

State of 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-

DATE: December 26, 2007

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Johnson, Rieger) *DR*
Office of the General Counsel (Bennett) *LB* *SMC* *TD*

RE: Docket No. 070548-WS – Application for certificates to provide water and wastewater service in Marion County by Century - Fairfield Village, Ltd.

AGENDA: 01/08/08 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Skop

CRITICAL DATES: 01/08/08 (Statutory deadline for granting certificate)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\070548.RCM.DOC

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COMMISSIONER
CLERK

Case Background

On July 30, 2007, Century-Fairfield Village, Ltd. (Century-Fairfield) filed an application for original water and wastewater certificates in Marion County. Century-Fairfield is a limited partnership in Florida which owns and operates an existing 296 unit mobile home rental park. The park is completely developed. As part of the rent for the mobile home lots, Century-Fairfield has been providing water and wastewater services to the tenants since 1988. Accordingly, Century-Fairfield has been exempt from Public Service Commission regulation.

Century-Fairfield is located in the Southwest Florida Water Management District (SWFWMD). Because of drought conditions, SWFWMD has enacted district-wide water use restrictions. Recently Century-Fairfield has been making water withdrawals in excess of its SWFWMD water use permit. SWFWMD has found Century-Fairfield in violation of its water

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use permit and has directed the utility to take all necessary steps to reduce usage. As a result, the utility has implemented a plan to curb its excessive water usage by charging for water and wastewater service.

This recommendation addresses Century-Fairfield's application for original water and wastewater certificates. At the applicant's request, a recommendation addressing rates and charges will be brought to a subsequent agenda. The applicant requested that the certification proceeding be bifurcated from the rate setting proceeding to give the applicant sufficient time to complete a cost study and to hold a customer meeting on the proposed water and wastewater rates.

The Commission has jurisdiction pursuant to Sections 367.031 and 367.045, Florida Statutes. Pursuant to Section 367.031, Florida Statutes, the Commission shall grant or deny an application for a certificate of authorization within 90 days after the official filing date of the completed application. Century-Fairfield's application was deemed complete on October 10, 2007, when the application's deficiencies were completed, therefore this application must be ruled upon by January 8, 2008.

Discussion of Issues

Issue 1: Should Century-Fairfield Village, Ltd.'s application for water and wastewater certificates be granted?

Recommendation: Yes, Century-Fairfield Village, Ltd. should be granted Certificate Nos. 640-W and 549-S to serve the territory described in Attachment A effective the date of the Commission's vote. The resultant order should serve as Century-Fairfield Village, Ltd.'s water and wastewater certificates and should be retained by the utility. (Johnson, Rieger, Bennet)

Staff Analysis: As stated in the case background, Century-Fairfield filed its completed application for original water and wastewater certificates to provide service in Marion County on October 10, 2007. The utility has been providing water and wastewater service to the 296 units in the mobile home park since 1988. The cost of the water and wastewater is currently recovered through the lot rent. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for original certificates. In addition, the application includes a recorded warranty deed as evidence that the utility owns the land upon which the utility facilities are located as required by Rule 25-30.034(e), Florida Administrative Code. No objections to the notice of application have been received and the time for filing such has expired.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.034(1)(h), (i) and (j), Florida Administrative Code. A description of the territory requested by the applicant is appended to this memorandum as Attachment A.

The applicant has the financial and technical ability to provide water and wastewater service to service area. Century-Fairfield provided excerpts from its 2006 tax return, along with a balance sheet and income statement as of December 31, 2006. Staff has reviewed the financial statements of Century-Fairfield and there are adequate resources to continue providing safe, reliable, and efficient water and wastewater service to the area. In addition, the applicant indicated that it will continue to employ management and operations personnel to ensure that it maintains the high quality of service it has provided in the past. Also, several members of Century-Fairfield own affiliated utilities that are regulated by the Commission in Polk and Lake counties.

Based on the above information, staff recommends that it is in the public interest to grant Century-Fairfield Village, Ltd. Certificate Nos. 640-W and 549-S to serve the territory described in Attachment A effective the date of the Commission's vote. The resultant order should serve as Century-Fairfield Village, Ltd.'s water and wastewater certificates and should be retained by the utility.

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open to establish initial rates, charges and return on equity. As discussed earlier, the company has requested that the certification and the rate setting process be bifurcated. Therefore, staff recommends that the docket remain open for the setting of initial rates, charges, and return on equity at a later date. (Bennett)

Staff Analysis: The docket should remain open to allow for the setting of initial rates, charges and return on equity. As discussed earlier, the company has requested that the certification and the rate setting process be bifurcated. Therefore, staff recommends that the docket remain open for the setting of initial rates, charges, and return on equity at a later date.

CENTURY – FAIRFIELD VILLAGE, LTD.

SERVICE TERRITORY

Commence at the West $\frac{1}{4}$ corner of Section 4, Township 16 south, Range 21 East, Marion County, Florida; thence North $89^{\circ}56'18''$ East 50.00 feet to the Easterly right-of-way line of Southwest 60th Avenue (100 feet wide) for the Point of Beginning; thence North $00^{\circ}16'09''$ East along the said Easterly right-of-way 1.41 feet; thence North $00^{\circ}17'45''$ East continuing along said Easterly right-of-way 1318.59 feet to the North boundary line of South $\frac{1}{2}$ of the NW $\frac{1}{4}$ of aforesaid Section 4; thence North $89^{\circ}56'18''$ East along the said North boundary line 1276.58 feet; thence South $00^{\circ}15'45''$ West 1979.61 feet more or less to the SE corner of the North $\frac{1}{2}$ of the NW $\frac{1}{4}$ of the SW $\frac{1}{4}$ of said Section 4; thence South $89^{\circ}56'25''$ West along South boundary line of the said North $\frac{1}{2}$, 1277.42 feet to the aforesaid Easterly right-of-way line of Southwest 60th Avenue; thence North $00^{\circ}16'09''$ East along the said Easterly right-of-way 659.57 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes

Century – Fairfield Village, Ltd.
pursuant to
Certificate Number 640-W

to provide water service in Marion County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	070548-WS	Original Certificate

***Order Number and date to be provided at time of issuance.**

FLORIDA PUBLIC SERVICE COMMISSION

authorizes

Century – Fairfield Village, Ltd.
pursuant to
Certificate Number 549-S

to provide wastewater service in Marion County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	070548-WS	Original Certificate

***Order Number and date to be provided at time of issuance.**