

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

M E M O R A N D U M

MARCH 21, 1991

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF WATER AND SEWER (HAND *with J. Brown*)
DIVISION OF LEGAL SERVICES (A. CROSBY) *use at*

RE : UTILITY: C. S. WATER COMPANY, INC.
DOCKET NO.: 900805-WU
COUNTIES: PASCO AND HILLSBOROUGH
CASE: APPLICATION FOR AMENDMENT OF CERTIFICATE NO. 235-W

AGENDA : APRIL 2, 1991 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

CRITICAL DATES: NONE

CASE BACKGROUND

C. S. Water Company, Inc. (CSW) is a Class C utility that provides water service to 317 ERCS. CSW's owner, Robert Thomas, is also affiliated with the utility's two largest customers, the ranch and the recreational park. The other service connections are homes. CSW appears to be a "mom and pop" entity.

In the recent staff-assisted rate case, Docket No. 900238-WU, staff determined that CSW's revenues were \$30,786 with a net loss of \$7,530 for the test year that ended April 30, 1990. Order No. 23853, issued in this docket on December 10, 1990 authorized an increase in annual revenues to \$41,484, based on that test year.

While processing the rate case, staff determined that CSW has been serving approximately 30 connections outside its certificated service area in Pasco and Hillsborough Counties since 1986. Shortly after CSW was notified that it was serving outside its service area, CSW filed a request for amendment to its certificate to include the area in question. Staff does not believe that CSW should be show caused for not applying for an amendment earlier. According to Standard Operating Procedure (SOP) 1610, a show cause proceeding is normally a last resort, only after the utility has been made aware of the violation, given an opportunity to comply or explain its position, and has not responded. CSW quickly filed for the amendment after it became aware that it was serving outside its certificated area and the customers have not been harmed by the

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extension of service. The utility is now in compliance with SOP 1610 and no show cause is recommended.

Administrative Procedures Manual Section 2.08(C)(5), grants staff administrative authority to approve amendments when they are filed and processed in accordance with Chapter 367, Florida Statutes, and no protests have been filed. As a result of CSW violating Chapter 367, Florida Statutes, by extending its lines prior to obtaining approval this recommendation is being submitted for Commission decision.

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DISCUSSION OF ISSUES

ISSUE 1: Should the application of C. S. Water Company, Inc. (CSW) for amendment of its water certificate be granted?

RECOMMENDATION: Yes, C. S. Water Company, Inc. (CSW) should be granted the additional territory described in Attachment A. (HAND, A. CROSBY)

STAFF ANALYSIS: On October 2, 1990, C. S. Water Company, Inc. (CSW) filed its application for amendment of water certificate to include additional territory that is currently being served in Pasco and Hillsborough Counties. Except where noted in the case background, the application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and the administrative rules concerning an application for original certificate. In particular, the notarized application contains:

- 1) A check in the amount of \$150, which upon calculation equates to the correct filing fee as prescribed by Rule 25-30.020, Florida Administrative Code.
- 2) Adequate service territory and system depiction maps and a territory description, as prescribed by Rule 25-30.035(3)(h) and (i), Florida Administrative Code. The territory description is appended to this memorandum as Attachment A.
- 3) Evidence that the utility owns the land in which the utility facilities are located as required by Rule 25-30.035(3)(f), Florida Administrative Code.
- 4) Proof of notice of application to all interested governmental/regulatory agencies, and all utilities within a four mile radius of the territory to be served, and proof of advertisement in a newspaper of general circulation in the county, as prescribed by Rule 25-30.030, Florida Administrative Code. No objections to the notice of application have been received and the time for filing such has expired.

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As mentioned previously, CSW is currently providing water service to the requested territory. The provision of service outside the certificated service area has not had an impact on the quality of service to customers located within the currently certificated territory. CSW is currently in compliance with the Department of Environmental Regulation's requirements and is providing adequate service to its customers. Staff's field investigation in the recently completed rate case found CSW's water treatment plant and distribution system operating properly.

The requested area is adjacent to the currently certificated service area and there are no other utilities in the area that could reasonably provide service.

The lines have been installed and no additional financing is needed to provide service to the area.

Please note that a portion of the requested territory is located in a nonjurisdictional county, Hillsborough County. The Commission has jurisdiction in nonjurisdictional counties over utility systems which transverse county boundaries, as provided in Section 367.171(7), Florida Statutes.

Based on the above information, staff believes it is in the public interest to grant the request of C. S. Water Company, Inc. for amendment of Certificate No. 235-W to include the territory in Pasco and Hillsborough Counties. CSW filed tariff sheets reflecting the additional territory but has misplaced the certificate. The certificate will be reissued reflecting any amendments to the service area.

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ATTACHMENT A

C. S. WATER COMPANY, INC.

In Township 26 South, Range 21 East, Pasco County, Florida

Section 35

The North 880 feet; and
The South 2120 feet of the West 3480 feet.

Section 36

The NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ and the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ and the
NW $\frac{1}{4}$ of the NE $\frac{1}{4}$; and
The West 2475 feet of the South 2120 feet in the SW $\frac{1}{4}$
of Section 36.

In Township 27 South, Range 21 East, Hillsborough County, Florida

The North $\frac{1}{2}$ of Section 2 and the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$
of Section 3.

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ISSUE 2: What rates and charges should apply to the requested territory?

RECOMMENDATION: The utility's currently approved rates and charges should be applied. (HAND)

STAFF ANALYSIS: The present rates and charges were approved in Order No. 23853, Docket No. 900238-WU, a staff assisted rate case, and became effective on March 1, 1991. Staff recommends that these rates and charges be continued in the requested territory.

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ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. (A. CROSBY)

STAFF ANALYSIS: No further action is required in this docket and it can be closed.

(CSREC.CMH)