

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: July 28, 2016

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (M. Watts, Knoblauch) *CK*
Division of Economics (Johnson) *CAS*
Office of the General Counsel (Leathers) *REC*

RE: Docket No. 160095-SU – Application for amendment of Certificate No. 164-S to extend territory in Duval County by Commercial Utilities/A Division of Grace & Company, Inc.

AGENDA: 08/09/16 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: ~~Staff~~ All Commissioners *OP*

PREHEARING OFFICER: ~~All Commissioners~~ Administrative *OP*

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On April 21, 2016, Commercial Utilities/A Division of Grace & Company, Inc. (Commercial Utilities or Utility) filed an application with the Florida Public Service Commission (Commission) to amend Certificate No. 164-S to add territory in Duval County. The Utility plans to extend its service territory in order to provide wastewater service to the Church's Chicken Restaurant and Krystal Restaurant at 5870 and 5814 Normandy Boulevard, respectively, in Jacksonville, Florida.

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Administrative —————
All Commissioners —————

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Docket No. 160095-SU

Date: July 28, 2016

The Utility was originally granted water and wastewater certificates in 1976.¹ The Utility's water certificate was canceled in 1997,² and the wastewater territory was amended in 2011 to add six additional parcels.³ The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes (F.S).

¹Order No. 6704, issued on June 4, 1975, in Docket Nos. 74787-W and 74788-S, *In re: Application of Grace & Company, Inc., for a certificate to operate an existing water and sewer system in Duval County, Florida.*

²Order No. PSC-97-0094-FOF-WU, issued on January 27, 1997, in Docket No. 961268-WU, *In re: Request for change in regulatory status and cancellation of Certificate No. 219-W in Duval County by Commercial Utilities, Division of Grace and Company, Inc.*

³Order No. PSC-11-0254-FOF-SU, issued on June 13, 2011, in Docket No. 100398-SU, *In re: Application for amendment of Certificate No. 164-S to extend territory in Duval County by Commercial Utilities, Division of Grace and Company, Inc.*

Discussion of Issues

Issue 1: Should the Commission approve Commercial Utilities' application for amendment of Certificate No. 164-S to extend its wastewater territory in Duval County?

Recommendation: Yes. It is in the public interest to amend Certificate No. 164-S to include the territory as described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as Commercial Utilities' amended certificate and 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 a change is authorized by the Commission in a subsequent proceeding. (M. Watts, Knoblauch, Johnson)

Staff Analysis: The Utility's application to amend its authorized service territory is in compliance with the governing statute, Section 367.045, F.S., and Rule 25-30.036, Florida Administrative Code (F.A.C.), Application for Amendment to Certificate of Authorization to Extend or Delete Service Area. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C, Notice of Application and of Customer Meeting. No objections to the application have been received and the time for filing such has expired. The Utility stated that it does not have its own treatment facilities, but purchases wastewater treatment capacity from the Jacksonville Electric Authority Wastewater Treatment System (JEA). Adequate service territory maps and territory descriptions have also been provided.

The proposed additional service territory is intended to serve two restaurants on Normandy Boulevard, adjacent to the Utility's existing service area. The City of Jacksonville Environmental and Compliance Department stated in a November 30, 2015 letter to the Utility that the restaurants had experienced operational deficiencies with the current system providing wastewater treatment services to them, a wastewater package plant operated by an adjacent property owner. The letter also stated that the proposed connections to Commercial Utilities' wastewater treatment system would help eliminate future potential wastewater violations in the area, and it, therefore, supports the Utility's application to expand its territory to serve these two properties. Additionally, on December 14, 2015, JEA submitted a letter to the Utility echoing the City of Jacksonville's concerns, and stating it did not object to the Utility's application to expand its territory to serve these customers.

The Utility was granted a rate increase in 2011⁴ and at that time, the Commission found the overall quality of service of Commercial Utilities to be satisfactory. Based upon staff's review of the financial information provided in this docket, the Utility's financial ability to operate a utility has not diminished since that time. The Utility has filed its 2015 Annual Report and is current with the payment of its 2015 Regulatory Assessment Fees.

The Utility has no approved service availability policy or charges. However, a developer agreement was submitted with the amendment application indicating that the customers in the new service area will install and donate to the Utility, the collection system needed to connect

⁴Order No. PSC-11-0138-PAA-SU, issued February 28, 2011, in Docket No. 100236-SU, *In re: Application for staff-assisted rate case in Duval County by Commercial Utilities, Division of Grace & Co., Inc.*

the customers to the Utility's existing collection system, consistent with Rules 25-30.580 and 25-30.585, F.A.C.

The Utility stated in its application that its collection system is adequately sized to accommodate the additional wastewater flows generated by Krystal Restaurant and Church's Chicken Restaurant. Also, with the additional flows from the restaurants, the Utility's wastewater flows to the JEA treatment facility will remain within the limits set by the Utility's contract/agreement with JEA.

According to the application, the provision of wastewater services in the proposed service territory is consistent with the City of Jacksonville 2030 Comprehensive Plan, and there are no outstanding Consent Orders or Notices of Violation from the Florida Department of Environmental Protection. Based on the foregoing analysis, staff recommends that Commercial Utilities has the financial and technical ability to service the amended territory.

Conclusion

Based on the information above, staff recommends it is in the public interest to amend Certificate No. 164-S to include the territory as described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as Commercial Utilities' amended certificate and 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 tariffs until a change is authorized by the Commission in a subsequent proceeding.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, no further action will be necessary, and this docket should be closed upon issuance of the order. (Leathers)

Staff Analysis: If the Commission approves staff's recommendation in Issue 1, no further action will be necessary, and this docket should be closed upon issuance of the order.

Commercial Utilities, Inc.

Description of Proposed Service Territory

Current Territory:

A portion of land lying in Section 24, Township 2 South, Range 25 East, and in Section 19, Township 2 South, Range 26 East, Duval County, Florida and being more particularly described as follows:

Begin at the intersection of the easterly Right-of-Way line of Lane Avenue with the southerly limited access Right-of-Way line of Interstate Highway 10; thence easterly along said southerly limited access Right-of-Way line a distance of 2700± feet to its intersection with the westerly Right-of-Way line of Ellis Road; thence southerly along said westerly Right-of-Way line, a distance of 330± feet to its intersection with the northerly Right-of-Way line of Ramona Boulevard; thence westerly along said northerly Right-of-Way line a distance of 762± feet to its intersection with the northerly prolongation of the westerly line of those lands described in Official Records Volume 14431, page 1628 as recorded in the current public records of said county, Florida; thence southerly along said northerly prolongation and along the westerly line thereof, a distance of 265± feet to its intersection with the northerly Right-of-Way line of Akra Avenue; thence westerly along said northerly Right-of-Way line, a distance of 513± feet to its intersection with the westerly line of first addition to Buenos Aires subdivision as recorded in plat book 12 page 45 of said current public records; thence southerly along said westerly line, a distance of 468± feet to the Southwest corner of those lands described in Official Records Volume 11600, page 1075 of said current public records; thence westerly, a distance of 26± feet to its intersection with the northerly prolongation of the westerly line of those lands described in Official Records Volume 3030, page 743 of said current public records; thence southerly along said northerly prolongation and along the westerly line thereof, a distance of 643± feet to the Southwest corner thereof; thence easterly along the southerly line thereof and the easterly prolongation thereof, a distance of 1299± feet to its intersection with the westerly Right-of-Way line of said Ellis Road; thence southerly along the westerly Right-of-Way line thereof, a distance of 669± feet to its intersection with the northerly Right-of-Way line of Normandy Boulevard; thence southwesterly along the northerly Right-of-Way line thereof being an arc of a curve with a chord bearing and distance of South 74° West, 2702± feet to its intersection with the easterly Right-of-Way line of Lane Avenue; thence northerly along the easterly Right-of-Way line thereof, a distance of 1349± feet to its intersection with the easterly prolongation of the southerly line of those lands described in Official Records Volume 7182, page 796 of said current public records. Thence North 89°10'19" West along said easterly prolongation and along the southerly line thereof and the southerly line of those lands described in Official Records Volume 10274, page 2132 of said current public records, a distance of 379± feet to the Southwest corner thereof; thence northerly along the westerly line thereof, a distance of 105± feet to the Northwest corner thereof; thence westerly along the northerly line of those lands described in Official Records Volume 9256, page 1 of said current public records, a distance of 346± feet to its intersection with the easterly Right-of-Way line of Grandville Road; thence northeasterly along the easterly Right-of-Way line thereof, a distance of 370± feet to its point of termination; thence westerly along the southerly line of those lands described Official Records Volume 3927, page 349 of said

current public records, a distance of 557± feet to the Southwest corner thereof; thence North 04° East along the westerly line thereof, a distance of 657± feet to the Southwest corner of those lands described in Official Records Volume 11263, page 514 of said current public records; thence easterly along the southerly line thereof, a distance of 380± feet to the Southeast corner thereof; thence northerly along the easterly line thereof and the northerly prolongation thereof, a distance of 409± feet to its intersection with the northerly Right-of-Way line of said Ramona Boulevard; thence westerly along the northerly Right-of-Way line thereof, a distance of 116± feet to the Southwest corner of those lands described in Official Records Volume 10174, page 2280 of said current public records; thence northerly along the westerly line thereof, a distance of 329± feet to its intersection with said southerly limited access Right-of-Way line of Interstate Highway 10; thence easterly along said southerly limited access Right-of-Way line, a distance of 900± feet to its intersection with the westerly Right-of-Way line of said Lane Avenue; thence northerly along the westerly Right-of-Way line thereof, a distance of 823± feet to its intersection with the northerly limited access Right-of-Way line of said Interstate Highway 10; thence southwesterly along said limited access Right-of-Way line, a distance of 106± feet to its intersection with the southerly line of those lands described in Official Records Volume 12059, page 1065 of said current public records; thence westerly along the southerly line thereof and the southerly line of those lands described in Official Records Volume 12067, page 2131 of said current public records, a distance of 477± feet to a point in the southerly line of last said lands; thence northerly, a distance of 441± feet to its intersection with the northerly Right-of-Way line of Stuart Avenue; thence westerly along the northerly Right-of-Way line thereof, a distance of 20± feet to the Southwest corner of those lands described in Official Records Volume 13770, page 1003 of said current public records; thence northerly along the westerly line thereof also being the easterly Right-of-Way line of Fox Street, a distance of 294± feet to a Northwest corner thereof; thence easterly along the northerly line thereof and along the easterly prolongation thereof, a distance of 645± feet to its intersection with the easterly Right-of-Way line of said Lane Avenue; thence southerly along the easterly Right-of-Way line thereof, a distance of 343± feet to its intersection with the southerly Right-of-Way line of said Stuart Avenue; thence easterly along the southerly Right-of-Way line thereof, a distance of 283± feet to the Northeast corner of those lands described in Official Records Volume 10281, page 77 of said current public records; thence southerly along the easterly line thereof, a distance of 305± feet to the southeasterly corner thereof; thence westerly along the southerly line thereof, a distance of 282± feet to its intersection with the said easterly Right-of-Way line of said Lane Avenue; thence southerly along the easterly Right-of-Way line thereof, a distance of 824± to the POINT OF BEGINNING.

Together with Official Records Volume 8483, page 928 of the current public records Duval County, Florida. A parcel of land situated, lying and being part of the Southwest quarter (1/4) of the Southwest quarter (1/4) of Section 19, Township 2 South, Range 26 East, City of Jacksonville, Duval County, Florida, and being more particularly described as follows:

Beginning at the Southwest corner of said Section 19; thence North 00°44'00" West along the West line of said Section 19, 214.81 feet to its intersection with the southerly Right-of-Way line of Normandy Boulevard and/or State Road No. 228 (as said southerly Right-of-Way line is now established by the Department of Transportation), said aforementioned Right-of-Way line being a curve, concave to the Southeast and having a radius of 12,167.67 feet; thence around and along

said curve and along said southerly Right-of-Way line of Normandy Boulevard North 72°00'00" East, 413.35 feet (chord bearing and distance) to its intersection with the North line of those certain lands described in deed, recorded in Official Records Volume 122, page 402 of the current public records of said county; thence North 88°32'02" East along the North line of said last mentioned lands, 72.25 feet to the Northeast corner of said last mentioned lands; thence South 00°43'28" East along the East line of said last mentioned lands and along the East line of those certain lands, described in deed, recorded in deed book 1106, page 451 of said public records, 333.48 feet to a point situate in the South line of said Section 19; thence South 88°37'02" West along said South line of Section 19, 467.07 feet to the POINT OF BEGINNING.

Territory to Be Added:

Parcel 1.

Generally described as Krystal Restaurant, 5814 Normandy Blvd., Jacksonville, Fla.;

Those lands described as a part of Sections 24 and 25, Township 2 South, Range 25 East, Duval County, Florida, being more particularly described as follows: for a point of reference commence at the Southeast corner of said Section 24 and run North 0°43' East along the easterly line of said Section 24, 31.19 feet to the POINT OF BEGINNING.

From the POINT OF BEGINNING thus described run South 72°27'20" West, 186.29 feet; run thence North 19°39'03" West, 182.0 feet to the southerly Right-of-Way line of Normandy Boulevard (a 100-foot Right-of-Way as now established); run thence in an easterly direction along the arc of a curve in said southerly Right-of-Way line, said curve being concave to the south and having a radius of 12,177.66 feet, a chord distance of 253.79 feet to a point where said southerly Right-of-Way line intersects the easterly line of said Section 24, the bearing of the aforesaid mentioned chord being North 71°54'57" East; run thence South 0°43' West along said easterly line of Section 24, 194.04 feet to the POINT OF BEGINNING; and

Parcel 2.

Generally described as Church's Fried Chicken, 5870 Normandy Blvd., Jacksonville, Fla.

Those lands described as a tract of land lying in Sections 24 and 25, Township 2 South, Range 25 East, Duval County, Florida, being more particularly described as follows:

For point of reference commence at an iron pipe at the Southeast corner of said Section 24 and run North 0°43' East along the East line of said Section 24, a distance of 223.05 feet to an iron pipe on the southerly Right-of-Way line of Normandy Boulevard (being a 100 foot Right-of-Way as now established);

Run thence South 71°22'10" West, a distance of 429.22 feet to an iron pipe set on said southerly Right-of-Way line of Normandy Boulevard for the POINT OF BEGINNING.

From the POINT OF BEGINNING thus described run in a westerly direction along the arc of a curve in said southerly Right-of-Way line, said curve being concave to the south and having a radius of 12,177.66 feet, a chord distance of 160.0 feet, the bearing of the aforementioned chord being South 70°00'40" West;

Run thence South 19°48'50" East, a distance of 160.0 feet;

Run thence North 70°00'4" East, a distance of 160.0 feet;

Run thence North 19°48'50" West, a distance of 160.0 feet to the POINT OF BEGINNING.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes
Commercial Utilities, Inc.
pursuant to
Certificate Number 164-S

to provide water service in Duval County in accordance with the provisions of Chapter 367, Florida Statutes, and 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>
6704	06/05/1975	74787-W, 74788-S	Original Certificate
PSC-11-0138-PAA-SU	02/28/2011	100398-SU	Amendment
*	*	160095-SU	Amendment

*** Order Numbers and dates to be provided at time of issuance**