

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for transfer of all facilities operated under Certificates 200-W and 145-S from Forest Hills Utilities, Inc. to Pasco County.

DOCKET NO. 040267-WS
ORDER NO. PSC-04-0536-FOF-WS
ISSUED: May 26, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
LILA A. JABER
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

ORDER APPROVING TRANSFER OF ALL FACILITIES OF
FOREST HILLS UTILITIES, INC. TO PASCO COUNTY

BY THE COMMISSION:

Forest Hills Utilities, Inc. (Forest Hills or utility) is a Class B water and wastewater utility providing service in Pasco County. The utility is located in the Northern Tampa Bay Water Use Caution Area of the Southwest Florida Water Management District. Service is provided to approximately 2,301 water and 1,132 wastewater customers. The utility's 2003 annual report indicates that Forest Hills had gross revenues of \$539,944 and \$401,458 with net operating losses of \$82,727 and \$19,030 for water and wastewater, respectively.

The utility began operations on February 16, 1967, to serve the Forest Hills development in Holiday, Florida. The water and wastewater systems were issued Certificate Nos. 200-W and 145-S pursuant to Order No. 6406, issued December 18, 1974, in Docket Nos. 73376-S and 73377-W, In Re: Application of Forest Hills Utilities, Inc. for certificates to operate a water and sewer utility in Pasco County, Florida. There have been no further certification orders.

On March 26, 2004, an application was filed with this Commission for the approval of the transfer of Forest Hills' facilities to Pasco County and for the cancellation of Certificate Nos. 200-W and 145-S. We have jurisdiction pursuant to Sections 367.045 and 367.071(4)(a), Florida Statutes.

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FPSC-COMMISSION CLERK

Transfer of Forest Hills Utilities, Inc. to Pasco County

On March 26, 2004, Forest Hills filed an application to transfer its water and wastewater facilities to Pasco County pursuant to Section 367.071(4)(a), Florida Statutes, and Rule 25-30.037(4), Florida Administrative Code. According to the application, the closing is intended to occur on July 30, 2004, after we have approved the application.

Pursuant to Section 367.071(4)(a), Florida Statutes, the transfer of facilities to a governmental authority shall be approved as a matter of right. As such, no notice of the transfer is required and no filing fees apply. The application had no deficiencies and is in compliance with Section 367.071(4)(a), Florida Statutes, and Rule 25-30.037(4), Florida Administrative Code.

The application contains a statement that Pasco County obtained a copy of Forest Hills' most recent available income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction, pursuant to Rule 25-30.037(4)(a), Florida Administrative Code. Pursuant to the Purchase and Sale Agreement, all customer deposits, and the accumulated interest thereon, will be returned to the customer by Forest Hills prior to, or upon closing.

Additionally, pursuant to the requirements of Rule 25-30.037(4)(a), Florida Administrative Code, the application contained a statement that Forest Hills has no outstanding regulatory assessment fees (RAFs) and no fines or refunds are owed. We verified that the utility has filed annual reports and paid RAFs through December 31, 2003, and that there are no outstanding penalties, refunds or interest as of December 31, 2003. The application indicates that Forest Hills will file a final Regulatory Assessment Fee Return and pay the associated RAFs with this Commission as soon as is reasonably possible after closing, but in any event, within the time period required by our rules. The utility shall remit the RAFs within 30 days of closing. The buyer, Pasco County, as a governmental authority, shall not be responsible for RAFs on revenues after the closing. Also, pursuant to Rule 25-30.110(3), Florida Administrative Code, the utility is not responsible for filing an annual report for 2004.

We find that the application is in compliance with all provisions of Rule 25-30.037, Florida Administrative Code. Pursuant to Section 367.071(4)(a), Florida Statutes, the transfer of facilities to a governmental authority shall be approved as a matter of right. Therefore, we find that the transfer of Forest Hills' facilities to Pasco County is approved as a matter of right and Certificate Nos. 200-W and 145-S shall be cancelled upon notification of the closing. Within 30 days of the date of closing, Forest Hills shall remit 2004 regulatory assessment fees from January 1, 2004, through the date of closing.

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Based on the foregoing, it is


ORDERED by the Florida Public Service Commission that that the transfer of Forest Hills Utilities, Inc.'s facilities to Pasco County is approved. It is further

ORDERED that Forest Hills Utilities, Inc. shall remit 2004 regulatory assessment fees from January 1, 2004, through the date of closing. It is further

ORDERED that Certificate Nos. 200-W and 145-S shall be cancelled upon receipt of an executed purchase agreement and payment of 2004 regulatory assessment fees as set forth in the body of this Order. It is further

ORDERED that this docket shall be closed administratively upon receipt of an executed purchase agreement and verification that the 2004 regulatory assessment fees have been paid.

By ORDER of the Florida Public Service Commission this 26th day of May, 2004.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.