

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of St.)
George Island Utility Company,) DOCKET NO. 871177-WS
Ltd. for increased rates and) ORDER NO. PSC-92-1284-FOF-WS
service availability charges) ISSUED: 11/10/92
for water service in Franklin)
County)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON
BETTY EASLEY

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING MOTION TO LIFT MORATORIUM

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

By Order No. 21127, issued April 24, 1989, this Commission established increased rates and service availability charges for St. George Island Utility Co., Ltd. (St. George or the utility), imposed a moratorium against any further connections and ordered St. George to comply with a number of requirements relating to quality of service, including submitting plans for a third well and a new water storage tank. By Order No. 21917, issued September 19, 1989, the Commission reaffirmed those requirements and clarified that, in addition to being prohibited from connecting newly constructed dwellings, St. George was prohibited from providing new service to existing homes already served by private wells.

On November 20, 1989, the utility entered into a consent order with the Department of Environmental Regulation (DER). Under the terms of the consent order, the utility was required to begin constructing an elevated storage tank by January 1, 1990, to be placed in service by April 30, 1990. Additionally, the utility could connect up to 200 new equivalent residential connections (ERCs) until the new well and storage tank were put in use. Any pre-paid connections that were placed in service were to be counted as part of the 200 connections. Finally, the utility was required to submit a certified engineering report to DER regarding the

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system's capability to handle any additional connections over the 200 ERCs.

By Order No. 22321, issued December 19, 1989, the Commission modified Orders Nos. 21122 and 21917 to allow St. George to connect up to 200 additional ERCs and to require that the utility submit a certified engineering report to the Commission at the same time the report is submitted to DER. The Order further provided that upon review of the certified engineering report, the Commission may reevaluate St. George's capacity to serve more customers.

The utility submitted a certified engineering report on May 29, 1992. The elevated storage tank has been constructed and is now operational. The utility has informed the Commission that the third well is currently under construction and will be operational and in service no later than March 1, 1993.

On September 4, 1992, St. George filed a Motion to Lift Moratorium. As grounds for the motion the utility states that it currently has capacity in excess of the 200 connections set forth in the Commission's previous order; that the system is safe and reliable and that there is no valid reason that the moratorium should be continued; and that additional connections, up to the capacity reflected in the engineering report, have been allowed by order of the circuit court in the DER consent order case.

At our Agenda Conference on October 20, 1992, Mr. E. Mark Jeppson, a contractor who stated that he has six construction projects on St. George Island, explained that continuing the moratorium would create a hardship for his business. The hardship to which he referred is created by the requirement that in order to obtain a building permit a builder must obtain a letter from the utility indicating that service is available at a particular site. With the moratorium in place, no building permits can be granted, and therefore, Mr. Jeppson cannot go forward with his construction projects. Also, at the same Agenda conference, the utility owner, Mr. Gene Brown, stated that there is sufficient capacity to serve new connections and that the new well will be on line and operational by March 1, 1993.

Based on the above, we find it appropriate to allow additional connections to be made to those potential customers who require service in order to obtain building permits. Therefore, the Motion to Lift Moratorium is granted to the extent that the utility may provide connections solely to customers who are seeking connections for the purpose of obtaining a building permit. Further, the utility shall have the third well on line and operational, with all

required DER permits, no later than March 1, 1993. We recognize that the utility has taken several years to construct the third well. Based on the delay in constructing this well and based on Mr. Brown's assurances that the well will be completed by March 1, 1993, we find it appropriate to rule that no extensions of the March 1, 1993, deadline will be considered. At such time as the well is on line and operational, but prior to the close of business on March 2, 1993, the utility shall inform this Commission, in writing, of the status of the third well.

Upon notification and verification that the third well is on line and operational, the capacity of the utility and the number of remaining connections will be revisited.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the Motion to Lift Moratorium is granted to the extent set forth in the body of this Order. It is further

ORDERED that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code. It is further

ORDERED that St. George Island Utility Company, Ltd. may provide connections solely to customers who are seeking connections for the purpose of obtaining a building permit. It is further

ORDERED that St. George Island Utility Company, Ltd. shall have the third well on line and operational, with all required DER permits, no later than March 1, 1993. It is further

ORDERED that no extensions of the March 1, 1993, deadline will be considered. It is further

ORDERED that at such time as the well is on line and operational, but prior to the close of business on March 2, 1993, St. George Island Utility Company, Ltd. shall inform this Commission, in writing, of the status of the third well. It is further

ORDERED that upon notification and verification that the third well is on line and operational, the capacity of the utility and the number of remaining connections will be revisited.

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By ORDER of the Florida Public Service Commission this 10th
day of November, 1992.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on December 1, 1992.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.