

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: October 11, 2007

TO: Office of Commission Clerk (Cole)

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

RE: Docket No. 070325-WU – Application for quick-take amendment of Certificate No. 278-W to extend water service to certain territory in Seminole County, by Utilities, Inc. of Florida.

Docket No. 070360-WS – Application for amendment of Certificates 278-W and 225-S to extend water service area to include Ravenna Park/Lincoln Heights, Park Ridge, and Jansen systems, and to extend wastewater service area to include Ravenna Park/Lincoln Heights system in Seminole County, by Utilities, Inc. of Florida.
County: Seminole

AGENDA: 10/23/07 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Skop (070325)
Administrative (070360)

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\070325.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 fined UIF for serving outside its certificated territory in apparent violation of Section 367.045(2), Florida Statutes (F.S.), and required the utility to file by September 30, 2007, an amendment application for all of its systems in which it was serving outside its territory. On May 18, 2007, the utility applied for a “Quick Take” amendment in Docket No. 070325-WU, to amend Certificate No. 278-W in Seminole County, Florida. On June 6, 2007, the utility applied for an amendment in Docket No. 070360-WS, to amend Certificate Nos. 278-W and 225-S in Seminole County, Florida, pursuant to Rule 25-30.036(2), Florida Administrative Code (F.A.C.). This recommendation addresses two of five amendment applications submitted to comply with the order. UIF also filed amendment applications to address customers being served outside their territory in Orange, Pasco, and Marion County which are being addressed separately.²

Approximately 21 days after the last day to protest the notice and request a hearing on the utility’s application for an amendment of its Certificate No. 278-W concerning the Phillips system, staff received an inquiry from the City of Lake Mary (City) regarding the amendment application. Staff counsel responded by telephoning the City and explaining the amendment application process. Hearing nothing more from the City, staff filed its recommendation for amendment of Certificate No. 278-W on August 29, 2007, and mailed a copy to the City. Subsequently, the City submitted a letter stating that it objected to the application to the extent that the utility proposed to serve customers located within the city limits of Lake Mary. The Commission deferred taking action on staff’s recommendation.

Subsequent to that deferral, staff scheduled a telephone conference to discuss the City’s objection. One day after that telephone conference, representatives from the utility met with the City representatives, and reached a settlement. Pursuant to this settlement, on September 21, 2007, UIF filed an amendment to the application to remove the portion of the service area within the City to which the City objected. Based on this settlement, staff has filed this recommendation, and provided the City with a copy.

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. The Commission has jurisdiction pursuant to Section 367.045, F.S.

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.

² In Docket No. 070324-WU, In re: 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.

In Docket No. 070326-WS, In re: Application for quick-take amendment of Certificate No. 107-W and 229-S to extend water and wastewater service to certain territory in Pasco County, by Utilities Inc. of Florida.

In Docket No. 070349-WS, In re: Application for amendment of Certificates 410-W and 305-S to extend water and wastewater service areas to include land in Marion County, by Utilities, Inc. of Florida.

Discussion of Issues

Issue 1: Should the Commission acknowledge Utilities, Inc. of Florida's "Quick Take" application to amend Certificate No. 278-W in Seminole County?

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 to this recommendation. 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. 278-W in Seminole County, Florida, pursuant to Rule 25-30.036(2), F.A.C. This amendment application in Docket No. 070325-WU is for the Crystal Lake, Oakland Shores, and Phillips systems. The completed application was filed on June 26, 2007. For Crystal Lake, one customer has been receiving service since 2007 and four additional vacant lots are being added in this amendment. For Oakland Shores, four customers began receiving service during the period of 1986–1996. For the Phillips service area, several customers began receiving service during the period of 1975–2007, and three additional vacant lots and one house with a well will need service in the future. Septic tanks provide wastewater service. The requested territories are contiguous to the utility's existing service territories.

In its initial application, the utility included four homes and two vacant lots within the city limits of the City of Lake Mary. The recommendation filed on August 29, 2007, proposed to grant the addition of that territory and customers. After the recommendation was filed, the City submitted a letter in which it objected to the granting of this territory and stated its desire to serve the customers. Subsequent to a telephone conference and meetings, the utility and the City reached a settlement whereby the city would provide service to the customers

Pursuant to that settlement, the utility has removed the territory (and customers) in question from its application and will convey to the city the two-inch water line and meters serving the customers. In return, the City will: (1) provide water service to those customers without the payment of impact fees or other related charges; and (2) pay the utility \$4,000 in consideration of the transfer. Also, the City affirmed that it did not object to the remaining territory requested by the utility.

The application is in compliance with the governing statute, Section 367.045, F.S., and other pertinent statutes and administrative rules concerning an application for 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), F.A.C. 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), F.S., that it has tariffs and annual reports on file with the Commission.

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 is needed as soon as possible. The request for a service territory expansion and amendment of an existing certificate is considered approved when the utility complies with Rule 25-30.036(2), F.A.C., and if no protest is timely filed to the notice of application. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C. On June 19, 2007, the City of Altamonte Springs filed an objection to the Oakland Shores area, but withdrew the objection on July 16, 2007. Also, with the removal of the territory within the City of Lake Mary, the City of Lake Mary no longer objects.

The utility states that the new territory will not exceed a maximum of 25 ERCs at the time the territories are 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 (DEP) 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.

Based on the above information, the Commission should acknowledge UIF's amendment application to expand its territory. The proposed territory amendment is described in Attachment A to this recommendation. The resultant order should serve as UIF's amended certificate and it should be retained by the utility. UIF 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.

Issue 2: Should the Commission approve the application to amend Certificate No. 278-W and 225-S in Seminole County by Utilities, Inc. of Florida?

Recommendation: Yes, the Commission should approve Utilities, Inc. of Florida's amendment application to expand its territory. The proposed territory amendment is described in Attachment A to this recommendation. 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 June 6, 2007, UIF filed an amendment application to include additional territory in Seminole County, Florida, pursuant to Rule 25-30.036(3), F.A.C., in Docket No. 070360-WS. This amendment is to extend service to the Ravenna Park/Lincoln Heights, Park Ridge, and Jansen systems. A school and four residential customers in Ravenna Park/Lincoln Heights have been receiving service since 1975-2006, and an additional fifteen vacant lots are being added in this amendment. Two customers in Park Ridge began receiving water service during the period of 2005-2006. Sixty-three residential customers in Jansen began receiving water service during the period of 1975-2005, and three vacant lots and one house that the utility believes will need service in the future are also being added to the service area. Septic tanks provide wastewater service to the customers in Park Ridge and Jansen. Bulk wastewater service is provided to UIF by the City of Sanford to Ravenna Park/Lincoln Heights. The requested territories are contiguous to the utility's existing service territories.

The application complies with the governing statute, Section 367.045, F.S., and other pertinent statutes and administrative rules concerning an application for amendment of certificate. 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 is appended to this recommendation as Attachment A.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C. No objections to the notice were received and the time for filing such has expired. The Department of Community Affairs indicated that the proposed addition to the Jansen service area would impinge upon Seminole County's service area. The utility responded that the customers have been served by the utility for a long time. Seminole County did not protest the application.

With respect to technical ability, the utility provided a listing of their licensed operators and license numbers. The application states there are no outstanding Consent Orders or Notices of Violation from DEP. Regarding the financial impact of the proposed amendment, the utility has been serving these customers for many years. The financial information filed with the application shows that UIF has the financial ability to serve the requested area.

Based on the above information, staff recommends that the Commission should approve UIF's amendment application to expand its territory. The proposed territory amendment is described in Attachment A to this recommendation. The resultant order should serve as UIF's amended certificate and it should be retained by the utility. UIF should charge the customers in

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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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Date: October 11, 2007

Issue 3: 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
Seminole County

Ravenna Park/Lincoln Heights
Township 19 South, Range 30 East, Section 34

From a Point of Beginning located at the Southeast corner of the Northwest 1/4 of Section 34 run South 0°38'47" East a distance of 990.7 feet; thence run South 89°44'25" West a distance of 627.8 feet; thence run South 0°1'29" West a distance of 219.2 feet; thence run due West 292 feet; thence run due South 108.7 feet; thence run South 89°55'18" West a distance of 397.3 feet; thence run North 0°5'41" West a distance of 989.7 feet; thence run South 89°56'16" East a distance of 689.1 feet; thence run North 0°25'24" East a distance of 333 feet; thence run thence run due East a distance of 616.1 feet to the Point of Beginning.

Commence from the Southeast corner of the Northwest 1/4 of Section 34 and run due North 590.2 feet and due East 633.0 feet to the Point of Beginning; thence run South 71°40'3" East a distance of 206 feet; thence run South 18°22'30" East a distance of 395.1 feet; thence run due West a distance of 297.8 feet; thence run North 0°36'17" East a distance of 118.3 feet; thence run South 89°48'26" West a distance of 88.9 feet; thence run North 0°23'36" West a distance of 181.5 feet; thence run North 89°8'35" East a distance of 67.8 feet; thence run North 0°31'22" West a distance of 139.2 feet to the Point of Beginning.

Jansen
Township 21 South, Range 29 East, Section 19

Parcel 1

Commence from the Southwest corner of the Northeast 1/4 of Section 19 and run 1,311 feet due East and 442.1 feet due South to the Point of Beginning; thence run North 64°04'26" East a distance of 387.1 feet; thence run South 41°35'25" East a distance of 160.6 feet to a point located on the shoreline of Little Bear Lake; thence run Southwesterly along the meandering shoreline of said lake to a point located 1,381.2 feet due South and 1,985.5 feet due East of the Southwest corner of the Northeast 1/4 of Section 19; thence run South 01°10'1" East a distance of 125.6 feet; thence run North 87°56'22" West a distance of 824.3 feet; thence run North 2°32'3" West a distance of 148.1 feet; thence run North 88°54'22" East a distance of 149.3 feet; thence run North 0°8'20" East a distance of 883.6 feet to the Point of Beginning.

Parcel 2

Commence from the Southwest corner of the Northeast 1/4 of Section 19 and run 1,310.6 feet due South and 30.4 feet due East to the Point of Beginning; thence run North 89°41'26" East a distance of 637.1 feet; thence run North 0°32'49" West a distance of 318.5 feet; thence run North 89°9'39" West a distance of 625.2 feet; thence run South 1°44'27" West a distance of 324.4 feet to the Point of Beginning.

Parcel 3

Commence from the Southwest corner of the Northeast 1/4 of Section 19 and run 1,331.8 feet due South and 23.3 feet due East to the Point of Beginning; thence run South $0^{\circ}11'18''$ West a distance of 609.6 feet; thence run North $89^{\circ}42'18''$ West a distance of 1,233.8 feet; thence run North $0^{\circ}12'53''$ East a distance of 227.2 feet; thence run North $89^{\circ}40'9''$ East a distance of 962.9 feet; thence run North $0^{\circ}12'20''$ East a distance of 372.5 feet; thence run South $89^{\circ}34'25''$ East a distance of 270.7 feet to the Point of Beginning.

Parcel 4

Commence from the Southwest corner of the Northeast 1/4 of Section 19 and run 1,257 feet due West and 1,299.2 feet due South to the Point of Beginning; thence run South $89^{\circ}53'1''$ East a distance of 384.9 feet; thence run North $1^{\circ}15'40''$ East a distance of 202 feet; thence run North $89^{\circ}58'48''$ West a distance of 384.2 feet; thence run South $1^{\circ}13'29''$ West a distance of 201.4 feet to the Point of Beginning.

Parcel 5

Commence from the Southwest corner of the Northwest 1/4 of Section 19 and run due North 1,482.9 feet to the Point of Beginning; thence continue due North a distance of 660.8 feet; thence run North $89^{\circ}15'27''$ East a distance of 492.1 feet; thence run North $81^{\circ}52'20''$ East a distance of 178.8 feet to a point located on the shoreline of Bear Lake; thence run Southeasterly along the meandering shoreline of said lake a distance of 527 feet to a point on Bear Lake Canal; thence run Southwesterly along said canal a distance of 820.3 feet to the Point of Beginning.

Park Ridge

Township 20 South, Range 30 East, Section 14

Commence from the Northwest corner of Section 14 and run due East 1,024.3 feet and due South 198.2 feet to the Point of Beginning; thence run North $50^{\circ}41'48''$ East a distance of 117.4 feet; thence run South $45^{\circ}38'28''$ East a distance of 63.2 feet; thence run South $32^{\circ}33'28''$ East a distance of 93.5 feet; thence run South $18^{\circ}2'19''$ East a distance of 70.4 feet to a point located on the shoreline of Lake Minnie; thence run South $50^{\circ}9'31''$ a distance of 90.5 feet; thence run North $38^{\circ}57'21''$ West a distance of 222.2 feet to the Point of Beginning.

Crystal Lake

Township 20 South, Range 30 East, Section 3

Commence from the Northwest corner of Section 3 and run due East 845.4 feet and due South 335.1 feet to the Point of Beginning; thence run North $89^{\circ}46'12''$ East a distance of 233.2 feet; thence run North $0^{\circ}4'11''$ East a distance of 164.8 feet; thence run South $89^{\circ}31'42''$ West a distance of 232 feet; thence run South $0^{\circ}30'27''$ West a distance of 164.2 feet to the Point of Beginning.

Commence from the Northwest corner of Section 3 and run due South 1,369.9 feet and due East 723.7 feet to the Point of Beginning; thence run North 61°24'44" East a distance of 112.6 feet; thence run North 46°6'15" East a distance of 73.4 feet; thence run North 34°35'16" East a distance of 43.6 feet; thence run North 17°4'52" East a distance of 130.6 feet; thence run North 42°29'6" East a distance of 371.1 feet; thence run South 46°3'28" East a distance of 191.6 feet to a point located on the shoreline of De Forest Lake; thence run Southwesterly along the meandering shoreline of said lake to a point located 1,517 feet due South and 800.9 feet due East of the Northwest corner of Section 3; thence run North 27°41'4" West a distance of 166.3 feet to the Point of Beginning.

Oakland Shores
Township 21 South, Range 29 East, Section 24

Parcel 1

Commence from the Southwest corner of the Southeast 1/4 of the Southeast 1/4 of Section 24 and run North 1°36'44" West a distance of 181.6 feet to the Point of Beginning; thence run North 89°24'59" East a distance of 287.6 feet; thence run South 0°4'52" East a distance of 90.6 feet; thence run North 89°38'33" West a distance of 274 feet; thence run North 9°4'5" West a distance of 87.1 feet to the Point of Beginning.

Parcel 2

Commence from the Southwest corner of the Southeast 1/4 of the Southeast 1/4 of Section 24 and run North 3°8'17" West a distance of 615.8 feet to the Point of Beginning; thence run South 89°47'27" East a distance of 343.5 feet; thence run due North a distance of 160.2 feet; thence run South 89°45'8" West a distance of 349.1 feet; thence run South 2°2'3" East a distance of 157.5 feet to the Point of Beginning.

Phillips
Township 20 South, Range 30 East, Sections 3 & 4

From a Point of Beginning located at the Southeast corner of the Northeast 1/4 of Section 4 run North 9°0'48" East a distance of 204.9 feet to a point located on the shoreline of Amory Lake; thence run Northeasterly along the meandering shoreline of said lake to a point located 429.5 feet due North and 449.8 feet due East of the Southwest corner of the Northwest 1/4 of Section 3; thence run South 26°39'12" East a distance of 154.2 feet; thence run South 13°46'21" East a distance of 302.8 feet; thence run South 45°9'5" West a distance of 330.2 feet to a point located on the shoreline of East Crystal Lake; thence run Southwesterly along the meandering shoreline of said lake to a point located South 1°43'23" West a distance of 770.7 feet from the Southeast corner of the Northeast 1/4 of Section 4; thence continue along the shoreline of East Crystal Lake North 35°56'35" West a distance of 271.2 feet; thence run North 14°34'21" West a distance of 56.6 feet; thence run North 11°46'51" East a distance of 59.7 feet; thence run North 27°3'12" East a distance of 368.6 feet; thence run North 8°8'11" East a distance of 117.2 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION
Authorizes
Utilities, Inc. Of Florida
pursuant to
Certificate Number 278-W

to provide water 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>
7053	12-17-1975	750719-WS	Transfer of Certificate
7209	04-16-1976	760182-WS	Transfer of Certificate
7562	12-27-1976	760421-WS	Original Certificate
9317	04-04-1980	790969-W	Amendment
10643	03-04-1982	810389-WS	Partial Transfer of Territory to Government
17445	04-22-1987	870306-WU	Amendment
17445-A	05-04-1987	870306-WU	Amendatory Order
18508	12-08-1987	870057-WU	Deletion of Territory
PSC-99-2171-FOF-WU	11-08-1999	981589-WU	Partial Transfer of Territory to Government
PSC-99-2373-FOF-WS	12-06-1999	991288-WS	Partial Transfer of Territory to Government
PSC-04-0078-FOF-WU	01-26-2004	030958-WU	Amendment
*	*	070325-WU	Amendment
*	*	070360-WS	Amendment

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

UTILITIES, INC. OF FLORIDA
Description Of Territory Served
Wastewater Service Territory
Seminole County

Ravenna Park/Lincoln Heights
Township 19 South, Range 30 East, Section 34

From a Point of Beginning located at the Southeast corner of the Northwest 1/4 of Section 34 run South $0^{\circ}38'47''$ East a distance of 990.7 feet; thence run South $89^{\circ}44'25''$ West a distance of 627.8 feet; thence run South $0^{\circ}1'29''$ West a distance of 219.2 feet; thence run due West 292 feet; thence run due South 108.7 feet; thence run South $89^{\circ}55'18''$ West a distance of 397.3 feet; thence run North $0^{\circ}5'41''$ West a distance of 989.7 feet; thence run South $89^{\circ}56'16''$ East a distance of 689.1 feet; thence run North $0^{\circ}25'24''$ East a distance of 333 feet; thence run thence run due East a distance of 616.1 feet to the Point of Beginning.

Commence from the Southeast corner of the Northwest 1/4 of Section 34 and run due North 590.2 feet and due East 633.0 feet to the Point of Beginning; thence run South $71^{\circ}40'3''$ East a distance of 206 feet; thence run South $18^{\circ}22'30''$ East a distance of 395.1 feet; thence run due West a distance of 297.8 feet; thence run North $0^{\circ}36'17''$ East a distance of 118.3 feet; thence run South $89^{\circ}48'26''$ West a distance of 88.9 feet; thence run North $0^{\circ}23'36''$ West a distance of 181.5 feet; thence run North $89^{\circ}8'35''$ East a distance of 67.8 feet; thence run North $0^{\circ}31'22''$ West a distance of 139.2 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION
Authorizes
Utilities, Inc. Of Florida
pursuant to
Certificate Number 225-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>
7053	12-17-1975	750719-WS	Transfer of Certificate
7209	04-16-1976	760182-WS	Transfer of Certificate
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10643	03-04-1982	810389-WS	Partial Transfer of Territory to Government
PSC-99-2373-FOF-WS	12-06-1999	991288-WS	Partial Transfer of Territory to Government
*	*	070360-WS	Amendment

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