

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: September 9, 2004

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

FROM: Division of Economic Regulation (Walden)
Office of the General Counsel (Vining)

RE: Docket No. 040371-WS – Application for amendment of Certificates 465-S and 496-W to extend water and wastewater service areas to include certain land in Lake County by Lake Utility Services, Inc.
County: Lake

AGENDA: 09/21/04 – Regular Agenda – Interested Persons May Participate

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\040371.RCM.DOC

Case Background

Lake Utility Services, Inc. (LUSI) is a Class A water and wastewater utility company serving 6255 metered water customers and 2083 wastewater customers in Lake County. The 2003 annual report on file with this Commission lists operating revenues of \$2,341,429 with net operating revenues of \$713,549. The utility's service area lies in the St. Johns River Water Management District and is in a critical water supply problem area.

The utility filed this application on April 28, 2004, to amend its water and wastewater certificates, pursuant to Section 367.045, Florida Statutes, and Rule 25-30.036, Florida Administrative Code. The application proposes to serve 216 water connections and 203 wastewater connections. There have been no protests to the notice of application. The application is in compliance with the governing statute, and other statutes and rules concerning amendment of certificates.

Discussion of Issues

Issue 1: Should the utility's request to amend its water and wastewater certificates be granted?

Recommendation: Yes. The water and wastewater certificates of Lake Utility Services, Inc. should be amended to include the territory listed on Attachment A. Lake Utility Services, Inc. should charge the customers in the territory added herein the rates and charges contained in its tariffs until authorized to change by this Commission in a subsequent proceeding. (WALDEN)

Staff Analysis: On April 28, 2004, LUSI filed an application for amendment of its certificates. 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.

At the request of the Department of Environmental Protection (DEP), the utility is extending water service to an area known as Thompson Place, an area now served with private wells. Some of these wells have become contaminated, and a central water supply is needed. There are developer agreements for the Mission Place parcel, where both water and wastewater service will be provided. LUSI has sufficient capacity with its existing facilities to provide service. There are no outstanding notices of violation or consent orders with the DEP. A description of the territory is appended to this recommendation as Attachment A.

The application contained proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. All property owners in the area requested received a copy of the notice.

The Department of Community Affairs (DCA) stated that the application is consistent with the City of Clermont and Lake County comprehensive plans. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and a current annual report on file with the Commission.

LUSI provided copies of financial pages from its annual report to demonstrate financial viability. Revenues and NOI are listed in the case background of this recommendation.

Based upon the above information, staff recommends that it is in the public interest that the utility's application be granted and the land area described in Attachment A be added to the water and wastewater certificated territory of LUSI.

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Issue 2: Should the docket be closed?

Recommendation: Yes if staff's recommendation in Issue 1 is approved, no further action is required and the docket should be closed. (VINING)

Staff Analysis: If staff's recommendation in Issue 1 is approved, no further action is required and the docket should be closed.

ATTACHMENT A

AMENDMENT TO WATER SERVICE TERRITORY

LAKE UTILITY SERVICES, INC., LAKE COUNTY

Addition No. 1 (Thompson Place Subdivision)

A tract of land lying in Section 26, Township 22 South, Range 25 East, Lake County, Florida, being described as follows:

Commence at the Southwest corner of said Section 26; thence East along the South line of said Section 26 for a distance of 1320 feet to the Point of Beginning; thence North 680 feet to the South shore of Lake Minnehaha; thence South 60° East along said shoreline for a distance of 1250 feet; thence West along the South line of Section 26 for a distance of 1200 feet to the Point of Beginning.

AMENDMENT TO WATER AND WASTEWATER SERVICE TERRITORY

LAKE UTILITY SERVICES, INC., LAKE COUNTY

Addition No. 2 (Mission Park Subdivision)

A tract of land lying in Section 15, Township 24 South, Range 26 East, Lake County, Florida, being described as follows:

Commence at the Southwest corner of said Section 15; thence East along the South line of said Section 15 for a distance of 2640 feet to the Point of Beginning; thence North 08° East for a distance of 2000 feet; thence North 27° West for 600 feet; thence East 1100 feet to the centerline of U. S. Highway No. 27; thence South 22° East along said highway for 2800 feet; thence West along the South line of said Section 15 for 2000 feet to the Point of Beginning.