



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: August 23, 1999
TO: Tyler VanLeuven, Division of Legal Services
Division of **Records and Reporting**
FROM: Patricia Brady, Division of Water and Wastewater *pb JPN*
RE: Docket No. 990990-WS, Application for transfer of facilities in St. Lucie County from Holiday Pines Service Corp. to St. Lucie County and cancellation of Certificates Nos. 553-W and 483-S.

Holiday Pines Service Corp. (Holiday Pines, utility, or seller) is a Class B water and wastewater utility providing service to the Holiday Pines subdivision and surrounding areas in St. Lucie County, Florida. The utility's certificates were granted under the name of Holiday Pines Service Corporation. However, the utility is recorded by the Department of State, Division of Corporations, under the name of Holiday Pines Service Corp. As a consequence, the utility is officially known to the Commission under the latter name. According to its 1998 annual report, Holiday Pines served a yearly average of 843 water and 832 wastewater connections with combined water and wastewater revenues of \$700,629 and combined net operating income of \$102,558.

Holiday Pines was granted grandfather Certificates Nos. 553-W and 483-S on May 13, 1993 pursuant to order No. PSC-93-0739-FOF-WS in Docket No. 921334-WS. Its territory was subsequently corrected by Order No. PSC-94-0034-FOF-WS issued January 11, 1994 in the same docket. There were have been no other Commission actions affecting the utility's service territory.

On July 29, 1999, the utility filed an application for transfer of its facilities to St. Lucie County and cancellation of its Certificates. According to the application, the closing occurred on July 8, 1999. The application contained a copy of the Utility Asset Transfer Agreement executed June 8, 1999 between Holiday Pines and St. Lucie County. The assets of the utility were acquired for \$4,800,000.

According to the application, customer deposits were transferred to the County at the time of the closing and the County assumes responsibility for the disposition of such deposits and interest. The application also attests that the County had obtained from the utility its most recently available income and expense statement, balance sheet, statement of rate base for regulatory purposes and contributions-in-aid-of-construction. The utility's original certificates have been returned to the Commission for disposal.

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The utility has no open dockets pending before the Commission and disposition of gross-up funds for contributions-in-aid-of-construction is not an issue for this utility. The application attests that any outstanding regulatory assessment fees (RAFs), fines or refunds (of which it states there are none) will remain the responsibility of the seller. According to Commission records, the utility is current on Annual Reports and regulatory assessment fees (RAFs) up through the end of 1998 and there are no outstanding penalties, interest or refunds owed. Staff has also verified that the seller has pre-paid 1999 RAFs up through the closing on July 8, 1999.

Based on the above, staff finds that the application is in compliance with Section 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code. Pursuant to Section 367.071(4)(a), Florida Statutes, the sale of facilities to a governmental authority shall be approved as a matter of right. An order should be issued within thirty days acknowledging the transfer of facilities from Holiday Pines Service Corp. to St. Lucie County and the cancellation of Certificates Nos. 553-W and 483-S. Furthermore the docket should be closed upon the issuance of the order.

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cc: Division of Water and Wastewater (McNulty)