

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

SEPTEMBER 4, 1996

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (VON FOSSEN) *Rufgc*
DIVISION OF LEGAL SERVICES (O'SULLIVAN) *The* *OK* *BT*

RE: DOCKET NO. 921237-WS - APPLICATION FOR AMENDMENT OF
CERTIFICATE NOS. 298-W AND 248-S IN LAKE COUNTY BY JJ'S
MOBILE HOMES, INC.

DOCKET NO. 940264-WS - INVESTIGATION INTO PROVISION OF
WATER AND WASTEWATER SERVICE BY JJ'S MOBILE HOMES, INC.
TO ITS CERTIFICATED TERRITORY IN LAKE COUNTY.

DOCKET NO. 960648-WS - REQUEST FOR APPROVAL OF NEW CLASS
OF SERVICE TO PROVIDE BULK WATER AND WASTEWATER SERVICE
BY JJ'S MOBILE HOMES, INC.

COUNTY: LAKE

AGENDA: SEPTEMBER 16, 1996 - REGULAR AGENDA - FINAL AGENCY ACTION

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: I:\PSC\WAW\WP\921237.RCM

CASE BACKGROUND

JJ's Mobile Homes, Inc., (JJ's or utility) is a Class C utility located in Lake County, Florida. JJ's provides water and wastewater service to customers in Mt. Dora, Florida.

On December 7, 1992, the utility filed an application to amend its water and wastewater certificates to include two parcels of land which were part of the Country Club of Mt. Dora. That application was assigned Docket No. 921237-WS. Several homeowners filed objections to the application and the matter was set for a May 5, 1993 hearing. The Office of Public Counsel (OPC) and the City of Mt. Dora (city) intervened in the docket. The hearing was continued upon motion of the parties, on the grounds that a sale of the utility to the city was pending. The sale was not consummated,

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and the matter was set to be heard on December 13, 1993. George Wimpey of Florida, Inc., (Wimpey or Developer), the developer of the Country Club of Mt. Dora, intervened in the docket. The December 15, 1993, hearing was cancelled when the parties again informed us that a sale of the utility was likely. When the sale was not completed by March 1, 1994, the matter was again scheduled for hearing.

On July 22, 1993, Wimpey filed a complaint against JJ's for failure to provide service to its development in the Country Club. By Order No. PSC-94-0272-FOF-WS, issued March 9, 1994, we dismissed the complaint, but initiated an investigation docket (Docket No. 940264-WS) in order to address JJ's provision of service in its entire territory. Because Dockets Nos. 921237-WS and 940264-WS address similar issues, we consolidated the dockets. These matters were set for hearing on July 13-14, 1994. A Prehearing Conference was held on June 27, 1994. On July 1, 1994, JJ's filed a motion for continuance, on the grounds that because an issue was raised at a relatively late date, it required additional time to file rebuttal testimony and prepare for the hearing. The parties stipulated that they would not object to a continuance. Order No. PSC-94-0858-PCO-WS, issued July 15, 1994, granted the motion to continue and reestablished key dates. The formal hearing was then set for October 13-14, 1994, in Lake County, Florida. On October 6, 1994, JJ's and Wimpey filed an emergency motion to continue the hearing. The motion was made on the grounds that JJ's and the Mount Dora Country Club Community Development District has entered into an agreement for the sale of the utility. The agreement contained a 90 day closing period and required approval by local government. Following an October 7, 1994, motion hearing, the continuance was granted. The order granting continuance required status reports as to the progress of the sale. When the sale of the utility was not completed by January 1, 1995, the matter was set for hearing for February 8-9, 1995. On February 2, 1995, OPC filed a motion for a continuance of the hearing, on the grounds that the hearing location was unsatisfactory, new issues and positions had arisen, and that discovery matters had not been completed. On February 7, 1995, the motion was granted, and the formal hearing was rescheduled for May 11-12, 1995.

On May 11, 1995, in Leesburg, and on May 12, 1995, in Mount Dora formal hearings were held in both dockets. Subsequently, the Commission, on October 10, 1995, issued Order No. PSC-95-1319-FOF-WS wherein we corrected the utility's service territory, required the utility to submit a proposed bulk rate agreement and reserved ruling on the utility's ability to provide service pending receipt of the required master plans.

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Based upon this Order, on April 30, 1996, the Utility filed a proposed bulk service agreement which initiated Docket No. 960648-WS. Further, to evaluate the required master plans, an additional day of hearing was scheduled for June 24, 1996.

On June 20, 1996, JJ's and the City of Mount Dora filed a joint request that the hearing be placed in abeyance based upon the pending sale of the utility to the city. The motion was granted by Order No. PSC-96-0805-PCO-WS, issued on June 21, 1996. On July 9, 1996, the Utility and City filed a joint application for transfer of the utility to the City of Mount Dora. We have considered the application within the already established amendment docket - Docket No. 921237.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission acknowledge the sale and transfer of the utility assets of JJ's Mobile Homes, Inc. to the City of Mount Dora?

RECOMMENDATION: Yes. The Commission should acknowledge the sale and transfer of assets and cancel Water Certificate 298-W and Wastewater Certificate 248-S.

STAFF ANALYSIS: On July 9, 1996, a joint application for transfer of facilities to a governmental authority was filed by JJ's Mobile Homes, Inc. and the City of Mount Dora pursuant to Section 367.071(4)(a), Florida Statutes. The contract for the sale between JJ's and the City was made on June 21, 1996, with closing and transfer of all water and wastewater assets effective July 3, 1996.

Along with a copy of the contract, the applicants provided a statement that no customer deposits are currently being held. According to Commission records, no other refunds or fines are owed. Regulatory assessment fees are current through 1995. Additionally, the utility acknowledges its responsibility to pay regulatory assessment fees through the closing date and will remit payment by September 9, 1996 upon finalizing its books. The applicants also furnished a statement that the city had obtained from the Commission JJ's latest financial statements. The utility has returned JJ's Water Certificate 298-W and Wastewater Certificate 248-S for cancellation.

Staff recommends that the application is in compliance with Section 367.071(4), Florida Statutes and Rule 25-30.037(4), Florida Administrative Code. Because the sale of facilities to a governmental authority shall be approved as a matter of right, staff recommends that the Commission acknowledge the transfer of the water and wastewater assets of JJ's to the City of Mount Dora and cancel Water Certificate 298-W and Wastewater Certificate 248-S.

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ISSUE 2: Should Docket Nos. 921237-WS, 940264-WS and 960648-WS be closed?

RECOMMENDATION: Yes. Based upon the sale of the utility to the city all three dockets may be closed. (O'SULIVAN)

STAFF ANALYSIS: Based upon the sale of the utility to a governmental authority, the provision of service in the former JJ's territory is no longer within the jurisdiction of this Commission. Furthermore, because of the sale, there are no issues from these dockets which the Commission must address. Because no further action is necessary in these dockets, all three dockets may be closed.