

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 12, 2006

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

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

RE: Docket No. 050875-WS – Application for amendment of Certificates 567-W and 494-S to extend water and wastewater service areas to include certain land in Lake County by Shangri-La-By-The-Lake Utilities, Inc.
County: Lake

AGENDA: 01/24/06 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Arriaga

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Place this item after Docket No. 050642-WS

FILE NAME AND LOCATION: S:\PSC\ECR\WP\050875.RCM.DOC

Case Background

Shangri-La-By-The-Lake Utilities, Inc. (Shangri-La or utility) is a Class C water and wastewater utility company serving 150 water and 142 wastewater customers in Lake County. The utility was issued certificates on January 12, 1996, by Order No. PSC-96-0062-FOF-WS. The utility's 2004 annual report lists \$19,530 in water revenue and \$39,061 in wastewater revenue, with a total overall net loss of \$35,253.

The utility filed this application on November 16, 2005, to amend its water and wastewater certificates, pursuant to Section 367.045, Florida Statutes, and Rule 25-30.036, Florida Administrative Code. The amendment would allow Shangri-La to provide water and

wastewater service for up to 84 single family homes by adding the territory described in Attachment A to its certificates. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

By separate application, Shangri-La is seeking approval to amend its water and wastewater certificates to add different territory. That application was assigned Docket No. 050642-WS and is addressed in a separate recommendation also filed for consideration at the January 24, 2006, Agenda Conference.

Discussion of Issues

Issue 1: Should the utility's request to amend its certificates be granted?

Recommendation: Yes. Water Certificate No. 567-W and Wastewater Certificate No. 494-S held by Shangri-La-By-The-Lake Utilities, Inc. should be amended to include the territory listed on Attachment A. Shangri-La should charge the customers in the added territory the same rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. (Walden)

Staff Analysis: On November 16, 2005, Shangri-La filed an application for amendment of its water and wastewater certificates. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and administrative rules concerning an 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 entered into a developer agreement for provision of water and wastewater service in the new area. Harbor Shores will receive water service only to 80 single family homes. Harbor Shores will have septic tanks installed to serve these homes. Insim Estates will receive both water and wastewater service to the four new homes to be built. On-site lines for both developments will be constructed by and at the cost of the developer, and then deeded to the utility company. The current water and wastewater plants are adequate to provide service to the new developments. There are no outstanding notices of violation or consent orders with the Department of Environmental Protection.

Staff is satisfied that the utility is sufficiently experienced and has the financial and technical ability to provide service to the area requested. There are no complaints pending in the Division of Regulatory Compliance and Consumer Assistance.

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 has stated that the project is consistent with Lake County's Comprehensive Plan, and identified no growth management concerns with the area requested for amendment.

Based upon the above information, staff recommends that it is in the public interest that the utility's application be granted and the land described in Attachment A be added to the water and wastewater certificated territory of Shangri-La-By-The-Lake Utilities, Inc. Shangri-La should charge the customers in the added territory the same rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.

Docket No. 050875-WS
Date: January 12, 2006

Issue 2: Should the docket be closed?

Recommendation: Yes, This docket should be closed because no further action is needed.
(Fleming)

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

AMENDMENT TO WATER AND WASTEWATER SERVICE TERRITORY FOR
SHANGRI-LA-BY-THE-LAKE UTILITIES, INC. IN LAKE COUNTY

PARCEL 1 (HARBOR SHORES) WATER SERVICE ONLY:

THAT PART OF GOVERNMENT LOT 7, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 66.00 FEET TO THE SOUTHERLY EXTENSION OF THE EAST RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN N00°04'08"W ALONG SAID SOUTHERLY EXTENSION, 33.00 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND EAST RIGHT OF WAY LINE OF SAID HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N00°04'08"W ALONG SAID EAST RIGHT OF WAY LINE, 951.09 FEET TO A POINT 300.00 FEET SOUTH OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E PARALLEL WITH THE NORTH LINE OF GOVERNMENT LOT 7, 726.00 FEET; THENCE RUN N00°04'08"W PARALLEL WITH THE WEST LINE OF GOVERNMENT LOT 7, 300.00 FEET TO A POINT 759.00 EAST OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E ALONG SAID NORTH LINE, 594.19 FEET TO THE MEANDER LINE AS ESTABLISHED BY U.S. GENERAL LAND OFFICE IN 1926; THENCE RUN S02°31'38"E ALONG SAID MEANDER LINE, 299.29 FEET; THENCE CONTINUE ALONG SAID MEANDER LINE S29°50'19"W, 667.71 FEET TO THE WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S39°23'45"W ALONG SAID WESTERLY RIGHT OF WAY LINE, 490.42 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S89°26'52"W ALONG SAID NORTH RIGHT OF WAY LINE, 688.37 FEET TO THE POINT OF BEGINNING.

AMENDMENT TO WATER AND WASTEWATER SERVICE TERRITORY FOR
SHANGRI-LA-BY-THE-LAKE UTILITIES, INC. IN LAKE COUNTY

PARCEL 2 (INSIM ESTATES) WATER AND WASTEWATER SERVICE:

THAT PART OF GOVERNMENT LOTS 7 AND 12, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 813.11 FEET TO THE EASTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N39°23'45"E ALONG SAID EASTERLY RIGHT OF WAY LINE, 130.44 FEET TO A LINE 100 FEET NORTH OF, WHEN MEASURED PERPENDICULAR TO, THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN N89°26'52"E ALONG SAID LINE 100 FEET NORTH OF GOVERNMENT LOT 12, 784 FEET MORE OR LESS TO THE WATER'S EDGE OF LAKE EUSTIS; THENCE RUN SOUTHWESTERLY ALONG SAID WATER'S EDGE TO THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN S89°26'52"W ALONG THE SOUTH LINE OF GOVERNMENT LOT 12 AND 7, 790 FEET MORE OR LESS TO THE POINT OF BEGINNING.