

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: September 7, 2006

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

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

RE: Docket No. 060400-SU – Application for amendment of Certificates No. 379-S to extend service area in Seminole County by Alafaya Utilities, Inc.
County: Seminole

AGENDA: 09/19/06 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Deason

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\060400.RCM.DOC

Case Background

Alafaya Utilities, Inc. (Alafaya or utility), a subsidiary of Utilities, Inc., is a Class A wastewater utility located in Seminole County. It provides wastewater service to approximately 6,842 residential customers, 131 general service customers and 1,646 reuse customers. Alafaya is located in the St. Johns River Water Management District which is considered a priority water resource caution area. Water service is provided by the City of Oviedo. In 2005, the utility had annual operating revenues of \$2,781,123 for wastewater, with a net operating loss of \$115,015 for wastewater. Alafaya recently applied for a rate increase in Docket No. 060256-SU.¹

¹ In Re: Application for increase in wastewater rates in Seminole County by Alafaya Utilities, Inc.

Docket No. 060400-SU
Date: September 7, 2006

On May 17, 2006, the utility filed an application for an amendment to Certificate No. 379-S in Seminole County, Florida, pursuant to Rule 25-30.036(3), Florida Administrative Code. On June 23, 2006, Banc of America Strategic Solutions, Inc. (Banc of America) filed an objection to Alafaya's amendment application. On June 30, 2006, Alafaya filed a Motion to Dismiss the Objection. However, subsequent to Alafaya's Motion to Dismiss, the objection of the Banc of America was withdrawn, and there is no longer any objection to the amendment application and the time for filing objections has passed. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve the application to amend Certificate No. 379-S in Seminole County by Alafaya Utilities, Inc.?

Recommendation: Yes, the objection by Banc of America has been withdrawn, and Alafaya Utilities, Inc.'s amendment application to add the River Pines Estates, LLC area described in Attachment A should be approved. The resultant order should serve as Alafaya Utilities, Inc.'s amended certificate and it should be retained by the utility. The utility should charge the customers in the territory added herein the monthly service rates and charges contained in its current tariff until authorized to change by the Commission. (Redemann)

Staff Analysis: On May 17, 2006, Alafaya Utilities, Inc. filed an amendment application to include additional territory in Seminole County, pursuant to Rule 25-30.036(3), Florida Administrative Code. Although Banc of America initially objected to Alafaya's Amendment Application, as noted in the Case background, this objection was subsequently withdrawn. The application complies 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 contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. The local planning agency was provided notice of the application and did not file a protest to the amendment. The Department of Community Affairs has identified no growth management concerns with the proposed expansion of the utility. The utility states that the provision of service will be consistent with the utility section of the local comprehensive plan. The utility plans to serve about 11 single-family homes in the proposed area, which is adjacent to its existing service territory.

Adequate service territory and system maps and a territory description have been provided. A description of the territory requested to be added by the utility and a list of orders identifying the utility's authorized service territory are appended to this recommendation as Attachment A. The utility has provided a copy of a warranty deed which provides for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

With respect to technical ability, the utility is an established utility with a long history of quality service and operations. There are no outstanding Consent Orders or Notices of Violation from the Florida Department of Environmental Protection (FDEP). Regarding the financial impact of the proposed amendment, the utility has entered into a developer agreement, which provides for cash CIAC and donated lines. The financial information filed with the application shows that Alafaya has the financial ability to serve the requested area.

Based on the above information, staff recommends that Alafaya Utilities, Inc.'s amendment application to add the River Pines Estates, LLC area described in Attachment A should be approved. The resultant order should serve as Alafaya Utilities, Inc.'s amended certificate and it should be retained by the utility. The utility should charge the customers in the

Docket No. 060400-SU
Date: September 7, 2006

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

Docket No. 060400-SU
Date: September 7, 2006

Issue 2: Should the docket be closed?

Recommendation: Yes. There are no further actions to be taken in this docket, and the docket should be closed. (Jaeger)

Staff Analysis: Yes. There are no further actions to be taken in this docket, and the docket should be closed.

Docket No. 060400-SU
Date: September 7, 2006

Attachment A
Page 1 of 2

ALAFAYA UTILITIES, INC.

DESCRIPTION OF TERRITORY SERVED

Wastewater Service Area

Seminole County

Serving River Pines Estates

The West 1/4 of the Northeast 1/4 of the Southeast 1/4

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

Alafaya Utilities Inc.
pursuant to
Certificate Number 379-S

to provide wastewater service in Seminole County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
14841	09-03-1985	850209-SU	Original Certificate
15573	01-23-1986	860014-SU	Amendment
18486	12-02-1987	870923-SU	Amendment
19579	06-28-1988	880562-SU	Amendment
PSC-93-0358-FOF-SU	03-08-1993	920885-SU	Amendment
PSC-95-0489-FOF-SU	04-18-1995	941106-SU	Transfer
PSC-96-1281-FOF-SU	10-15-1996	951419-SU	Amendment
PSC-04-0149-FOF-SU	02-11-2004	030957-SU	Amendment
*	*	060400-SU	Amendment

*** Order Number and date to be provided at time of issuance.**