

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: June 4, 2009

TO: Office of Commission Clerk (Cole)

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

RE: Docket No. 080710-WS – Application for amendment of Certificates 260-S and 315-W to extend water and wastewater service areas to include territory in Pasco County, by Orangewood Lakes Services, Inc.
County(ies): Pasco

AGENDA: 06/16/09 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Edgar

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080710.RCM.DOC

Case Background

Orangewood Lakes Services, Inc. (Orangewood or Utility) is a Class C utility with 485 water and 442 wastewater customers. The Commission granted Certificate Nos. 315-W and 260-S to the Utility to serve territory in Pasco County in 1979.¹ A recent rate case in Docket No. 070680-WS revealed that Orangewood was serving a mobile home park that was not included in

¹ See Order Nos. 8683, issued January 23, 1979, in Docket No. 780660-S, In re: Application of Orangewood Lakes Services, Inc., for a certificate to operate a sewer utility in Pasco County, Florida. Section 367.041, F.S. and 8703, issued February 1, 1979, in Docket No. 780457-W, In re: Application of Orangewood Lakes Services, Inc., for a certificate to operate a water system in Pasco County, Florida.

its certificated area.² The mobile home park, which was the Utility's original customer base with 251 mobile homes and a clubhouse, had formerly been exempt from regulation. By Order No. PSC-08-0831-PAA-WS, the Commission required Orangewood to apply for a certificate amendment to include the mobile home park in its service area and declined to order Orangewood to show cause.

On December 16, 2008, the Utility filed an amendment application to include the mobile home park in its water and wastewater certificated area. The mobile home park, as well as the remainder of the Utility's service area, is located in the Southwest Florida Water Management District (SWFWMD).

This recommendation addresses the Utility's application for amendment of Certificate Nos. 315-W and 260-S to include the Orangewood Lakes Mobile Home Park in the Utility's authorized service territory. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes (F.S.).

² See Order No. PSC-08-0831-PAA-WS, issued December 23, 2008, in Docket No. 070680-WS, In re: Application for staff-assisted rate case in Pasco County by Orangewood Lakes Services, Inc.

Discussion of Issues

Issue 1: Should the Commission approve the application to amend Certificate Nos. 315-W and 260-S in Pasco County filed by Orangewood Lakes Services, Inc.?

Recommendation: Yes, the Commission should approve Orangewood's amendment application to include the Orangewood Lakes Mobile Home Park in the Utility's authorized service territory. The proposed territory is described in Attachment A. The resultant order should serve as Orangewood's amended certificate, and it should be retained by the Utility. The Utility should charge the customers in the territory added herein the rates and charges contained in its current tariff until authorized to change by the Commission. (Walden)

Staff Analysis: On December 16, 2008, Orangewood filed an application for amendment of its certificates. 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. Orangewood provides service to 251 water and wastewater customers in Orangewood Lakes Mobile Home Park that are outside its certificated area.

The mobile home park was the original development served by the Utility, but was exempt from Commission regulation pursuant to Section 367.022(5), F.S., because water and wastewater service was included as part of the lot rent. When service was requested from adjacent developments outside the mobile home park, the Utility applied to the Commission for certificates for those developments, but did not include the mobile home park in its requested service area due to the park's exemption from regulation. Orangewood did not realize that, as a result of serving the adjacent developments, all service provided by the Utility became subject to regulation.

An adequate service territory map and a territory description have been provided as prescribed by Rules 25-30.036(3)(e) and (i), Florida Administrative Code (F.A.C.). In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C. The Utility states that the provision of service will be consistent with the local comprehensive plan. 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.

Orangewood has been providing service continuously to customers in the extension area since 1973, and thus, the Utility has demonstrated that it has sufficient capacity to serve them. Staff has contacted the Department of Environmental Protection and learned that there are no outstanding notices of violation issued for the systems. The Utility employs licensed operators to operate the systems.

Regarding the financial impact of these customers on the Utility, the application states that this extension area will not have any impact on the Utility's rates or service availability charges. The customers are already being served by Orangewood and were included in the utility's recent rate case. Consequently, staff believes that the Utility has demonstrated the financial and technical ability to provide quality service to these customers.

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Based on the above, staff recommends that the Commission approve Orangewood Lakes Services, Inc.'s amendment application to include the Orangewood Lakes Mobile Home Park in the Utility's authorized service territory. The proposed territory is described in Attachment A. The resultant order should serve as Orangewood Lakes Services, Inc.'s amended certificates and the order should be retained by the Utility.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, no further action will be necessary, and this docket should be closed. (A. Williams)

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

Orangewood Lakes Services, Inc.
Pasco County
Description of Water and Wastewater Territory Added

ORANGEWOOD LAKES MOBILE HOME PARK

In Township 26 South, Range 16 East:

The Northeast 1/4 of the Southeast 1/4 of Section 3.

FLORIDA PUBLIC SERVICE COMMISSION
authorizes
Orangewood Lakes Services, Inc.
pursuant to
Certificate Number 315-W

to provide water service in Pasco 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>
8703	02/01/79	780457-W	Original
*	*	080710-WS	Amendment

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

FLORIDA PUBLIC SERVICE COMMISSION
authorizes
Orangewood Lakes Services, Inc.
pursuant to
Certificate Number 260-S

to provide wastewater service in Pasco 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>
8683	01/23/79	780660-S	Original
*	*	080710-WS	Amendment

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