



Public Service Commission

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RECORDS AND REPORTING

DATE: JANUARY 20, 2000

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

FROM: DIVISION OF WATER AND WASTEWATER (CLAPP) @ *LSB* *now*
DIVISION OF LEGAL SERVICES (CROSBY) *RS* *SWA*

RE: DOCKET NO. 981992-WS - APPLICATION FOR TRANSFER OF MAJORITY ORGANIZATIONAL CONTROL OF SANDY CREEK UTILITIES, INC., HOLDER OF CERTIFICATE NOS. 514-W AND 446-S IN BAY COUNTY, FROM SANDY CREEK PROPERTIES, INC. TO MR. GARY L. SOUDERS.

AGENDA: FEBRUARY 1, 2000 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\981992.RCM

CASE BACKGROUND

Sandy Creek Utilities, Inc. (Sandy Creek or utility) is a Class C utility that provides service to approximately 178 water and 150 wastewater customers in Bay County (County). The utility has been in existence since 1986.

On December 29, 1998, Mr. Gary L. Souders filed an application for approval of the transfer of majority organizational control of Sandy Creek Properties, Inc. (Seller) to Mr. Souders. By Order No. PSC-99-1232-FOF-WS, issued on June 22, 1999, this Commission approved the transfer. In addition, the Order required Mr. Souders to file recorded copies of warranty deeds, in the name of the utility, for the land upon which the utility facilities are located within six months of the issuance date of the Order. The deeds were due to be filed by January 4, 2000. The Docket was held open pending receipt of the deeds.

DOCUMENT NUMBER-DATE

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PPSC-RECORDS/REPORTING

DOCKET NO. 981992-WS
DATE: January 18, 2000

On January 3, 2000, Mr. Gary L. Souders submitted a request, by facsimile, for an extension of time in which to file the recorded copies of the warranty deeds required by Order No. PSC-99-1232-FOF-WS. The original of the facsimile was filed with the Division of Records and Reporting on January 7, 2000. This recommendation addresses whether the Commission should grant or deny Mr. Souders' request.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant Mr. Gary L. Souders' request for an extension of time to provide the warranty deeds required by Order No. PSC-99-1232-FOF-WS?

RECOMMENDATION: Yes. The Commission should grant Mr. Gary L. Souders' request for an extension of time in which to file recorded copies of warranty deeds for the land upon which the utility facilities are located, as required by Order No. PSC-99-1232-FOF-WS. As requested, the utility should be allowed an additional six months to provide copies of the warranty deeds. (CLAPP, CROSBY)

STAFF ANALYSIS: As stated in the case background, by Order No. PSC-99-1232-FOF-WS, issued June 22, 1999, in this docket, the Commission approved Mr. Souders' application for transfer of majority organizational control of Sandy Creek from Sandy Creek Properties, Inc. to Mr. Souders. Pursuant to Order No. PSC-99-1232-FOF-WS, Mr. Souders was ordered to file recorded copies of the deeds for the property upon which the utility facilities are located within six months of the issuance date of the Order.

As stated previously, on January 3, 2000, Mr. Gary L. Souders submitted a request, by facsimile, for an extension of time in which to file the recorded copies of the warranty deeds required by Order No. PSC-99-1232-FOF-WS. The original of the facsimile was filed with the Division of Records and Reporting on January 7, 2000. According to information provided, the extension is needed because Mr. Souders is experiencing problems closing on the property where the utility facilities are located due to the property descriptions. The property is being resurveyed because the descriptions are off by a few feet. Mr. Souders has requested

DOCKET NO. 981992-WS
DATE: January 18, 2000

an additional six months to provide the proof of ownership of the land upon which the utility facilities are located.

Staff believes that Mr. Souders' request is reasonable, and recommends that the request be granted. Further, staff recommends that Mr. Souders should be allowed an additional six months, until June 5, 2000, to file recorded copies of the deeds for the property upon which the utility facilities are located.

DOCKET NO. 981992-WS
DATE: January 18, 2000

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open until Mr. Souders files recorded copies of the deeds required by Order No. PSC-99-1232-FOF-WS. Once the deeds have been filed, this docket should be closed administratively. (CROSBY, CLAPP)

STAFF ANALYSIS: This docket should remain open pending receipt of recorded copies of the deeds in the name of Sandy Creek Utilities, Inc. for the property upon which the utility facilities are located, as required by Order No. PSC-99-1232-FOF-WS. Once the deeds are filed with this Commission, this docket should be administratively closed.