

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:** January 6, 2005

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

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

**RE:** Docket No. 041041-SU – Application for quick-take amendment of Certificate No. 357-S in Highlands County by Fairmount Utilities, The 2nd, Inc.

**AGENDA:** 01/18/05 – Regular Agenda – Interested Persons May Participate

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\041041.RCM.DOC

---

### Case Background

Fairmount Utilities, The 2nd, Inc. (Fairmount or the utility) is a Class C wastewater utility in Highlands County. According to its 2003 annual report, Fairmount serves 428 wastewater customers with annual operating revenues of \$109,660, and a net operating loss of \$23,016.

On September 3, 2004, the utility applied for a “quick take” amendment to Certificate No. 357-S, pursuant to Rule 25-30.036(2), Florida Administrative Code. The application was completed on October 29, 2004, when the utility filed a copy of the notice provided as required by Rule 25-30.030, Florida Administrative Code. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

### **Discussion of Issues**

**Issue 1:** Should the Commission acknowledge Fairmount's "Quick Take" application to amend Certificate No. 357-S?

**Recommendation:** Yes, the Commission should acknowledge Fairmount's amendment application to expand its certificated territory. Fairmount should charge the customer 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. (Walden)

**Staff Analysis:** On September 3, 2004, the utility applied for a "quick take" amendment to Certificate No. 357-S, pursuant to Rule 25-30.036(2), Florida Administrative Code. This rule allows a utility to amend its certificate to serve additional territory when the number of ERCs to be served does not exceed 25, and when there is no other utility in the area capable of providing service. The utility must show that service is needed due to well contamination, septic tank failure, or that service is otherwise not available. Noticing is required, and if no protest is timely filed, the application shall be considered approved.

The application was completed on October 29, 2004, when the utility filed a copy of the notice provided, as required by Rule 25-30.030, Florida Administrative Code. The utility has a 40,000 gpd wastewater plant, averaging 36,000 treated gpd. The proposed service territory addition is SunBank, that has to abandon its septic tank and drainfield due to the construction of a stormwater retention pond on site. The utility states in its application that the bank will serve four ERCs. The area is adjacent to the utility's existing wastewater service territory.

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 contained the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. A description of the territory requested by the utility is appended to this recommendation as Attachment A. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objection to the notice of application has been received and the time for filing such has expired.

Staff has contacted the Department of Environmental Protection (DEP) and learned that there are no outstanding notices of violation issued for the utility. The DEP has, however sent a letter of non-compliance, because the wastewater plant flows are approaching capacity. Nevertheless the DEP does not believe the flows are so high as to preclude the connection of the SunBank to the utility's system.

Based on the above information, staff believes it is in the public interest to acknowledge the "Quick Take" amendment application filed by Fairmount and to add the additional territory described in Attachment A. The rates and charges approved by the Commission for Fairmount's service area should be applied to the customer in the new service territory.

Docket No. 041041-SU  
Date: January 6, 2005

**Issue 2:** Should this docket be closed?

**Recommendation:** Yes, no further action is required and the docket should be closed. (Brown)

**Staff Analysis:** No further action is required and the docket should be closed.

HIGHLANDS COUNTY

FAIRMOUNT UTILITIES, THE 2ND, INC.  
EXTENTION OF SERVICE TERRITORY TO SERVE SUNBANK

In Section 14, Township 34 South, Range 28 East, Highlands County, Florida;

Commencing at the southwest corner of said Section 14, thence North a distance of 50 feet to the north right-of-way line of Schumacher Road; thence North  $86^{\circ} 38'$  East, a distance of 666.54 feet to the east right-of-way line of Virginia Street, also being the POINT OF BEGINNING. Thence North  $18^{\circ} 02'$  West, along the east right-of-way line a distance of 141.27 feet to a point; thence continuing North  $18^{\circ} 02'$  West, a distance of 100 feet to a point; thence North  $71^{\circ} 58'$  East, a distance of 230 feet to the west right-of-way line of US Highway 27; thence South  $18^{\circ} 02'$  East, along said right-of-way line a distance of 307.6 feet to a point on the North right-of-way line of Schumacher Road; thence South  $86^{\circ} 38'$  West, a distance of 239.31 feet to the POINT OF BEGINNING. All being in Highlands County, Florida.