

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint and petition of )  
Sandy Creek Airpark, Inc. against )  
Sandy Creek Utilities, Inc. )  
regarding provision of water and )  
sewer service in Bay County )  
\_\_\_\_\_ )

DOCKET NO. 910111-WS

In re: Application for amendment )  
of Certificates Nos. 514-W and )  
446-S in Bay County by Sandy )  
Creek Utilities, Inc. )  
\_\_\_\_\_ )

DOCKET NO. 910260-WS

FILED: 06-21-91

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. 24440, issued April 25, 1991, and Order No. 24530, issued May 14, 1991, the Commission Staff (Staff) files its prehearing statement as follows:

(a) Witnesses

Staff does not intend to call any witnesses.

(b) Exhibits

Staff does not intend to sponsor any exhibits, but reserves the right to use exhibits for the purpose of cross-examination.

(c) Basic Position

Based on the information available to Staff at this time, Staff believes that the utility's application for amendment to its water and wastewater certificates should be granted. Staff also believes that the utility should be required to serve and be required to file an amendment application for all of the area excluded from the present amendment in which the utility currently owns lines and all of the Sandy Creek Airpark Phase II.

(d - i) Issues of Fact, Law and Policy

The following are issues identified by Staff and its positions on these issues. The Staff positions which appear below are preliminary, are based upon materials filed by the utility or obtained through discovery, and are intended to inform the parties

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SEC 1  
WAS \_\_\_\_\_  
OTW Edward R. T

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of Staff's preliminary positions. Staff's final positions will be based upon an analysis of the evidence presented at the hearing.

**ISSUE 1:** Should Sandy Creek Utilities, Inc., be fined for providing service outside of its certificated territory?

**POSITION:** Yes.

**ISSUE 2:** Does the utility own the water distribution and collection systems in the areas it is presently serving outside of its certificated territory?

**POSITION:** Yes.

**ISSUE 3:** Does the utility have the technical ability to provide service to the proposed amended territory?

**POSITION:** Yes.

**ISSUE 4:** Does the utility have the financial ability to provide service to the proposed amended territory?

**POSITION:** Yes.

**ISSUE 5:** Is there a need for service in the proposed amended territory?

**POSITION:** Yes.

**ISSUE 6:** Is service to the proposed amended territory available from other sources in the proximity?

**POSITION:** No.

**ISSUE 7:** Is it in the public interest to grant the utility's application?

**POSITION:** Yes. Since the lots currently being served by the utility should be included in its certificated territory, the utility's application should be granted. However, see also Staff's positions on Issues Nos. 10 and 14 regarding the inclusion of additional territory.

**ISSUE 8:** Is the Utility's proposed methodology of extending its territory on a lot-by-lot basis prudent, cost effective, and in the public interest?

**POSITION:** No. Staff believes that the utility's methodology is imprudent, not cost effective, and not in the public interest. However, if the Commission finds otherwise and this methodology continues, the costs of filing amendment applications as a result of its use should be borne by the utility below the line.

**ISSUE 9:** If the utility's lot-by-lot methodology is found to be in the public interest, should the utility be ordered to file an application for deletion from its presently approved territory any lots which are not receiving service?

**POSITION:** Yes. If the utility intends to include only those properties which are presently receiving service within its service territory, its methodology should be consistent, and some deletion should occur. However, staff does not believe this methodology is prudent.

**ISSUE 10:** Should the utility be required to file an amendment application to include all territory in which it presently owns lines?

**POSITION:** Yes. Such an amendment would include not only all of the lots in the Sandy Creek Airpark Phase I which were omitted from the current proposed amended territory, but would also include the balance of lots not currently receiving service in Sandy Creek Ranch.

**ISSUE 11:** What additional investment would be required by the utility to serve Phase II of the Airpark?

**POSITION:** Based on the information available at this time, it appears as though little, if any, additional investment would be necessary.

**ISSUE 12:** If additional investment were required, is the utility financially able to make such investment without impairing its capacity to serve its existing customers?

**POSITION:** Based on the information available at this time, it appears as though the utility would be financially able to make such investment without impairing its capacity to serve its existing customers.

**ISSUE 13:** Were the lines in Phase II of the Airpark properly permitted and constructed?

**POSITION:** Based on the information available at this time, it cannot be determined whether the lines in Phase II of the Airpark were properly permitted and constructed.

**ISSUE 14:** Should the utility be ordered to file an amendment application to include Phase II of the Airpark?

**POSITION:** Yes.

**ISSUE 15:** What rates and charges should apply to the additional territory?

**POSITION:** The rates and charges contained in the utility's tariff on file with the Commission should be applied to service in the additional territory.

(g) Stipulated Issues

There are no issues that have been stipulated at this time.

(h) Pending Matters

On May 24, 1991, Sandy Creek Utilities, Inc., filed a Motion To Dismiss Objections (Motion) in the amendment objection case, Docket No. 910260-WS. On June 3, 1991, Sandy Creek Airpark, Inc., filed a timely response to the Motion. The Motion pertains only to the amendment objection case. On June 20, 1991, the Commission Staff filed a recommendation to deny the Motion. The Commission is expected to vote on that recommendation at its July 2, 1991, Agenda Conference.

There are no other matters pending at this time.

(i) Requirements That Cannot Be Complied With

There are no requirements of Orders Nos. 24440 and 24530 that cannot be complied with at this time.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Commission Staff's Prehearing Statement has been furnished by hand delivery to F. Marshall Deterding, Esquire, Rose, Sundstrom & Bentley, 2548 Blainstone Pines Drive, Tallahassee, FL 32302, and to Wayne Schiefelbein, Esquire, Gatlin, Woods, Carlson & Cowdery, 1709-D Mahan Drive, Tallahassee, Florida 32308, and by U.S. Mail to the persons listed below, this 21st day of June, 1991:

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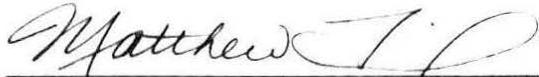
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