


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-

DATE: June 5, 2014
TO: Jennifer S. Crawford, Attorney Supervisor, Office of General Counsel
FROM: Adam R. Hill, Engineering Specialist I, Division of Engineering 
RE: Docket No. 140062-WS – Application for transfer of Water facilities to the City of Zephyrhills, and cancellation of Certificate No. 227-W, by Kemple Water Company.

Kemple Water Company (Kemple or Utility) is a class C water utility providing service to approximately 135 customers in Pasco County.

A completed application for transfer of its water facilities to the City of Zephyrhills, Florida (Zephyrhills) was filed on March 31, 2014. 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 Assets between Kemple and the City of Zephyrhills, which closed April 24, 2014. 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 City of Zephyrhills 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 it applied deposits to any customer account with a past due balance. For the remaining deposits, Kemple applied interest to the customers' accounts and the remaining balances have been refunded with accrued interest to the customers. On March 10, 2014, Kemple filed its 2013 Annual Report pursuant to Rule 25-30.110, F.A.C. Kemple is responsible for and has paid in full, regulatory assessment fees accrued from January 1, 2014, through the date of closing. As the Utility will no longer be under the Commission's jurisdiction as of December 31, 2014, an Annual Report for 2014 will not be required.

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 believes that the application is in compliance with Sections 367.071 and 367.022(2), F.S., and Rule 25-30.037(4), F.A.C. Staff recommends that the Commission acknowledge the transfer of the water system to Zephyrhills as a matter of right, pursuant to Section 367.071(4)(a), F.S., and cancel Certificate No. 227-W effective April 29, 2014. In addition, staff recommends that the docket be closed because no further action is necessary.