

FLORIDA PUBLIC SERVICE COMMISSION  
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OCTOBER 23, 1997

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FPSC - Records/Reporting

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

FROM: DIVISION OF WATER & WASTEWATER (REDEMANN) *RRR*  
DIVISION OF LEGAL SERVICES (BRUBAKER) *ASM GRW*  
*ASB* *ASB* *AS*

RE: DOCKET NO. 970523-WS - APPLICATION FOR AMENDMENT OF  
CERTIFICATE NO. 223-W AND 167-S BY ORTEGA UTILITY COMPANY  
COUNTY: DUVAL

AGENDA: NOVEMBER 4, 1997 - REGULAR AGENDA - INTERESTED PERSONS  
MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\970523WS.RCM

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 970523-WS  
DATE: October 23, 1997

#### CASE BACKGROUND

Ortega Utility Company (Ortega or utility) provides water and wastewater service to approximately 1418 water and 1269 wastewater customers in Duval County. The utility's 1996 annual report shows an annual operating revenue of \$1,396,616 and a net operating income of \$53,002. The utility is a Class B utility company under FPSC jurisdiction.

On May 2, 1997, Ortega filed an application for amendment of Certificates Nos. 223-W and 167-S to add territory in Duval County. The proposed territory will serve single family dwellings.

Staff has authority to administratively approve applications for amendment when no objections have been filed and the application is without controversy. This case is being brought to the attention of the Commission because of an objection filed by the City of Jacksonville in Duval County. The objection was withdrawn. That issue is addressed in Issue 1. For point of information, staff noticed that there appears to be some typographical errors in some previous orders issued for the utility. Staff will open a new docket to correct these errors at a later date.

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DATE: October 23, 1997

### DISCUSSION OF ISSUES

ISSUE 1: Should the Commission acknowledge the City of Jacksonville's Notice of Withdrawal of its Motion for Leave to File Response Out of Time and its objection?

RECOMMENDATION: Yes, the Commission should acknowledge the City of Jacksonville's Notice of Withdrawal. (BRUBAKER)

STAFF ANALYSIS: This docket was opened when Ortega filed an application for amendment of its service territory. Pursuant to Rule 25-30.030, Florida Administrative Code, Ortega mailed a copy of its Notice of Application for an Extension of Service Area to the City of Jacksonville (City) on April 28, 1997. Pursuant to the same Rule, notice of the application was published in the Florida Times-Union on May 1, 1997. In order to be timely filed, a written objection to the application should therefore have been received by the Division of Records and Reporting by June 2, 1997.

On June 6, 1997, the City filed a Motion for Leave to File Response Out of Time. Attached to the motion was a letter dated June 5, 1997, in which the City stated its objection to Ortega's application and requested a hearing pursuant to Section 120.57, Florida Statutes. In its motion, the City requested leave to file its response and request for hearing on the grounds of excusable neglect. On June 11, 1997, the City filed a Notice of Withdrawal of its motion and the June 5, 1997 objection letter.

Staff recommends that the Commission acknowledge the City of Jacksonville's Notice of Withdrawal of its Motion for Leave to File Response Out of Time and objection. No other protest has been filed in this docket, and the withdrawal of the City's protest obviates the need for any further Commission action except as discussed in this recommendation.

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ISSUE 2: Should Ortega's application for amendment of Water and Wastewater Certificates Nos. 223-W and 167-S be granted?

RECOMMENDATION: Yes, Ortega's application should be granted for the additional territory described in Attachment A. The utility should charge the customers in the territory added herein the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. (REDEMANN)

STAFF ANALYSIS: As stated earlier, on May 2, 1997, the utility filed an application for amendment of Certificate No. 223-W and 167-S to add territory in Duval County. The application contains a check in the amount of \$200, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The utility has provided two copies of warranty deeds for the water treatment and wastewater treatment plant sites, which provides for the continued use of the land as required by Rule 25-30.036(3)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(3)(e), (f) and (i), Florida Administrative Code. A description of the water and wastewater territory is appended to this recommendation as Attachment A. The utility has submitted an affidavit consistent with Section 367.045(2)(d), Florida Statutes, that it has tariffs and annual reports on file with the Commission.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. One objection to the application was filed. The objection was addressed in Issue 1. The local planning agency was provided notice of the application and did not file a protest to the amendment. Staff has contacted the Department of Environmental Protection (DEP) and learned that there are no outstanding notices of violation regarding this utility.

The utility began operation in 1965. According to the application, both the president and vice-president are professional engineers with considerable experience in the area of water and wastewater. The utility recently completed a rate case (Docket No. 940847-WS). As a result, by Order No. PSC-95-1376-FOF-WS, issued November 6, 1995, the utility received an increase in its water and wastewater rates. Also, the utility has maintained a continuous banking relationship with the American National Bank and has a \$200,000 line of credit for the purpose of meeting capital improvements or operating enhancements. Water and wastewater service is needed by the Ortega Bluff Project which is expanding an

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existing residential community served by Ortega and the Ortega Project which is a new residential community.

According to the application, the existing Ortega Blanding System water treatment facility is permitted for 1.2 million gallons per day (mgd). Average demand of the water system is .782 mgd. The wastewater treatment and disposal facilities of the Ortega Blanding wastewater system is designed and permitted for an average daily flow of 1.1 mgd. The current average flow of the treatment system is .688 mgd. Therefore, it appears that the utility has sufficient capacity to serve the area. Based on the above information, staff believes that the utility has the capacity and the technical expertise to serve these customers now and in the future.

As stated earlier, Ortega's approved rates and charges were approved on November 6, 1995 in Docket No. 940847-WS by Order No. PSC-95-1376-FOF-WS, a rate case proceeding. The utility should charge the customers in the territory added herein the rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. The utility has returned the certificates for entry of the additional territory and filed revised tariff sheets which reflect the amended territory description.

Based on the above information, staff believes it is in the public interest to grant the application of Ortega for amendment of Water Certificate No. 223-W, and Wastewater Certificate No. 167-S to add the additional territory described in Attachment A.

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ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed. (BRUBAKER)

STAFF ANALYSIS: Nothing further needs to be done with respect to this docket. This docket should be closed.

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ATTACHMENT A  
PAGE 1 OF 3

ORTEGA UTILITY COMPANY, INC.  
DUVAL COUNTY - THE BLANDING SYSTEM  
WATER AND WASTEWATER SERVICE AREA

PROPERTY 1: ORTEGA PARK SUBDIVISION

PARCEL 1: A PORTION OF THE SOUTHEAST 1/4 OF SECTION 19 TOGETHER WITH A PORTION OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 30, TOWNSHIP 03 SOUTH, RANGE 26 EAST (A PART OF JACKSONVILLE HEIGHTS) BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER COMMON TO SECTIONS 19, 20, 29 AND 30, SAID TOWNSHIP AND RANGE; THENCE NORTH  $03^{\circ}51'35''$  EAST, ALONG THE EAST LINE OF SAID SOUTHEAST 1/4 OF SECTION 19, A DISTANCE OF 1337.11 FEET TO A POINT SITUATE IN THE SOUTHERLY TERMINUS OF SEABOARD AVENUE (A 60 FOOT RIGHT OF WAY AS NOW ESTABLISHED); THENCE SOUTH  $89^{\circ}39'12''$  WEST A DISTANCE 1320 FEET MORE OR LESS, TO THE CENTERLINE OF AN EXISTING CREEK; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG SAID CENTERLINE AND FOLLOWING THE MEANDERINGS THEREOF, 3000 FEET, MORE OR LESS, THE SOUTH LINE OF SAID NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 30; THENCE ALONG THE SOUTH LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 30; SOUTH  $89^{\circ}25'14''$  EAST A DISTANCE OF 100 FEET, MORE OR LESS, TO THE SOUTHEAST CORNER OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4; THENCE NORTH ALONG THE EAST LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 30 A DISTANCE OF 1,330 FEET TO THE POINT OF BEGINNING, CONTAINING 29.32 ACRES, MORE OR LESS.

ORTEGA UTILITY COMPANY, INC.  
DUVAL COUNTY - "THE BLANDING SYSTEM  
WATER AND WASTEWATER SERVICE AREA

PROPERTY 2

PARCEL 1: A PORTION OF SECTION 29, TOWNSHIP 03 SOUTH, RANGE 26 EAST (PART OF JACKSONVILLE HEIGHTS) BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER COMMON TO SECTIONS 19, 20, 29 AND 30, SAID TOWNSHIP AND RANGE; THENCE SOUTH  $89^{\circ}26'42''$  EAST, ALONG THE NORTH LINE OF SAID SECTION 29, A DISTANCE OF 2642.33 FEET TO THE NORTHEAST CORNER OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29; THENCE SOUTH  $00^{\circ}23'18''$  WEST, ALONG THE EAST LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4, A DISTANCE OF 1321.59 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH  $89^{\circ}34'10''$  WEST, ALONG THE SOUTH LINE OF SAID NORTHEAST 1/4 OF THE NORTHWEST 1/4, A DISTANCE OF 2643.72 FEET TO THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29, BEING THE WEST LINE OF SAID SECTION; THENCE NORTH ALONG THE WEST LINE OF SECTION 29 A DISTANCE OF 1,330 FEET TO THE POINT OF BEGINNING, CONTAINING 78.68 ACRES, MORE OR LESS.

PARCEL 2: SECTION 20, TOWNSHIP 03 SOUTH, RANGE 26 EAST (PART OF JACKSONVILLE HEIGHTS) BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 20; THENCE NORTH  $3^{\circ}51'35''$  WEST, ALONG THE WEST LINE OF SAID SECTION 20, A DISTANCE C. 769.04 FEET; THENCE SOUTHEASTERLY ALONG THE WESTERLY RIGHT OF WAY LINE A DISTANCE OF 861.43 FEET TO A POINT SITUATE IN THE SOUTH LINE OF SAID SECTION 20; THENCE NORTH  $89^{\circ}26'42''$  WEST, ALONG SAID SOUTH LINE OF SECTION 20, A DISTANCE OF 398.17 FEET TO THE POINT OF BEGINNING, CONTAINING 3.5 ACRES, MORE OR LESS.