

STATE OF FLORIDA

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OFFICE OF
AUDITING & PERFORMANCE ANALYSIS
DALE MAILHOT
DIRECTOR
(850) 413-6854

Public Service Commission

August 16, 2012

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12 AUG 17 AM 11:48
COMMISSION
CLERK

Mr. Jim Gadsden
Post Office Box 307
Lake Placid, Florida 33862

Re: Docket No. 120042-WS, Notice of abandonment of water and wastewater systems in Okeechobee County by Pine Ridge Management Corporation

Dear Mr. Gadsden:

The Florida Public Service Commission (PSC or Commission) acknowledged Pine Ridge Management Corporation's (Pine Ridge) abandonment of its water and wastewater systems in Order No. PSC-12-0344-FOF-WS, issued July 5, 2012, and cancelled the Utility's certificates. Accordingly, the Utility is no longer authorized to operate as a regulated utility. A copy of the Order is attached for ease of reference.

Pursuant to Section 367.022, Florida Statutes (F.S.), certain entities may charge for water and wastewater service but remain exempt from Commission regulation. For example, Section 367.022(5), F.S., provides an exemption from regulation for "landlords providing service to their tenants without specific compensation for the service." Also, Section 367.022(8), F.S., provides an exemption for "any person who resells water or wastewater service at a rate or charge which does not exceed the actual purchase price of the water or wastewater." A copy of Section 367.022, F.S., is attached for your reference.

In the event that the Okeechobee Utility Authority (OUA) decides to master meter the Pine Ridge Mobile Home Park (MHP), the MHP could recover the cost of the water and wastewater service it receives from OUA from the MHP residents as an exempt reseller. If the MHP does not have individual meters for each resident, it could simply divide the OUA bill equally among all residents to recover that cost. Conversely, if the MHP decides to install individual meters, it could charge each resident based upon their specific usage.

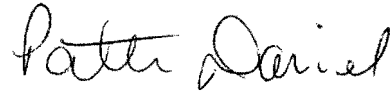
However, regardless of which billing method the MHP chooses, it may only charge an amount equal to or less than the bill it receives from OUA. The MHP may not include any other costs, such as billing, maintenance, or meter installation. Including any additional costs would be in violation of the Section 367.022, F.S., and would cause the MHP to become a regulated utility again. Under those circumstances, the MHP would be required to file an application for a certificate and authorization to charge for service.

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If you have any questions, please feel free to call me at 850-413-6808.

Sincerely,

A handwritten signature in black ink that reads "Patti Daniel". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Patti Daniel
Chief of Auditing
Office of Auditing & Performance Analysis

PD/mg

Enclosures (2)

cc: Mr. John F. Hayford
Mr. Martin S. Friedman
Division of Accounting & Finance (Golden)
Office of the General Counsel (Barrera)
Office of Commission Clerk

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Notice of abandonment of water and
wastewater systems in Okeechobee County by
Pine Ridge Management Corporation.

DOCKET NO. 120042-WS
ORDER NO. PSC-12-0344-FOF-WS
ISSUED: July 5, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

FINAL ORDER ACKNOWLEDGING ABANDONMENT AND
CANCELLING CERTIFICATE NOS. 630-W AND 539-S

BY THE COMMISSION:

Pine Ridge Management Corporation (Pine Ridge or Utility) is a Class C water and wastewater utility providing service to approximately 118 water and 116 wastewater customers in the Pine Ridge subdivision of Lake Placid, located in Okeechobee County (County). The Utility is within the South Florida Water Management District in a water use caution area. Pine Ridge's 2011 annual report indicates that the Utility had gross revenues of \$13,817.19 and \$54,079.90 for water and wastewater services, respectively, and net operating losses of \$19,231.92 and \$386.26 for water and wastewater services, respectively. The Utility also had gross revenues of \$147,770.00 and net operating income of \$82,167.55 for other services.

On May 13, 2004, the Okeechobee County Board of County Commissioners adopted Resolution No. 2004-16, which declared the water and wastewater utilities in the county subject to the provisions of Section 367, Florida Statutes (F.S.). We acknowledged the resolution,¹ and Pine Ridge subsequently filed an application for grandfather certificates. In 2005, we granted the Utility Certificate Nos. 630-W and 539-S.² Following its certification, the Utility experienced no transfers or amendments.

On February 16, 2012, in accordance with Section 367.165, F.S., Pine Ridge provided us with 60 days' notice of the owner's intent to abandon the water and wastewater facilities as of April 18, 2012 pursuant to the provisions of Section 367.165, F.S., and Rule 25-30.090, Florida

¹ See Order No. PSC-04-0593-FOF-WS, issued June 15, 2004, in Docket No. 040469-WS, In re: Resolution of the Board of County Commissioners of Okeechobee County declaring Okeechobee County subject to the provision of Chapter 367, F.S.

² See Order No. PSC-05-1116-PAA-WS, issued November 7, 2005, in Docket No. 050061-WS, In re: Application for grandfather certificates to operate water and wastewater facility in Okeechobee County by Pine Ridge Management Corporation.

Administrative Code (F.A.C.), regarding abandonment of a utility. Pine Ridge also provided Okeechobee County a copy of the notice. We have jurisdiction, pursuant to Sections 367.022 and 367.165, F.S., and Rule 25-30.090, F.A.C.

We find that the Utility has complied with the provisions of Section 367.165, F.S., and Rule 25-30.090, F.A.C., regarding abandonment of a utility. Pine Ridge's notice, issued February 16, 2012, specified as the reason for abandonment that the revenues generated by the systems are insufficient to fund the reasonable costs of operation and maintenance and provide necessary funds for required capital improvements.

Section 367.165(2), F.S., requires that a county, after receiving notice of abandonment of a utility, petition the circuit court of the judicial circuit in which the utility is located to appoint a receiver. Pursuant to this statute, such receiver may be the governing body of a political subdivision, such as a county (or counties if more than one is affected), or any other person deemed appropriate. The receiver is responsible for operating the utility from the date of abandonment until the receiver disposes of the property of the utility in a manner designed to continue the efficient and effective operation of utility service. On April 12, 2012, in Case No. 2012-CA-000086, the Circuit Court of the Nineteenth Judicial Circuit in and for Okeechobee County (Circuit Court) issued an Order on Okeechobee County's Petition and appointed the Okeechobee Utility Authority (OUA) as receiver of Pine Ridge effective the date of the Order. Rule 25-30.090(3), F.A.C., states that within 10 days of the circuit court's appointment of a receiver, the receiver must request from the Commission a copy of the utility's tariff and most recent annual report. We provided a representative of the OUA with these documents on March 19, 2012.

The Circuit Court's April 12, 2012 Order required the Utility's now-prior owner, Virginia Gadsden, to allow the OUA to operate the systems on the property upon which they are located. The Order also stated that Ms. Gadsden must be responsible for payment of the Utility's mortgage and use her best efforts to accomplish a release from the mortgage for the assets that are subject to the receivership.

Section 367.022(2), F.S., states that utility systems that are owned, operated, managed, or controlled by governmental authorities are exempt from our regulation. Given the OUA's appointment as receiver, Pine Ridge will no longer be jurisdictional.

The Utility has filed annual reports for 2011 and all prior years, in accordance with 25-30.110(3)(a), F.A.C. In addition, the Utility has paid its 2011 regulatory assessment fees (RAFs), in conformance with Rule 25-30.120(2)(b), F.A.C. However, cancellation of Pine Ridge's certificates does not relieve the Utility's obligation to pay outstanding RAFs for the period January 1 through April 18, 2012. Because the Utility will not be jurisdictional as of December 31, 2012, no annual report needs to be filed for 2012. Although the Utility has not yet made payment for RAFs for the period January 1 through April 18, 2012, payment is not due until March 31, 2013.

We acknowledge Pine Ridge's notice of abandonment, pursuant to Section 367.165, F.S., and appointment of the OUA as receiver for the Utility. Certificate Nos. 630-W and 539-S shall be cancelled effective April 12, 2012.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Pine Ridge Management Corporation's notice of abandonment of the utility is hereby acknowledged. It is further

ORDERED that Certificate Nos. 630-W and 539-S are hereby cancelled effective April 12, 2012. It is further

ORDERED that Pine Ridge Management Corporation shall pay regulatory assessment fees for the period from January 1 thorough April 18, 2012 on or before March 31, 2013. It is further

ORDERED that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 5th day of July, 2012.

/s/ Hong Wang

HONG WANG

Chief Deputy Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

MFB

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 Office of Commission Clerk, 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 Office of Commission Clerk, 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.

Select Year:

The 2012 Florida Statutes

Title XXVII
RAILROADS AND OTHER REGULATED
UTILITIES

Chapter 367
WATER AND WASTEWATER
SYSTEMS

[View Entire
Chapter](#)

367.022 Exemptions.—The following are not subject to regulation by the commission as a utility nor are they subject to the provisions of this chapter, except as expressly provided:

- (1) The sale, distribution, or furnishing of bottled water.
- (2) Systems owned, operated, managed, or controlled by governmental authorities, including water or wastewater facilities operated by private firms under water or wastewater facility privatization contracts as defined in s. [153.91](#), and nonprofit corporations formed for the purpose of acting on behalf of a political subdivision with respect to a water or wastewater facility.
- (3) Manufacturers providing service solely in connection with their operations.
- (4) Public lodging establishments providing service solely in connection with service to their guests.
- (5) Landlords providing service to their tenants without specific compensation for the service.
- (6) Systems with the capacity or proposed capacity to serve 100 or fewer persons.
- (7) Nonprofit corporations, associations, or cooperatives providing service solely to members who own and control such nonprofit corporations, associations, or cooperatives.
- (8) Any person who resells water or wastewater service at a rate or charge which does not exceed the actual purchase price of the water or wastewater.
- (9) Wastewater treatment plants operated exclusively for disposing of industrial wastewater.
- (10) The sale of bulk supplies of desalinated water to a governmental authority.
- (11) Any person providing only nonpotable water for irrigation or fireflow purposes in a geographic area where potable water service is available from a governmentally or privately owned utility or a private well.
- (12) The sale for resale of bulk supplies of water or the sale or resale of wastewater services to a governmental authority or to a utility regulated pursuant to this chapter either by the commission or the county.

History.—s. 1, ch. 71-278; s. 3, ch. 76-168; s. 1, ch. 77-457; ss. 3, 25, 26, ch. 80-99; ss. 2, 3, ch. 81-318; ss. 3, 26, 27, ch. 89-353; s. 1, ch. 90-166; s. 4, ch. 91-429; s. 1, ch. 96-107; s. 10, ch. 96-202; s. 24, ch. 97-236; s. 4, ch. 99-319; s. 39, ch. 2002-296.