

State of Florida



Public Service Commission  
-M-E-M-O-R-A-N-D-U-M-

DATE: October 24, 2002  
TO: Alice Crosby, Office of the General Counsel  
FROM: Cheryl Johnson, Division of Economic Regulation  
RE: Docket No. 020786-WU; Application for transfer of facilities of Edgewood Estates In Columbia County to the City of Lake City and for cancellation of Certificate No. 408-W.

Edgewood Estates (Edgewood or utility) is a Class C water utility providing service to Edgewood Estates in Columbia County, Florida. Edgewood was granted Certificate No. 408-W pursuant to Order No. 12013, in Docket No. 820521-W, issued June 7, 1983. The utility serves approximately 24 residential water customers. The utility's 2001 annual report lists operating revenues of \$5,081 and a net operating income of \$3,146. The utility's facilities consist of one water treatment system.

On July 15, 2002, the utility and the City of Lake City executed an Agreement to transfer the Edgewood water system and the easements to the City of Lake City. On July 22, 2002, Edgewood notified the Commission that it had given the Edgewood Estates water system to the City of Lake City effective July 17, 2002. On September 20, 2002, the City of Lake City filed an application with the Commission for the acknowledgment of the transfer of the Edgewood water treatment system to the City of Lake City (City) and cancellation of Certificate No. 408-W in Columbia County pursuant to Section 367.071(4)(a), Florida Statutes, and Rule 25-30.037, Florida Administrative Code. The City is exempt from the Commission's regulation pursuant to Section 367.022 (2), Florida Statutes, because it is a governmental authority.

Pursuant to Rule 25-30.037(4)(g), Florida Administrative Code, the application indicates that there are no customer deposits to refund. Edgewood has provide the City with a listing of current customers along with the customers' address and telephone number. Furthermore, the City of Lake City has obtained Edgewood's most recent available income and expense statement, and statement of rate base for regulatory purposes pursuant to Rule 25-30.037(4)(e), Florida Administrative Code.

Finally, according to our records and the application, the utility's annual reports and regulatory assessment fees (RAFs) are current and there are no outstanding fines, interest or refunds owed. Edgewood prepaid its 2002 regulatory assessment fees for the period of January 1 to July 17, 2002 and pursuant to Rule 25-30.110(3), Florida Administrative Code an annual report is not required in the year in which the utility facilities became nonjurisdictional. According to the utility, the City began maintaining the system and billing customers on August 1, 2002. In addition, Edgewood returned their original certificate for water and the utility has no open dockets pending before us.

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Section 2.07(C)(11), Administrative Procedures Manual, grants the Director of the Division of the Commission Clerk and Administrative Services, in coordination with the appropriate industry division and the Office of the General Counsel, the authority to administratively approve the transfer

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of utilities from private to governmental agencies when filed and processed in accordance with Chapter 367.

Based on the foregoing, we find that the application is in compliance with Florida Statutes and Florida Administrative Code. Pursuant to Section 367.071(4)(a), Florida Statutes, the sale or transfer of facilities to a governmental authority is approved as a matter of right. Accordingly, staff recommends that the transfer of facilities from Edgewood to the City of Lake City should be approved and Certificate No. 408-W should be cancelled. The docket should be closed upon the issuance of the order.

cc: Division of Economic Regulation (Mailhot)  
Division of the Commission Clerk and Administrative Services