

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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

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COMMISSION CLERK

RECEIVED-FPSC

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**DATE:** October 9, 2012  
**TO:** Ann Cole, Commission Clerk, Office of Commission Clerk  
**FROM:** Jennifer S. Crawford, Attorney Supervisor, Office of the General Counsel  
**RE:** Docket No. 120205-WS - Joint application for transfer of water and wastewater facilities of Paradise Lakes Utility, L.L.C. to Florida Governmental Utility Authority in Pasco County, and request of cancellation of Certificates 458-W and 392-S.

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Please add the attached Administrative Recommendation to the 120205-WS docket file.

Cc: Avy Smith  
Stephen B. Fletcher

DOCUMENT NUMBER-DATE

06872 OCT-9 09

FPSC-COMMISSION CLERK



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** October 9, 2012  
**TO:** Jennifer S. Crawford, Attorney Supervisor, Office of the General Counsel  
**FROM:** Avy Smith, Public Utility Analyst II, Division of Accounting & Finance  
Stephen B. Fletcher, Public Utilities Supervisor, Division of Accounting & Finance *SBF*  
**RE:** Administrative approval of a transfer to a governmental entity in Docket No. 120205-WS, Joint application for transfer of water and wastewater facilities of Paradise Lakes Utility, LLC to Florida Governmental Utility Authority in Pasco County, and request for cancellation of Certificate Nos. 458-W and 392-S.

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Paradise Lake Utility, LLC (Paradise Lakes or Utility) is a Class C water and wastewater utility providing service to approximately 465 water and 454 wastewater customers in Pasco County. Water and wastewater rates were last established for this Utility in its 1997 rate case.<sup>1</sup>

On July 26, 2012, Paradise Lakes filed an application for transfer of its water and wastewater facilities to Florida Governmental Utility Authority (FGUA) and cancellation of Certificate Nos. 458-W and 392-S. Pursuant to Section 367.071(4), Florida Statutes (F.S.), the sale 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 included an Agreement for Purchase and Sale of Water and Water Assets between Paradise Lakes and FGUA, dated May 17, 2012, the effective date of the transfer. Pursuant to Section 367.071(4)(a), F.S., and Rule 25-30.037(4)(e), Florida Administrative Code (F.A.C.), the Utility included a statement that the FGUA obtained the most recent income statements, the most recent balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction. In accordance with Rule 25-30-037(4)(g), F.A.C., the Utility specified that customer deposits and accrued interest through closing will be transferred to the FGUA, and maintained by the FGUA in accordance with its policies and procedures. The Utility has paid all outstanding regulatory assessment fees. On August 22, 2012, Paradise Lakes filed its 2011 annual report and remitted payment of penalties totaling \$342 pursuant to Rule 25-30.110(7)(b), F.A.C. The Utility will not be under the Commission's jurisdiction on December 31, 2012; therefore, no annual report needs to be filed for 2012.

The Commission has jurisdiction pursuant to Section 367.071, F.S. Also, pursuant to Section 2.07(C)(4)(d) of the Administrative Procedures Manual, staff has been given administrative authority to approve transfers to governmental entities that are in compliance with Section 367.071(4)(a), F.S. and are not controversial in nature. Based on the above, staff

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<sup>1</sup> See Order No. PSC-98-0130-FOF-WS, issued January 26, 1998, in Docket No. 970633-WS, In re: Application for staff-assisted rate case in Pasco County by Paradise Lakes Utility, Ltd.

DOCUMENT NUMBER-DATE

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Docket No. 120205-WS

Date: October 9, 2012

believes that the application is in compliance with Section 367.071(4)(a), F.S., and Rule 25-30.037(4), F.A.C. Staff recommends that the Commission acknowledge the transfer of the water and wastewater systems to the FGUA as a matter of right, pursuant to Section 367.071(4)(a), F.S., and cancel Certificate Nos. 458-W and 392-S effective May 17, 2012. In addition, staff recommends that the docket be closed because no further action is necessary.