.60 feet to the Point of Beginning.

AREA "G": The North 594.277 feet of the NW 1/4 of the NW 1/4 of Section 16, Township 18 South, Range 23 East, Sumter County, Florida, lying West of the right-of-way for County Road 101; and the South 75.54 feet of the SW 1/4 of the SW 1/4 of Section 9,

DOCKET NO. 020148-WS

DATE: July 11, 2002

Township 18 South, Range 23 East, Sumter County, Florida, lying West of the right-of-way for County Road 101.