

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: December 8, 2005

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

FROM: Division of Economic Regulation (Clapp, Romig)
Office of the General Counsel (Rodan)

RE: Docket No. 041369-SU – Application for transfer of wastewater facilities to City of West Melbourne, and cancellation of Certificate No. 486-S, by Pine Lake Mobile Home Estates, Inc.
County: Brevard

AGENDA: 12/20/05 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\041369.RCM.DOC

Case Background

Pine Lake Mobile Home Estates, Inc. (Pine Lake or utility) is a Class C utility providing wastewater service to approximately 202 residential service and 2 general service customers in Brevard County. Water service is provided by the City of West Melbourne. The utility's 2003 annual report indicates that the utility had gross revenue of \$76,605 and net operating loss of \$4,015.

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The utility's wastewater system was originally issued Certificate No. 486-S in 1993.¹ No additional dockets have been opened concerning the territory served by or the ownership of the utility.

On December 2, 2004, Pine Lake submitted an application for transfer of facilities to the City and for cancellation of Certificate No. 486-S. The utility subsequently asked for additional time to negotiate some final details with the City. A supplement to the transfer application was filed on September 1, 2005. The Commission has jurisdiction pursuant to sections 367.045, 367.071 and 367.081, Florida Statutes.

¹ Order No. PSC-93-1026-FOF-SU, issued July 13, 1993, in Docket No. 930072-SU, In Re: Application for certificate to provide wastewater service in Brevard County by Pine Lake Mobile Home Estates, Inc.

Discussion of Issues

Issue 1: Should the transfer of Pine Lake Mobile Home Estates, Inc. wastewater facilities to the City of West Melbourne and the cancellation of Certificate No. 486-S be approved?

Recommendation: Yes. The transfer of Pine Lake Mobile Home Estates, Inc. wastewater facilities to the City of West Melbourne should be approved, as a matter of right, pursuant to section 367.071(4)(a), Florida Statutes, and Certificate No. 486-S should be cancelled effective November 17, 2004. (Clapp, Romig)

Staff Analysis: On December 2, 2004, Pine Lake filed an application to transfer the utility's service territory and facilities to the City pursuant to section 367.071(4)(a), Florida Statutes, and Rule 25-30.037(4), Florida Administrative Code. The utility requested additional time to negotiate final details with the City. The application supplement filed on September 1, 2005, included an additional agreement which provides for Pine Lake to retain and maintain the gravity lines within the service territory at no charge to the City or the customers. According to the application, the City began providing service to the customers on November 17, 2004. Therefore, November 17, 2004, is the effective date of the transfer.

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 customer deposits and any accrued interest there on were credited towards the final customer bills. Any remaining funds were refunded to the customers.

Staff verified that, in accordance with Rule 25-30.110, Florida Administrative Code, Pine Lake filed its annual reports for 2004 and prior years. Staff verified that, in accordance with Rule 25-30.120, Florida Administrative Code, the utility's RAFs for 2004 and all prior years, have been paid. No penalties or interest are outstanding for annual reports or RAF payments. The utility is not required to submit RAFs or an annual report for 2005 as the utility was transferred in 2004 to a governmental entity.

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 land and facilities to a governmental authority shall be approved as a matter of right. Therefore, staff recommends that the transfer of Pine Lake's land and facilities to the City should be approved, as a matter of right, and Certificate No. 486-S should be cancelled, effective November 17, 2004.

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Issue 2: Should this docket be closed?

Recommendation: Yes. No further action need be taken and the docket may be closed.
(Rodan)

Staff Analysis: No further action need be taken and the docket may be closed.