

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application For Transfer ) DOCKET NO. 931028-WU  
of Certificate No. 149-W From ) ORDER NO. PSC-94-0084-FOF-WU  
Virginia City, Inc. to Virginia ) ISSUED: January 24, 1994  
City Utilities, Inc. in Pasco )  
County. )  
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The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
SUSAN F. CLARK  
JULIA L. JOHNSON  
DIANE K. KIESLING  
LUIS J. LAUREDO

ORDER APPROVING TRANSFER AND CLOSING DOCKET

BY THE COMMISSION:

Background

On October 22, 1993, Virginia City Utilities, Inc. (VCUI) filed an application for approval of the transfer of Certificate No. 149-W from Virginia City, Inc. (Virginia City or utility) to VCUI. Virginia City serves approximately 304 water customers in Pasco County.

The stockholders of VCUI are father and son, Judson F. Potter and Matthew A. Potter, respectively. Basically, the sale is a transaction between a father, who owns the utility, and a son, who has managed the utility for approximately 23 years.

Application

The application is in compliance with Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules. In particular the application contains a filing fee in the amount of \$150.00, pursuant to Rule 25-30.020, Florida Administrative Code.

Rule 25-30.037(1)(o), Florida Administrative Code, requires a utility to provide evidence that it owns the land upon which its facilities are located, or a copy of an agreement which provides for long-term use of the land. However, VCUI is not purchasing

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

land or utility treatment or pumping facilities. For the past 7 years, Virginia City has purchased all of its water from Pasco County.

VCUI provided proof of compliance with the noticing provisions of Rule 25-30.030, Florida Administrative Code, including notice to the customers of the system being transferred. No objections to the notice of application have been received and the time for filing such has expired.

From a review of the information provided with the application, it appears that VCUI has the financial and technical ability to operate the utility. In addition, as stated previously, the major stockholder of VCUI has 23 years experience operating this system. Also, according to the Department of Environmental Protection, there are no outstanding notices of violation against the utility.

Therefore, we find that the transfer of Certificate No. 149-W from Virginia City to VCUI is in the public interest and it is approved. VCUI shall return Certificate No. 149-W to this Commission within 20 days of the date of this Order for entry reflecting the change in ownership. The territory which VCUI is authorized to serve is set forth on Attachment A of this Order, which by reference is incorporated herein.

#### Rate Base

Virginia City was granted an original certificate and initial rates and charges in 1973. Rate base was not set at that time since rate base is not normally established in original certificate cases. Rate base was last set by Order No. 9467, issued on July 29, 1980. At that time, rate base was determined to be \$28,347.

According to Section 367.071(5), Florida Statutes, this Commission may establish rate base at the time of transfer, but it is not required to do so. According to an analysis of the 1992 Annual Report submitted by Virginia City, the approximate net book value of the assets purchased by VCUI is \$2,626. This amount does not justify the time and expense necessary to conduct an audit in the instant docket. VCUI has indicated that it will be filing for a staff assisted rate case in the near future. Rate base can be established at that time.

#### Rates and Charges

Virginia City's rates and charges became effective pursuant to Order No. 17509, issued on May 5, 1987, in Docket No. 870323-WU.

Rule 25-9.044(1), Florida Administrative Code, requires the new owner of a utility to adopt and use the rates, classification and regulation of the former operating company unless authorized to change by this Commission. VCUUI has not requested to change the rates and charges and we see no reason to change them at this time. VCUUI shall continue to charge the rates and charges approved in Virginia City's tariff until authorized to change by this Commission in a subsequent proceeding.

VCUI has requested to collect Miscellaneous Service Charges as set forth in the Staff Advisory Bulletin No. 13, 2nd Revised. These charges are as follows:

Water

Type of Service

Initial Connection	\$ 15.00
Normal Reconnection	\$ 15.00
Violation Reconnection	\$ 15.00
Premises Visit (in lieu of disconnection)	\$ 10.00

Upon due consideration, we find VCUUI's request to charge the above miscellaneous service charges to be reasonable and it is approved.

VCUI has also requested to collect a customer deposit of \$40.00, based on two average billing periods (months). Although Virginia City has never collected customer deposits, we find VCUUI's request to be reasonable and it is approved.

VCUI has filed a tariff reflecting the change in ownership and the rates and charges set forth herein. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

It is, therefore,

ORDERED by the Florida Public Service Commission that the transfer of Certificate No. 149-W from Virginia City, Inc., 7210 Jasmine Drive, Post Office Box 845, New Port Richey, Florida 34656-0845, to Virginia City Utilities, Inc., 6319 Conniewood Square, Post Office Box 845, New Port Richey, Florida 34656-0845, is hereby approved. Virginia City Utilities, Inc. shall return Certificate No. 149-W to this Commission within 20 days of the date of this Order for entry reflecting the change in ownership. It is further

ORDER NO. PSC-94-0084-FOF-WU  
DOCKET NO. 931028-WU  
PAGE 4

ORDERED that Virginia City Utilities, Inc. shall charge the rates and charges approved in Virginia City, Inc.'s tariff until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that Virginia City Utilities, Inc.'s request to charge miscellaneous service charges and collect customer deposits as set forth in the body of this order is hereby approved. It is further

ORDERED that the tariff filed in this Docket by Virginia City Utilities, Inc. shall be effective for service rendered and connections made on or after the stamped approval date on the tariff sheets. It is further

ORDERED that Docket No. 931028-WU is hereby closed.

By ORDER of the Florida Public Service Commission, this 24th day of January, 1994.



STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ALC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative

ORDER NO. PSC-94-0084-FOF-WU  
DOCKET NO. 931028-WU  
PAGE 5

hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.

ORDER NO. PSC-94-0084-FOF-WU  
DOCKET NO. 931028-WU  
PAGE 6

ATTACHMENT A

VIRGINIA CITY UTILITIES, INC.

Territory Description

In Section 16, Township 26 South, Range 16 East, Pasco County, Florida:

Commence at the Southeast corner of the Southwest 1/4 of said Section 16; thence run Westerly along the South boundary of the Southwest 1/4 of said Section 16; same also being the centerline of State Road Number 54, a distance of 25.21 feet for a Point of Beginning; thence continue Westerly along said boundary for a distance of 1,319.54 feet; thence Northerly, a distance of 1,987.81 feet; thence Easterly, a distance of 1,311.72 feet to the centerline of Thys Road; thence Southerly along said centerline, a distance of 1,990.68 feet to the Point of Beginning.