#### DECEMBER 2, 2002

RE: Docket No. 011632-WU - Application for transfer of Certificate No. 364-W from Linadale Water Company in Marion County to Sunshine Utilities of Central Florida, Inc.

ISSUE 1: Should the utility be ordered to show cause in writing within 21 days why it should not be fined for failure to inform the Commission of lost or destroyed records within ninety days, in violation of Rule 25-30.110(1)(a), Florida Administrative Code?

RECOMMENDATION: No. A show cause proceeding should not be initiated.

## APPROVED

COMMISSIONERS ASSIGNED: Full Commission

# MAJORITY DISSENTING MAJORITY MAJORITY DISSENTING

COMMISSIONERS' SIGNATURES

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER -DATE

13150 DEC-28

DECEMBER 2, 2002

Docket No. 011632-WU - Application for transfer of Certificate No. 364-W from Linadale Water Company in Marion County to Sunshine Utilities of Central Florida, Inc.

(Continued from previous page)

ISSUE 2: Should Linadale Water Company be ordered to show cause, in writing within 21 days, why it should not be fined for its apparent violation of Section 367.081, Florida Statutes and Rule 25-30.311, Florida Administrative Code?

RECOMMENDATION: No. A show cause proceeding should not be initiated against Linadale for the collection of unapproved tariff charges. Unclaimed refunds and accrued interest in the amount of \$1,424 should be credited to CIAC, pursuant to Rule 25-30.360(8), Florida Administrative Code.

#### PPROVED

ISSUE 3: Should Linadale Water Company be ordered to show cause, in writing within 21 days, why it should not be fined for its apparent violation of Section 367.045, Florida Statutes?

RECOMMENDATION: No. A show cause proceeding should not be initiated against Linadale for serving outside of its territory. Sunshine has filed an application for amendment of Certificate 364-W to include additional territory. The application for amendment should be processed administratively.

# **APPROVED**

<u>ISSUE 4</u>: Should the transfer of facilities from Linadale to Sunshine be approved?

RECOMMENDATION: Yes. The transfer of facilities from Linadale to Sunshine should be approved. Sunshine's Certificate No. 363-W should be amended to include the approved territory of Linadale and Linadale's Certificate No. 364-W should be cancelled. Linadale is current on its 2001

DECEMBER 2, 2002

Docket No. 011632-WU - Application for transfer of Certificate No. 364-W from Linadale Water Company in Marion County to Sunshine Utilities of Central Florida, Inc.

(Continued from previous page)

RAFs and annual report. Sunshine is responsible for remitting all future RAFs and annual reports to the Commission. A description of the approved territory proposed to be transferred to Sunshine is appended to staff's November 20, 2002 memorandum as Attachment A.

#### **APPROVED**

<u>ISSUE 5</u>: What is the rate base of Linadale Utilities, Inc. at the time of transfer to Sunshine?

<u>RECOMMENDATION</u>: The rate base, which for transfer purposes reflects the net book value of the water system, is \$1,566 as of November 15, 2001. Sunshine should be put on notice that it is required to maintain the utility's books and records in conformance with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA).

### **APPROVED**

<u>ISSUE 6</u>: Should an acquisition adjustment be included in the calculation of rate base?

<u>RECOMMENDATION</u>: No. Sunshine has not requested an acquisition adjustment and there are no extraordinary circumstances in this case to warrant the inclusion of an acquisition adjustment. Staff recommends that no acquisition adjustment should be included in the calculation of rate base.

# APPROVED

DECEMBER 2, 2002

Docket No. 011632-WU - Application for transfer of Certificate No. 364-W from Linadale Water Company in Marion County to Sunshine Utilities of Central Florida, Inc.

(Continued from previous page)

ISSUE 7: Should Linadale's approved rates and charges continue to be charged by Sunshine to the customers acquired from Linadale?

RECOMMENDATION: Yes. Sunshine should continue charging the approved Linadale rates and charges to the customers in the Linadale service territory until authorized to change by the Commission in a subsequent proceeding. The tariff reflecting the change in ownership should be effective for services provided or connections made on or after the stamped approval date on the tariff sheets.

#### APPROVED

ISSUE 8: Should this docket be closed?

<u>RECOMMENDATION</u>: Yes. If no timely protest is received to the proposed agency action issues, upon the expiration of the protest period a Consummating Order should be issued and the docket should be closed.

## APPROVED