

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-

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**DATE:** January 29, 2009

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Economic Regulation (Clapp, Redemann, Simpson)  
Office of the General Counsel (Jaeger)

**RE:** Docket No. 080582-WS – Application for amendment of Certificates 590-W and 508-S to extend water and wastewater service areas to include land in Polk County, by Gold Coast Utility Corp.  
County: Polk

**AGENDA:** 02/10/09 – Regular Agenda – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Argenziano

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\080582.RCM.DOC

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### Case Background

Gold Coast Utility Corp. (Gold Coast or utility) is a Class B utility serving approximately 150 residential and 32 general service water and wastewater customers in Polk County. The utility is in the South Florida Water Management District (SFWMD) and is not in a water use caution area. The utility's 2007 annual report shows total operating revenue of \$169,486 and \$296,759, and net operating loss of \$27,779 and \$9,083, for water and wastewater, respectively.

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The utility was granted Certificate Nos. 590-W and 508-S in 1997, subsequent to Polk County turning over jurisdiction to the Commission.<sup>1</sup> There has been one transfer docket and one amendment docket since the utility was certificated.<sup>2</sup> The Commission has jurisdiction pursuant to Sections 367.045, Florida Statutes (F.S.).

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<sup>1</sup> Order No. PSC-97-0567-FOF-WS, issued May 20, 1997, in Docket No. 961485-WS, In re: Application for grandfather certificates to provide water and wastewater service in Polk County by Lake Haven Utility Association, Ltd. d/b/a Lake Wales Utility Co., Ltd.

<sup>2</sup> Order No. PSC-06-0331-PAA-WS, issued April 24, 2006, in Docket No. 050902-WS, In re: Application to transfer assets and Certificate Nos. 590-W and 508-S in Polk County from Lake Haven Utility Associates, Ltd., d/b/a Lake Wales Utility Company to Gold Coast Utility Corp. Order No. PSC-06-0770-FOF-WS, issued September 18, 2006, in Docket No. 060166-WS, In re: Application for amendment of Certificates 590-W and 508-S to extend water and wastewater service areas to include certain land in Polk County by Gold Coast Utility Corp.

### **Discussion of Issues**

**Issue 1:** Should the Commission approve the application to amend Certificate Nos. 590-W and 508-S in Polk County by Gold Coast Utility Corp.?

**Recommendation:** Yes. The Commission should approve Gold Coast's amendment application to expand its territory. The proposed territory amendment is described in Attachment A of this recommendation. The resultant order should serve as Gold Coast's water and wastewater certificates and should be retained by the utility. Gold Coast 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. (Clapp, Jaeger, Redemann, Simpson)

**Staff Analysis:** On September 9, 2008, Gold Coast filed an amendment application pursuant to Rule 25-30.036(3) Florida Administrative Code (F.A.C.). The amendment is to extend service to the Saddlebag Lake Resort, an RV park with approximately 750 home sites, and an adjacent undeveloped area owned by Alico Land Development, Inc., which may have 480 equivalent residential connections (ERCs). The utility currently providing water and wastewater service within Saddlebag Lake Resort is owned by Saddlebag Land Owners Association (SLOA), a nonprofit corporation, established in 1972, which is exempt from Commission regulation pursuant to Section 367.022(7), F.S.

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. The application contained the requisite proof of noticing pursuant to Rule 25-30.030, F.A.C. No objections to noticing were filed with the Commission and the time for filing such has expired. 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. The utility is in compliance with the regulations of the Florida Department of Environmental Protection (DEP) and SFWMD.

According to the Department of Community Affairs (DCA), the area is zoned for residential use for the existing subdivision. Also, DCA stated that there are no major development plans that would require an amendment to the County Comprehensive Plan. DCA has not identified any potential inconsistency between the proposed service area expansion and the Polk County Comprehensive Plan.

SLOA has compliance issues that have not risen to the level of notice of violation or consent orders regarding the operation of the wastewater treatment plant, but which will require substantial improvements if it is not taken out of service. In order for SLOA to avoid as much of those costs as possible, SLOA initiated discussion with Gold Coast to interconnect to Gold Coast's water and wastewater systems, and to eventually dismantle SLOA's water and wastewater treatment facilities.

Gold Coast plans to start the interconnection process soon after the Commission approves the certificate amendment. SLOA, which is exempt from Commission regulation, will be billed as a bulk customer of Gold Coast based on Gold Coast's existing rates and charges once the interconnection is made, and SLOA will continue to bill its members. Gold Coast estimates that

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the interconnection should take place within a year and a half from the time the Commission approves the amendment.

Based on all the above, staff recommends that the Commission should approve Gold Coast's amendment application to expand its territory. The proposed territory amendment is described in Attachment A of this recommendation. The resultant order should serve as Gold Coast's water and wastewater certificates and should be retained by the utility. Gold Coast 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. If the Commission approves staff's recommendations in Issue 1, no further action will be necessary and this docket should be closed. (Jaeger)

**Staff Analysis**: If the Commission approves staff's recommendations in Issue 1, no further action will be necessary and this docket should be closed.

TERRITORY DESCRIPTION  
GOLD COAST UTILITY CORP.  
POLK COUNTY  
WATER AND WASTEWATER SERVICE  
ALICO LAND DEVELOPMENT, INC.

In Section 6, Township 30 South, Range 29 East, Polk County, Florida

The West 1/2 of the SE 1/4 of the SW 1/4 and the East 1/2 of the SW 1/4 of the SW 1/4

AND;

In Section 7, Township 30 South, Range 29 East, Polk County, Florida

In the NE 1/4, less the East 40' for County Road and less a parcel beginning at the SE corner of the NE 1/4 of the section, thence N 89°04'47" West along the South boundary of said NE 1/4 a net distance of 330.00 feet, thence North parallel with the East boundary of said NE 1/4 a net distance of 330.00 feet, thence S 89°04'47" East parallel with said South boundary a net distance of 330.00 feet to said East boundary, thence South along said East boundary a net distance of 330.00 feet to the Point of Beginning, subject to Right-of-Way of Boy Scout Camp Road.

AND;

The NE 1/4 of the NW 1/4.

SADDLEBAG LAKE OWNERS ASSOCIATION

In Section 1, Township 30 South, Range 28 East

The SE 1/4

AND;

In Section 6, Township 30 South, Range 28

The West 1/2 of the Southwest 1/4, all of which property is located in Polk County, Florida.

**FLORIDA PUBLIC SERVICE COMMISSION**

authorizes

**Gold Coast Utility Corp.**  
pursuant to  
**Certificate Number 590-W**

to provide water service in Polk 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>
PSC-97-0567-FOF-WS	05/20/97	961485-WS	Grandfather Certificate
PSC-06-0331-PAA-WS	04/24/06	050902-WS	Transfer of Certificate
PSC-06-0770-FOF-WS	09/18/06	060166-WS	Amendment
*	*	080582-WS	Amendment

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

**FLORIDA PUBLIC SERVICE COMMISSION**

authorizes

**Gold Coast Utility Corp.**  
pursuant to  
**Certificate Number 508-S**

to provide wastewater service in Polk 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>
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*	*	080582-WS	Amendment

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