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Public Service Commission

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COMMISSION
CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: November 21, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Economic Regulation (Rieger) *SPR* *W*
Office of the General Counsel (Gervasi) *W* *PD*

RE: Docket No. 060628-WS – Application for quick-take amendment of Certificates 611-W and 527-S for new territory in Charlotte County, by MSM Utilities, LLC.

AGENDA: 12/05/06 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Deason

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\060628.RCM.DOC

Case Background

MSM Utilities, LLC (MSM or utility) is a Class C water and wastewater utility located in Charlotte County. According to its 2005 annual report, MSM serves 56 water and wastewater connections with combined annual operating revenues of \$18,820, and a net income of (\$109,060).

On September 15, 2006, the utility filed its initial application, with the completed follow-up application filed on October 06, 2006, for a “Quick Take” amendment to Certificates 611-W and 527-S for new territory in Charlotte County. This filing was made pursuant to Rule 25-30.036(2), Florida Administrative Code. The Commission has jurisdiction pursuant to section 367.045, Florida Statutes.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Discussion of Issues

Issue 1: Should the Commission approve MSM's "Quick Take" application to amend Certificates 611-W and 527-S?

Recommendation: Yes, the Commission should approve MSM's amendment application to expand its territory. The proposed territory amendment is described in Attachment A. The resultant order should serve as MSM's amended certificate and it should be retained by the utility. MSM should charge the customers in the added territory the rates and charges contained in its tariff until it is authorized by the Commission to change them in a subsequent proceeding. (RIEGER, GERVASI)

Staff Analysis: The "Quick Take" amendment is designed to provide water and/or wastewater service quickly for areas that serve less than 25 ERCs. Typically, a well or septic tank fails or service is otherwise not available and service is needed as soon as possible. The request for service territory expansion and amendment of existing certificates are considered approved when the utility complies with Rule 25-30.036(2), Florida Administrative Code, and if no protest is timely filed to the notice of application. Staff believes that since service to less than 25 ERCs are affected, the simplified "Quick-Take" filing is appropriate for this case.

On September 15, 2006, the utility filed its initial application, with the completed follow-up application filed on October 06, 2006, for a "Quick Take" amendment to Certificates 611-W and 527-S for new territory in Charlotte County. This filing was made pursuant to Rule 25-30.036(2), Florida Administrative Code. The utility anticipates that the majority of customers in the proposed amended territory will be a mixture of single and multi-family residential units, and commercial development. The proposed territory, expected not to exceed 25 equivalent residential connections at the time of build-out, is made up of two unconnected parcels that lie adjacent to the utility's existing territory. The total area is composed of approximately 17.5 acres. This area was recently purchased by the utility's owner for future development purposes.

The application is in compliance with the governing statute, section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for amendment of certificate.

The utility has provided verification that it has a 99-year lease for the land upon which its treatment facilities are located. Adequate service territory maps and a territory description have also been provided. A description of the proposed amendment territory and a list of orders identifying the utility's authorized service territory are appended to this recommendation as Attachment A. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections to the application have been received and the time for filing such has expired.

Staff has contacted the Department of Environmental Protection and learned that there are no outstanding notices of violation issued for MSM's water and wastewater treatment facilities. Staff recommends that the rates and charges approved by the Commission for the MSM service area should be applied to the customers in the new service territory. The utility has

Docket No. 060628-WS
Date: November 21, 2006

filed revised tariff sheets incorporating the additional territory into its tariff and returned its certificate for entry reflecting the additional territory.

Based on the above information, staff believes it is in the public interest to approve the "Quick Take" amendment application filed by MSM to add the additional territory described in Attachment A. The resultant order should serve as MSM's amended certificate and it should be retained by the utility. The utility should charge the customers in the territory added herein the rates and charges contained in its current tariff until authorized by the Commission to change them in a subsequent proceeding.

Issue 2: Should this docket be closed?

Recommendation: Yes, no further action is required and the docket should be closed.
(GERVASI)

Staff Analysis: No further action is required and the docket should be closed.

MSM UTILITIES, LLC

DESCRIPTION OF PROPOSED TERRITORY

Water and Wastewater Service Area

Charlotte County

The South $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 12, Township 40 South, Range 23 East, Charlotte County, Florida.

Together with:

The South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 12, Township 40 South, Range 23 East, Charlotte County, Florida.

And:

The Northeast $\frac{1}{4}$, of Section 13, Township 40 South, Range 23 East, Charlotte County, Florida. Less and except the Right-of-Way for a public highway along the East side of said land, and Less and except the Right-of-Way for a public road along the North line of said land, and Less and except the following: Commence at the Northeast corner of said Section 13; thence along the North boundary of said Section 13, North $88^{\circ}26'45''$ West, 45.15 feet, to the Westerly maintained Right-of-Way line of State Road 35 (US 17) for a point of beginning; thence along said Westerly maintained Right-of-Way line, South $00^{\circ}23'35''$ West, 330.28 feet; thence North $88^{\circ}24'16''$ West, 8.00 Feet; thence North $00^{\circ}23'35''$ East, 330.28 feet, to said North boundary of Section 13; thence along said North boundary, South $88^{\circ}26'45''$ East, 8.00 feet, to the point of beginning.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

MSM Utilities, LLC
Pursuant to
Certificate Number 611-W

to provide wastewater service in Charlotte County in accordance with the provisions of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-99-0756-FOF-WS	04-19-1999	980731-WS	Original Certificate
PSC-05-0147-PAA	02-07-2005	031042-WS	Transfer
PSC-06-0129-FOF-WS	02-16-2006	050820-WS	Amendment
*	*	060628-WS	Amendment

*** Order Number and date to be provided at time of issuance.**

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

MSM Utilities, LLC
Pursuant to
Certificate Number 527-S

to provide water service in Charlotte County in accordance with the provisions of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
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