

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 23, 2004

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

FROM: Division of Economic Regulation (Rieger)
Office of the General Counsel (Jaeger)

RE: Docket No. 040388-WU – Application for amendment of Certificate 363-W in
Marion County by Sunshine Utilities of Central Florida, Inc.
County: Marion County

AGENDA: 10/05/04 – Regular Agenda – Interested Persons May Participate

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\040388.RCM.DOC

Case Background

On April 30, 2004, Sunshine Utilities of Central Florida, Inc. (Sunshine or utility) filed an application with the Commission to amend Certificate No. 363-W to include additional territory in Marion County, pursuant to section 367.045, Florida Statutes. Sunshine is a Class B utility that has been providing service in Marion County for more than 25 years, owning and operating more than 20 water systems. With annual operating revenues of \$906,648, and a net income of \$52,806, the utility currently serves approximately 3,500 water customers.

The area requested by Sunshine consists of approximately 52 acres. It will contain a planned 72 lot mobile home community known as Lexington Estates (Lexington). Water service to Lexington will be supplied via an interconnection with the utility's nearby Ocala Heights water system which currently has 318 connections. The proposed area is located in the St. Johns River Water Management District (SJRWMD). Water use restrictions have been imposed district wide to encourage conservation. The Commission has jurisdiction pursuant to section 367.045, Florida Statutes.

Issue 1: Should the Commission approve Sunshine's application to amend Certificate No. 363-W?

Recommendation: Yes. The Commission should approve Sunshine's application to amend Certificate No. 363-W. Sunshine should charge the customers in the added territory, as reflected in Attachment A, the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. (Rieger)

Staff Analysis: 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. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections were received and the time for filing objections has expired.

Pursuant to Rule 25-30.036, Florida Administrative Code, the utility provided verification of need with a letter from the developer of Lexington Estates Subdivision requesting water service from the utility and a signed developer agreement. The developer will pay for all professional services and fees to acquire permits necessary to serve the property and all costs for the complete construction of the expansion of the distribution system. This will be done in lieu of the utility collecting its approved service availability charge. Upon completion of the project, the developer will donate the water distribution system.

Staff believes that the utility has demonstrated that it has the necessary financial and technical expertise. Water service to Lexington will be supplied through an interconnection with the utility's nearby Ocala Heights water system. Sunshine's water treatment facility at Ocala Heights is made up of two wells with chlorination used for disinfection purposes. The Department of Environmental Protection has no outstanding violations, citations, or notices of violation issued to the utility for the water system that will serve the proposed area. Also, the utility indicated that the granting of the proposed amendment would be in the best interest of the public as it will provide the residents with a safe water source. According to the Department of Community Affairs (DCA), the proposed service expansion area appears to be consistent with the Marion County comprehensive plan.

Based on the above information, staff believes it is in the public interest to approve the amendment application filed by Sunshine to add the additional territory described in Attachment A. The utility should charge the customers in the territory added herein the monthly service rates contained in its current tariff until authorized to change by the Commission.

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Issue 2: Should this 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. (Jaeger, Rieger)

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

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Attachment A

Sunshine Utilities of Central Florida, Inc.
Amended Water Territory Description
Marion County

Lexington Estates
Sections 17 & 18 Township 15 South, Range 23 East

Parcel 1:

The NW 1/4 of the SW 1/4 of section 17, Township 15 South, Range 23 East, Marion County, Florida; Less and except the South 786 Feet of the West 40 feet thereof.

Parcel 2:

The Easterly 634 feet of the Southerly 350 feet of the NE 1/4 of Section 18, Township 15 South, Range 23 East and the Easterly 634 feet of the Northerly 534 feet of the SE 1/4 of Section 18, Township 15 South, Range 23 East, Marion County, Florida.