



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

DATE: June 17, 2003
TO: Alice Crosby, Office of the General Counsel
FROM: Thomas Walden, Division of Economic Regulation
RE: Docket No. 021036-WS - Application for amendment of Certificates 618-W and 532-S to extend water and wastewater service area in Sumter County by North Sumter Utility Company, L.L.C.

This case involves an application for amendment of certificate in Sumter County. North Sumter Utility Company (North Sumter or utility) was granted Certificate Nos. 618-W and 532-S in Docket No. 010859-WS on April 23, 2002. The utility is requesting approximately 4.5 square miles of land be added to its certificates in this application. The territory granted to the utility in the original certificate application is about eight square miles. North Sumter is serving no customers yet, although construction of utility facilities has begun, and it is anticipated that customers will be on line during the fourth quarter of 2003. The area is in the Southwest Florida Water Management District (SWFWMD) but is not in a water use caution area.

The item was delayed in being processed because input from the Department of Community Affairs (DCA) stated that a portion of the territory amendment requested, adjacent to the western part of the service area, was not completely contained in the Development of Regional Impact (DRI) of the development known as The Villages. The DCA had suggested that the Commission may want to wait to process the certificate amendment in this docket until the comprehensive plan amendment application was processed.

I was informed last week by Marina Pennington at the DCA that the Sumter County Comprehensive Plan amendment was filed February 3, 2003. It was reviewed by the DCA and no problems were found. The amendment request therefore has become a proposal and has been returned to Sumter County for adoption.

This recommendation suggests that the Commission grant the utility's application since DCA's review is favorable for all the territory requested in this certificate amendment. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes. An administrative order should be issued granting the application. Pursuant to APM 2.07(c)(11), applications for amendment may be granted administratively when they are filed and processed in accordance with Chapter 367, Florida Statutes, and no protests have been filed. This application meets the criteria specified in the APM.

DISCUSSION

North Sumter filed this application on October 10, 2002, pursuant to Section 367.045(2), Florida Statutes, and Rule 25-30.036, Florida Administrative Code. The application is in compliance with the governing statute and other pertinent statutes and rules concerning amendment of certificates. The application included a check in the amount of \$4500, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The utility has furnished evidence

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in the form of deeds that confirms the utility's ownership and continued use of the land for the two water plants, one well site, the wastewater plant site, and rapid infiltration basin site, as required by Rule 25-30.036(3)(d), Florida Administrative Code.

A map of the territory to be served and a territory description as required by Rule 25-30.036(3)(e), and (f), have been provided. A description of the territory is appended as Attachment A. The territory requested will serve residential and commercial customers in the development known as The Villages.

North Sumter submitted an affidavit consistent with Rule 25-30.036(3)(r), stating that it has a tariff on file with the Commission. The 2002 annual report was received March 14, 2003. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objection was received and the time for such has expired. The City of Wildwood did provide a letter stating it had no objection to the application and pointed out a scrivener's error in the territory description. The error has been corrected.

The territory requested will enlarge the utility's service area, allowing expansion to the east toward Lake County (approximately 2000 acres), and also includes an area on the western boundary of the current territory near Lake Miona (approximately 190 acres). Water and wastewater lines have been designed to serve the new areas. The water and wastewater plants now under construction will provide service to the requested territory. Construction of the distribution and collection systems will be financed by debt financing, service availability charges, and if necessary, loans from The Villages of Lake-Sumter, Inc., the utility's affiliate and developer.

Comments concerning this application from the Department of Community Affairs (DCA) state that the eastern addition is within the approved portion of The Villages Development of Regional Impact (DRI). According to the DCA, the western addition is partially within the DRI and partially on land designated Agricultural. At the time of DCA's input to the Commission, The Villages was preparing a notice of proposed change, to request the addition of this land to The Villages' DRI. A comprehensive plan amendment by Sumter County has been filed and approved by the DCA to include this site. The amendment has been returned to Sumter County for adoption.

North Sumter has the financial and technical ability to provide service. Financial statements of its affiliate, The Villages of Lake-Sumter, Inc., were included with the amendment filing, as they were with the original certificate application. The utility has an operations agreement with a management company for operation and maintenance of the utility's facilities and equipment. There are no notices of violation or consent orders from the Department of Environmental Regulation. No material impact is expected upon monthly rates or service availability fees. The utility is aware that no changes can be made to these rates, charges, or fees without prior approval of the Commission.

Staff believes it is in the public interest to grant the requested territory to the utility. Staff therefore recommends that the Commission grant the application and amend North Sumter Utility Company's Certificate Nos. 618-W and 532-S to include the territory shown on Attachment A. North Sumter should charge the customers in the territory added herein, the rates and charges contained in its tariff until authorized to change by the Commission in a subsequent proceeding.

TJW

cc: Division of Commission Clerk and Administrative Services
file name: 021036.rcm

North Sumter Utility CompanyWater and Wastewater Service – Sumter County

In Township 18 South, Range 23 East, and, Township 19 South Range 23 East, Sumter County:

Those portions of Sections 24, 25, 26, 35, and 36 of Township 18 South, Range 23 East, and those portions of Sections 1 and 2 of Township 19 South, Range 23 East, described as follows:

Begin at the Northeast corner of said Section 1, run thence south along the east line thereof to the north right-of-way line of County Road 466-A (formerly State Road 466-A); thence westerly along said right-of-way to the east line of the East 3/4 of the SE 1/4 of the NE 1/4 of said Section 2; thence north to the northeast corner of the said East 3/4 of the SE 1/4 of the NE 1/4; thence west to the northwest corner thereof; thence south along the west line thereof to the said north right-of-way; thence west to the north-south midsection line of said Section 2; thence north to the south 1/4 section corner of said Section 35; thence north along the midsection lines of Sections 35 and 26 to the north 1/4 section corner of said Section 26; thence east along the north line of Section 26 to the southwest corner of said Section 24; thence east along the south line thereof to the southwest corner of the E 1/2 of the SE 1/4 of the SW 1/4; thence north along the west line thereof, 941.57 feet to the south line of a dirt road; thence northeast along said road the following five courses: N 74°18'03" E, 217.73 feet; thence N 74°41'34" E, 68.15 feet; thence N 72°09'04" E, 181.74 feet; thence N 69°47'34" E, 133.55 feet; thence N 67°32'39" E, 96.46 feet to the west line of the SW 1/4 of the SE 1/4 of said Section 24; thence north to the northwest corner of the SW 1/4 of the SE 1/4; thence east to the northeast corner thereof; thence south to the northwest corner of the South 3/4 of the SE 1/4 of the SE 1/4 of said Section 24; thence south along the east lines of aforesaid Sections 24, 25, and 36 of Township 18 South, Range 23 East, to the point of beginning.

LESS the following described parcel: the South 296.00 feet of the East 296.00 feet of the SW 1/4 of the SE 1/4 of said Section 24;

LESS the North 540 feet of the East 965 feet of the SE 1/4 of said Section 25;

LESS the N 1/2 of the SE 1/4 of the NE 1/4 of said Section 36;

LESS the following described tract of land: Begin 16.95 feet south of the Northeast corner of said Section 36; thence run S 89°35'30" W, 1464 feet; thence S 00°52'00" W, 643.25 feet; thence S 00°54'40" E, 665.55 feet to the south line of the N 1/2 of the NE 1/4; thence east along said south line to the east line of said Section 36; thence north along said east line to the point of beginning.

ADDITIONAL AREA TO BE INCLUDED:

The NE 1/4 of the NE 1/4 of Section 20, Township 18 South, Range 23 East, Sumter County;

The North 1/2 of Section 21, Township 18 South, Range 23 East, Sumter County;

LESS the East 1/8 of the SE 1/4 of the NW 1/4 of said Section 21;

LESS the West 1/2 of the SW 1/4 of the NW 1/4 of said Section 21.