

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: May 4, 2006

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

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

RE: Docket No. 060283-WU – Application for amendment of Certificate 363-W to add and delete territory in Marion County by Sunshine Utilities of Central Florida, Inc.
County(ies): Marion

AGENDA: 05/16/06 – 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\060283.RCM.DOC

Case Background

Sunshine Utilities of Central Florida, Inc. (Sunshine or utility) is a Class B utility that has been providing service in Marion County for more than 25 years, owning and operating more than 20 water systems serving approximately 3,500 customers. The 2005 annual report shows operating revenues of \$938,725, and a net loss of \$6,106.

The application includes a request for amendment to the utility's certificated area that will include mobile homes and a few general service customers. Water service will be supplied from the utility's Little Lake Weir water plant which currently has 150 connections. The application also includes an area for deletion. The proposed areas are located in the St. Johns River Water Management District.

Docket No. 060283-WU

Date: May 4, 2006

The area requested to be deleted contains 20 acres and was added to the utility's certificate by Commission Order No. PSC-99-2390-FOF-WU, issued December 7, 1999, in Docket No. 980543-WU, In re: Application for amendment of Certificate No. 363-W to add territory in Marion County by Sunshine Utilities of Central Florida. The utility explains that central water service will not be needed in this undeveloped area. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve Sunshine's application to amend its Certificate No. 363-W to include new territory, and to delete other territory that will not be served?

Recommendation: Yes. The Commission should approve Sunshine's application to amend Certificate No. 363-W to include new territory and to delete other territory as discussed in the staff analysis. Sunshine should charge the customers 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: The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and administrative rules concerning an application for amendment and application for deletion of certificate. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections were received and the time for filing objections expired on April 28, 2006.

Pursuant to Rule 25-30.036, Florida Administrative Code, the utility explains that the area applied for has no central water supply. Existing residents are on wells and septic tanks, and there are many vacant lots in the area. As service is requested, the utility will be in a position to provide safe drinking water and will extend lines as needed. The utility has been contacted by a builder who plans to construct a building for a business in the requested area.

Staff believes that the utility has demonstrated that it has the necessary financial and technical expertise as shown by its years of operation. Water service to the area requested will be provided by the Little Lake Weir water system. Sunshine's water treatment facility at Little Lake Weir has two wells with chlorination for disinfection according to its application, and there is sufficient water supply to provide service in the territory requested. The Department of Environmental Protection has no outstanding violations, citations, or notices of violation issued to the utility for the water system that will serve the proposed area. Also, the utility indicated that the granting of the proposed amendment would be in the best interest of the public as it will provide the residents with a safe water source. According to the Department of Community Affairs, the proposed expansion area is consistent with the Marion County comprehensive plan.

As stated earlier, the area to be deleted was added to Sunshine's certificate in Docket No. 980543-WU per Commission Order No. PSC-99-2390-FOF-WU, and the utility explains in the current application that the undeveloped area will not need central water service. Sunshine does not have any water lines in this certificated area, and staff believes it is appropriate that the request for deletion be approved. Marion County serves the parcels directly north of this area, and would be able to provide fire flow to this area if fire flow is needed. There is one property owner who owns this 20 acre parcel. The owner was notified of Sunshine's intent to delete the territory from the utility's certificate, and no response was received from the property owner.

Based on the above information, staff believes that it is in the public interest to approve the amendment application and add and delete the territory requested by Sunshine. Therefore staff recommends that the Commission approve Sunshine's request to add and delete the territory as described in Attachment A. The utility should charge the customers in the territory added

Docket No. 060283-WU

Date: May 4, 2006

herein the monthly service rates contained in its current tariff until authorized to change by the Commission.

Issue 2: Should this docket be closed?

Recommendation: Yes. If staff's recommendation in Issue 1 is approved, no further action is required and the docket should be closed. (Jaeger)

Staff Analysis: It is staff's recommendation that if Issue 1 is approved, no further action is required and the docket should be closed.

AMENDMENT TO ADD WATER SERVICE TERRITORY FOR SUNSHINE UTILITIES OF
CENTRAL FLORIDA, INC. IN MARION COUNTY

Little Lake Weir

In Section 15, Township 17 South, Range 23 East:

The North half of the Northwest quarter of Section 15

In Section 16, Township 17 South, Range 23 East:

The East half of the Southwest quarter of the Northeast quarter of Section 16

DELETION TO WATER SERVICE TERRITORY FOR SUNSHINE UTILITIES OF
CENTRAL FLORIDA, INC. IN MARION COUNTY

Little Lake Weir

In Section 16, Township 17 South, Range 23 East:

The East half of the Southwest quarter of the Northwest quarter of Section 16