Commissioners: SUSAN F. CLARK, CHAIRMAN J. TERRY DEASON JULIA L. JOHNSON DIANE K. KIESLING JOE GARCIA



DIVISION OF WATER & WASTEWATER CHARLES HILL DIRECTOR (904) 413-6900

Public Service Commission

October 10, 1996

Astor West, Inc. c/o Mr. S. Ray Gill, P.A. P. O. Box 337 Ocala, Florida 34478

RE: Docket No. 961015-WS, Application for transfer of Certificates Nos. 378-W and 325-S in Marion County to Civic Association of Rio Vista Utilities, Inc. by Astor West, Inc.

Dear Mr. Gill:

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2.

Staff has reviewed the utility's application for transfer of certificates and determined that it is deficient pursuant to Rules 25-30.030 and 25-30.037, Florida Administrative Code. The following deficiencies have been noted:

- 1. Financial Ability. Rule 25-30.037(j), Florida Administrative Code (F.A.C.), requires a showing of the buyer's financial ability to provide service. The application states that "the buyer is committed to, and has the resources available, to make all necessary repairs to the system as may from time to time be required by the Commission." However, the application does not contain any financial information to show the buyer's financial ability to provide service. We realize the financial information may be limited since the corporation was only formed a few months ago. However, the Commission has an obligation to verify that the buyer has the financial ability to provide service. Please provide any financial information available which will demonstrate the buyer's financial ability to provide service. You may request confidential treatment of the documents if that is of concern to the buyer.
 - Regulatory Assessment Fees, Fines, and Refunds. Rule 25-30.037(r), F.A.C., requires a statement regarding the disposition of any outstanding regulatory assessment fees, fines, or refunds owed. Rule 25-30.120(2), F.A.C., states in part that "the obligation to remit the regulatory assessment fees for any year shall apply to any utility which is subject to this Commission's jurisdiction on or before December 31 of that year or for any part of that year." Therefore, regulatory assessment fees will continue to be due from the utility until the certificates of authorization are cancelled by the Public Service Commission (PSC). Based upon our conversation, it is my understanding that the buyer and seller will be prorating the regulatory assessment fees as of the closing date of the sale. Please provide a statement to confirm that the seller will be responsible for any regulatory assessment fees, fines or refunds owed through July 31, 1996 and the buyer will be responsible from August

Mr. S. Ray Gill October 10, 1996 Page 2

> 1, 1996 through the date the certificates are cancelled by the PSC. If this is not correct, please explain who will be responsible for these items.

- Tariffs. Rule 25-30.037(s), F.A.C., requires the original and two copies of sample tariff sheets reflecting the change in ownership. The application states that the "buyer is a not-forprofit corporation and will be supplying water and sewer services to its members only. Buyer is therefore exempt from the tariff requirements of PSC." Based upon my conversations with you and Mr. Randy Klein, it appears that the buyer may qualify for an exemption from PSC regulation. In order to help us make that determination, please provide a copy of the Civic Association of Rio Vista Utilities, Inc.'s articles of incorporation as filed with the Secretary of State and the bylaws.
- Legal Description. Rule 25-30.030(2), F.A.C., specifies the format that should be used for the legal description contained in the notice of application. The legal description the utility used in its notice is not in the correct format. Further, it does not agree with the territory description that was approved for the utility when it was granted its original certificates by Order No. 11336. According to our records, the utility has never requested an amendment to its territory, therefore, the utility's current territory description should be the same as that shown in Order No. 11336. Therefore, the utility will be required to reissue the notice of application with the correct territory description. Please provide a sample notice with the correct legal description for our review prior to issuing the corrected notice. We have attached a page from that Order showing the correct territory description for your reference.

Please file the original and five copies of the corrected notice no later than November 15, 1996. Please file the original and five copies of the remaining requested information no later than February 3, 1997 with Ms. Blanca Bayo, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850. Please feel free to call Richard Redemann at (904)413-6999 or me at (904)413-7015 if you have any questions.

Sincerely,

Martha A Helico Martha A. Golden

Economic Analyst

/MAG Attachment

Mr. H. Randolph Klein Division of Water and Wastewater (Hill, Williams, Messer, Redemann) Division of Legal Services (Jaber, Cyrus-Williams) Division of Records and Reporting

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of ASTOR MEST, INC., for a rate increase to its customers in Marion County, Florida.

BOCKET NO. 810385-WS (CR) ORDER NO. 12336 ISSUED: 11-18-82

The following Commissioners participated in the disposition of this matter:

GERALD L. CUNTER BUSAN W. LEISNER JOHN R. MARKS, III EATIN NICHOLS

ROPOSED AGENCY ACTION

ORDER PRANTING CERTIFICATE. ESTABLISHING RATE BASE AND SETTING RATES AND SERVICE AVAILABILITY CHARGES

BY THE COMMISSION:

On May 5, 1981, the Marion County Commission transferred jurisdiction of its water and sewer facilities to this Commission. Pursuant to Section 367.171, Plorida Statutes (1981), the Commission hereby certifies Astor West, Inc., establishes rate base, and sets rates and service availability charges.

CERTIFICATION

The utility has met the requirements of Section 367.171, Florida Statutes (1981), and has paid the appropriate filing fee. Accordingly, we grant a certificate to the utility to service the area described herein:

Township 16, South, Range 19 East

Section 30

All of the Northwest 1/4 lying North and West of the Rainbow River (Blue Run)

Except

The North 200 feet of said Northwest 1/4 lying West of the Rainbow River, said North 200 feet extending along and parallel to the Morth boundary of said Northwest 1/4 of Section 30.

RATE RELATED MATTERS

is 1001 equity. Accordingly, and consistent with the leverage curve, the Commission hereby sets the utility's cost of capital at 13.5%.

Rate Base - As set out in Schedules 1 and 2, the utility's adjusted rate base is \$10,509 for its water division and \$18,983 for its sewer division. Schedule 3 details the adjustments we made to the utility's book value for the test year ended November 30, 1981. We based the utility's plant in service, its accumulated depreciation and its net contributions-in-aid-of-construction on a thirteen month everage. Moreover, we adjusted utility plant in service to reclassify and add assets which were either misclassified or not recorded on the utility's books of account, and we adjusted accumulated depreciation accordingly also.

