

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: November 18, 2004

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

FROM: Division of Economic Regulation (Johnson, Kaproth)
Office of the General Counsel (C. Keating)

RE: Docket No. 040702-WU – Application for transfer of water facilities to Broward County, and cancellation of Certificate No. 82-W, by Broadview Park Water Company.

AGENDA: 11/30/04 – Regular Agenda – Interested Persons May Participate

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\040702.RCM.DOC

Case Background

Broadview Park Water Company (BPWC or utility) is a Class B water utility providing service to a development located in Broward County. BPWC was granted Certificate No. 82-W pursuant to Order No. 3024, issued September 23, 1960, in Docket No. 6040-W, In Re: Application of Broadview Park Water Company for a certificate to operate an existing water company in Broward County. The utility's 2003 annual report indicates gross revenue of \$808,774 and net operating income of \$9,614.

Broward County (County) and BPWC have entered into an Agreement in which BPWC will sell all personal and real properties along with all rights, title, and interest to Broward County. On June 22, 2004, the County Board approved the acquisition of BPWC for a purchase price of \$800,000. On July 7, 2004, an application was filed for the transfer of the utility to the County and for the cancellation of Certificate No. 82-W. The Commission has jurisdiction pursuant to Section 367.071, Florida Statutes.

Discussion of Issues

Issue 1: Should the transfer of Broadview Park Water Company facilities to Broward County be approved?

Recommendation: Yes. The transfer of the Broadview Park Water Company facilities to Broward County should be approved as a matter of right, pursuant to Section 367.071(4)(a), Florida Statutes. Certificate No. 82-W should be cancelled effective June 22, 2004. (Johnson, Kaproth)

Staff Analysis: On July 7, 2004, BPWC filed a completed application to transfer its facilities to Broward County pursuant to Section 367.071(4)(a), Florida Statutes, and Rule 25-30.037(4), Florida Administrative Code. Included with the application is a copy of the executed contract Agreement for Purchase and Sale which states the closing date was July 1, 2004. According to the application, Broward County took over operations of BPWC on June 22, 2004. Therefore, the effective date of the transfer is June 22, 2004.

Pursuant to Section 367.071(4)(a), Florida Statutes, the transfer 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 contains a statement that the County obtained BPWC's most recent income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction pursuant to Rule 25-30.037(4)(e), Florida Administrative Code. A statement was included in the application that customer deposits and any accrued interest were credited to the customers' accounts.

BPWC has no outstanding regulatory assessment fees and no fines or refunds are owed. The utility has filed its 2003 annual report and paid its 2003 RAFs and there are no outstanding penalties and interest. BPWC has paid the RAFs for the period of January 1, 2004 through June 30, 2004. BPWC is not required to file an annual report for the period of January 1, 2004 through June 30, 2004 because of being transferred to Broward County.

Staff recommends that the application is in compliance with the provisions of Rule 25-30.037, Florida Administrative Code. Pursuant to Section 367.071(4)(a), Florida Statutes, the transfer of facilities to a governmental authority shall be approved as a matter of right. Therefore, staff recommends that the transfer of BPWC's facilities to the County should be approved and Certificate No. 82-W should be cancelled effective June 22, 2004.

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Issue 2: Should this docket be closed?

Recommendation: Yes. Because no further action is necessary, this docket should be closed.
(C. Keating)

Staff Analysis: Because no further action is necessary, this docket should be closed.