

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: August 2, 2007

TO: Office of Commission Clerk (Cole)

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

RE: Docket No. 070324-WU – Application for quick-take amendment of Certificate No. 040-W to extend water service to certain territory in Orange County, by Utilities, Inc. of Florida.
County: Orange

AGENDA: 08/14/07 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Skop

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\070324.RCM.DOC

Case Background

Utilities, Inc. of Florida (UIF or utility) is a Class A utility providing water and wastewater service in Marion, Orange, Pasco, Pinellas, and Seminole counties. Water and wastewater rates were last established for this utility by Order No. PSC-07-0505-SC-WS,¹ dated June 13, 2007, a rate case. The above order required UIF to file an amendment application for all of its systems in which it is serving outside its certificated territory by September 30, 2007, to correct its apparent violation of Subsection 367.045(2), F.S. This application is one of five

¹ In Docket No. 060253-WS, In re: Application for increase in water and wastewater rates in Marion, Orange, Pasco, Pinellas and Seminole Counties by Utilities, Inc. of Florida.

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amendment applications submitted to comply with the order. The systems in this application are located in the St. Johns River Water Management District (SJRWMD), which does not have a water shortage order issued at this time. However, there is a year-round two-day a week irrigation rule.

On May 18, 2007, the utility applied for a "Quick Take" amendment to Certificate No. 040-W in Orange County, Florida, pursuant to Rule 25-30.036(2), Florida Administrative Code. The completed application was filed on June 25, 2007. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission acknowledge Utilities, Inc. of Florida's "Quick Take" application to amend Certificate No. 040-W?

Recommendation: Yes, the Commission should acknowledge Utilities, Inc. of Florida's amendment application to expand its territory. The proposed territory amendment is described in Attachment A. The resultant order should serve as Utilities, Inc. of Florida's amended certificate and it should be retained by the utility. Utilities, Inc. of Florida should charge the customers in the added territory the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. (Redemann)

Staff Analysis: On May 18, 2007, UIF applied for a "Quick Take" amendment to Water Certificate No. 040-W in Orange County, Florida, pursuant to Rule 25-30.036(2), Florida Administrative Code. This amendment application is for the Davis Shores and Crescent Heights water systems. The completed application was filed on June 25, 2007. One customer in Davis Shores has been receiving service since 1997 and 8 customers in Crescent Heights began receiving service from 1975 through 1995. There is also one single family vacant lot in Crescent Heights that the utility believes will need service in the future.

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. The Davis Shores water system receives bulk water from Orange County and the Crescent Heights water system receives bulk water from the Orlando Utilities Commission.

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. A description of the territory requested by the utility is appended to this recommendation as Attachment A. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections to the application have been received and the time for filing such has expired. The local planning agency was provided notice of the application and did not file a protest to the amendment.

The "Quick Take" amendment is designed to provide water and/or wastewater service quickly for areas that serve less than 25 ERCs. Typically, a well or septic tank fails or service is otherwise not available and service is needed as soon as possible. The request for service territory expansion and amendment of an existing certificate is considered approved when the utility complies with Rule 25-30.036(2), Florida Administrative Code, and if no protest is timely filed to the notice of application.

The utility states that the new territory will not exceed a maximum of 25 ERCs at the time the territory is built out. According to UIF, no other utility in the area is willing and/or capable of providing reasonably adequate service to the territory.

Staff has contacted the Department of Environmental Protection and learned that there are no outstanding notices of violation issued for UIF. Staff recommends that the rates and charges approved by the Commission for UIF's service area be applied to the customers in the new service territory. The utility has filed revised tariff sheets incorporating the additional territory into its tariff. The utility cannot locate its certificate. The future order will be issued and will act as the utility's certificate.

Based on the above information, the Commission should acknowledge Utilities, Inc. of Florida's amendment application to expand its territory. The proposed territory amendment is described in Attachment A. The resultant order should serve as Utilities, Inc. of Florida's amended certificate and it should be retained by the utility. Utilities, Inc. of Florida should charge the customers in the added territory the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.

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Issue 2: Should this docket be closed?

Recommendation: Yes, no further action is required and the docket should be closed. (Jaeger)

Staff Analysis: No further action is required and the docket should be closed.

UTILITIES, INC. OF FLORIDA

Description of Territory Served

Water Service Territory

Orange County

DAVIS SHORES

Township 23 South, Range 28 East, Section 8

Commence from the Southwest corner of the Northeast 1/4 of Section 8 and run due North 166.5 feet to the Point of Beginning; thence run North $72^{\circ}33'46''$ East a distance of 345.8 feet to a point located on the shoreline of Lake Down; thence run Northwesterly along the meandering shoreline of said lake to a point located 654.1 feet due North of the Southwest corner of the Northeast 1/4 of Section 8; thence run 487.6 feet due South to the Point of Beginning.

CRESCENT HEIGHTS

Township 22 South, Range 28 East, Section 25

From a Point of Beginning located at the Southwest corner of the Northwest 1/4 of the Northeast 1/4 of Section 25 run North $0^{\circ}15'2''$ East a distance of 96.8 feet; thence run North $88^{\circ}37'40''$ East a distance of 627.7 feet; thence run South $0^{\circ}1'49''$ East a distance of 100 feet; thence run South $88^{\circ}55'39''$ West a distance of 628.1 feet to a point located on the Southwest corner of the Northwest 1/4 of the Northeast 1/4 of Section 25, also being the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

Utilities, Inc. Of Florida
pursuant to
Certificate Number 040-W

to provide water service in Orange 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>
3337	3/16/1962	6502-W	Original Certificate
4352	5/1/1968	7857-WS	Consolidation of Certificates
4943	9/16/1970	6502-W	Transfer of Certificate
4943-A	10/13/1970	6502-W	Amendatory Order
4999	12/14/1970	70313-W	Transfer of Certificate
5721	4/17/1973	C-70313-W	Partial Transfer to Government
5962	12/12/1973	73771-W	Partial Transfer to Government
6192	7/18/1974	74478-W	Partial Transfer to Government
6407	12/18/1974	74831-W	Partial Transfer to Government
6449	1/9/1975	74831-W	Partial Transfer to Government
7053	12/17/1975	750718-W	Transfer of Certificate
7213	4/19/1976	760181-W	Transfer of Certificate
7252	5/27/1976	74831-W	Partial Transfer to Government
PSC-99-2171-FOF-WU	11/08/1999	981589-WU	Partial Transfer to Government
*	*	070324-WU	Amendment

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