

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-

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**DATE:** March 24, 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. 041301-SU – Application for amendment of Certificate No. 249-S to add territory in Volusia County by North Peninsula Utilities Corporation.  
County(ies): Volusia

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

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\041301.RCM.DOC

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#### Case Background

North Peninsula Utilities Corporation (North Peninsula) is a Class C wastewater utility company serving 560 wastewater customers in Volusia County. Water to this area is provided by the City of Ormond Beach. The 2003 annual report on file with this Commission lists operating revenues of \$182,063, with a net loss of \$11,023. The utility was recently reviewed for overearnings in Docket No. 030601-SU, and a settlement was reached by the utility and the Commission (see Order No. PSC-05-0143-PAA-SU).

The utility filed this application on November 12, 2004, to amend its wastewater certificate, pursuant to Section 367.045, Florida Statutes, and Rule 25-30.036, Florida Administrative Code. Several deficiencies in the filing were noted, and the utility filed additional information on February 9, 2005. The application is in compliance with the governing statute, and other statutes and rules concerning amendment of certificates. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

### **Discussion of Issues**

**Issue 1:** Should the utility's request to amend its wastewater certificate be granted?

**Recommendation:** Yes. Wastewater Certificate No. 249-S held by North Peninsula Utilities Corporation should be amended to include the territory listed on Attachment A. North Peninsula should charge the customers in the territory added herein the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. (Walden)

**Staff Analysis:** On November 12, 2004 North Peninsula filed an application for amendment of its wastewater certificate. 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.

Adequate service territory maps and a territory description have been provided as prescribed by Rule 25-30.036(3)(e) and (i), Florida Administrative Code. The utility has received inquiries for service in the territory requested, and development is expected to be 29 single family homes in the Elena By the Sea development. There are no outstanding notices of violation or consent orders with the Department of Environmental Protection (DEP). There had been an issue with chlorination of the final effluent, but that issue has been monitored by the DEP, and is resolved.

There is adequate plant capacity, and facilities to be constructed to serve this additional territory will be completed by the developer and deeded to the utility. The utility's service availability policy allows the company to accept donated facilities, but no plant capacity charge. A copy of the developer agreement will be filed with the staff after the agreement is signed.

Staff is satisfied that the utility company is sufficiently experienced and has the financial and technical ability to provide service to the area requested. This utility has owned this company since 1989, and there are no outstanding complaints pending in the Division of Regulatory Compliance and Consumer Assistance. A description of the territory is appended to this recommendation as Attachment A.

In addition, the application contained proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections to the notice were received, and the time for objections has now passed. The Department of Community Affairs (DCA) has stated that the project is consistent with Volusia County's Comprehensive Plan, and identified no growth management concerns with the proposed expansion of the utility.

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 wastewater certificated territory of North Peninsula Utilities Corporation.

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

**Recommendation:** Yes, because no further action is needed, the docket should be closed. (M. Brown)

**Staff Analysis:** If the amendment is approved, there is no further action to be taken by the Commission and the docket should be closed.

**ATTACHMENT A**

**AMENDMENT TO WASTEWATER SERVICE TERRITORY FOR NORTH  
PENINSULA UTILITIES CORPORATION IN VOLUSIA COUNTY**

**Elena By the Sea**

A portion of Section 21, Township 13 South, Range 32 East, Volusia County, described as follows:

Commence at the Northwest corner of said Section 21 and run east along the north section line of Section 21 a distance of 3300 feet more or less to the westerly right of way line of State Road A1A (Ocean Shore Boulevard); thence run southerly along said right of way 1413 feet, more or less, to the north line of Government Lot 4, said Section 21, and the Point of Beginning; thence southerly along the right of way, a distance of 400 feet to a point; thence westerly and parallel with the north line of said Government Lots 3 and 4, a distance of 800 feet to a point; thence northerly and parallel with the said west boundary of said right of way, a distance of 400 feet to a point on the north line of said Government Lots 3 and 4; thence easterly along the north line of said Government Lots 3 and 4, a distance of 800 feet to the Point and place of Beginning.

Together with all lands lying easterly of said State Road A1A to the high tide lines of the Atlantic Ocean, being all the land lying between the northerly and southerly boundary lines of the described premises extended easterly.

Containing 8.113 acres, more or less.