

State of Florida



Public Service Commission

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COMMISSION CLERK

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DATE: February 12, 2003

TO: Alice Crosby, Office of the General Counsel  
Blanca Bayó, Division of the Commission Clerk & Administrative Services

FROM: Stanley D. Rieger, Division of Economic Regulation *SDR PLO* *JDJ*

RE: Docket No. 020823-WU - Application for quick-take amendment of certificate No. 588-W to add territory in Polk County by Pinecrest Ranches, Inc.

Pinecrest Ranches, Inc. (Pinecrest or utility) is a Class C utility which provides water service in Polk County to approximately 120 mobile homes in a community known as Citrus Highlands. The utility is located in the Southern Water Use Caution Area of the Southwest Florida Water Management District. The utility's 2001 annual report shows annual operating revenue of \$20,195 and a net operating loss of \$12,739. Pinecrest has been in existence since mid-1987. The Commission assumed jurisdiction over the privately-owned utilities in Polk County on May 14, 1996. In Order No. PSC-97-0367-FOF-WU, issued April 2, 1997, in Docket No. 961253-WU, the utility was granted a grandfather certificate. Other certificate related activities with this utility include an application for a name change from Pinecrest Ranches to Pinecrest Ranches, Inc. (Order No. PSC-97-1087-FOF-WU, issued September 17, 1997, in Docket No. 970635-WU) and an application for transfer of majority organizational control (Order No. PSC-02-0893-FOF-WU, issued July 5, 2002, in Docket No. 011651-WU). The utility's existing Commission approved rates were increased and changed from a flat to a metered rate, upon completion of installation of meters, in a staff assisted rate case by Order No. PSC-03-0008-PAA-WU, issued January 2, 2003, in Docket No. 020406-WU.

Pursuant to Section 367.045, Florida Statutes and Rule 25-30.036(2), Florida Administrative Code, on July 26, 2002, the utility applied for a "quick take" amendment to Water Certificate No. 588-W, to include an adjacent area which experienced water supply problems due to a well failure. The proposed amended area includes two small neighborhoods known as Oak Hill and Starr Terrace, plus two commercial connections, totaling 23.6 ERCs. As a result of this amendment, Oak Hill and Starr Terrace will eventually have twenty-seven mobile homes connected to the Pinecrest water system.

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At the time of the well failure, there were eight mobile homes (four in Oak Hill and four in Starr Terrace) and two commercial connections being supplied water through a private well. According to the utility, the well experienced lightning damage and the hydropneumatic tank had deteriorated so badly that it could not be patched any longer. Although a temporary emergency interconnection to Pinecrest was made, a more permanent connection will occur when a redesigned distribution system for Starr Terrace is completed which will eventually accommodate nineteen additional connections. Construction for the Starr Terrace development area, which will include the new distribution system, is expected to begin in the near future.

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The utility's application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning applications for amendment of certificate. The application contained a check in the amount of \$100 which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The application contained proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. The Commission received no objections and the time for filing has passed.

Pursuant to Rule 25-30.036(2)(a) and (b), Florida Administrative Code, the applicant provided a statement that the new territory will not exceed twenty-five ERCs, there is no other utility in the area of the proposed territory that is willing and capable of providing reasonably adequate service to the new territory, and service is not otherwise available. Pursuant to Rule 25-30.036(2)(d), Florida Administrative Code, the utility also submitted evidence that it owns the land upon which the facilities are located. In addition, an adequate service territory map, territory description, and customer description have been provided as prescribed by Rule 25-30.036(3)(e), (i), and (m), Florida Administrative Code. A description of the proposed territory is appended to this recommendation as Attachment A. The utility has filed revised tariff sheets reflecting the amended area and provided the certificate for entry reflecting the corrected territory. In its application, it also referenced the rate case that eventually established its most recent rates, and provided an affidavit that its tariffs and annual reports are on file with the Commission.

Water supply to Oak Hill and Starr Terrace will be provided from the utility's plant located at the nearby Citrus Highlands mobile home community. The utility plans to eventually rehabilitate the failed Oak Hill well and use it as an emergency backup for the Pinecrest system. It should be noted that the owners of the utility are also the owners of the failed Oak Hill well, and developers of Starr Terrace.

The Pinecrest water system is under the jurisdiction of the Polk County Health Department. There are no outstanding violations, citations, or notices of violation issued to the utility. In addition, in a letter received on January 14, 2003, the Department of Community Affairs noted that it had no objections and the proposed area expansion by the utility is consistent with the Polk County comprehensive plan.

Based on the above information, staff recommends that Pinecrest Ranches, Inc.'s application to amend its territory, as described in Attachment A, should be granted. An order should be issued within thirty days acknowledging the amendment to Certificate No. 588-W. Staff recommends the rates and charges approved by the Commission continue to be applied to customers of the amended area as detailed in this recommendation. Furthermore, the docket should be closed upon the issuance of the order.

Pinecrest Ranches, Inc.  
Amended Water Territory Description  
Polk County

**Starr Terrace Legal Description**

Commence at the southeast corner of Section 31, Township 29 South, Range 26 East, Polk County, Florida and run thence South 89 degrees 29 minutes 09 seconds West along the south boundary of Section 31 a distance of 1891.63 feet to the point of beginning; run thence South 89 degrees 29 minutes 09 seconds West 880.26 feet; run thence North 00 degrees 30 minutes 51 seconds West 120.00 feet; run thence South 89 degrees 29 minutes 09 seconds West 224.50 feet; run thence North 00 degrees 30 minutes 51 seconds West 40.00 feet; run thence North 89 degrees 29 minutes 09 seconds East 224.50 feet to the beginning of a curve to the right having a radius of 265.00 feet and a central angle of 10 degrees 59 minutes 54 seconds, run thence along said curve an arc distance of 50.87 feet; run thence North 20 degrees 03 minutes 30 seconds West 306.84 feet to the right of way line of State Road 60; run thence North 69 degrees 56 minutes 30 seconds East 730.00 feet to a point herein after referred to as "Point A"; run thence South 20 degrees 03 minutes 30 seconds East 730.59 feet to the point of beginning.

And

**Parcel B Description**

Commence at "Point A" referred to in the foregoing description and run northeasterly along the right of way line of State Road 60 a distance of 40.00 feet to the point of beginning; run thence South 20 degrees 03 minutes 30 seconds East parallel to the easterly boundary of Starr Terrace 300.00 feet; run thence North 69 degrees 56 minutes 30 seconds East 190.00 feet; run thence North 20 degrees 03 minutes 30 seconds West 302 feet more or less to the southerly right of way line of said State Road 60; run thence southwesterly along said right of way line 190 feet more or less to the point of beginning.

And

**Parcel D Description**

Commence at "Point A" referred to in the foregoing description and run northeasterly along the right of way of State Road 60 a distance of 330.47 feet to the point of beginning; run thence South 20 degrees 03 minutes 30 seconds East parallel to the easterly boundary of Starr Terrace, 323.78 feet; run thence North 69 degrees 56 minutes 30 seconds East 105.00 feet; run thence North 90 degrees 00 minutes 00 seconds East 40.18 feet; run thence North 18 degrees 49 minutes 32 seconds West 361.41 feet to the southerly right of way line of State Road 60; run thence southwesterly along said right of way line 152.04 feet to the point of beginning.