

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-

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**DATE:** August 17, 2006

**TO:** Director, Division of the Commission Clerk & Administrative Services (Bayó)

**FROM:** Division of Economic Regulation (Walden)  
Office of the General Counsel (Fleming)

**RE:** Docket No. 060166-WS – Application for amendment of Certificates 590-W and 508-S to extend water and wastewater service areas to include certain land in Polk County by Gold Coast Utility Corp.  
County(ies): Polk

**AGENDA:** 08/29/06 – Regular Agenda – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Arriaga

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\060166.RCM.DOC

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### Case Background

Gold Coast Utility Corp. (Gold Coast or utility) is a Class B water and wastewater utility company serving 167 water and wastewater customers in Polk County. The utility was issued certificates in 1997 (to the former owner, Lake Wales Utility Co., Ltd).<sup>1</sup> The utility's 2005 annual report lists \$140,385 in water revenue and \$214,728 in wastewater revenue, with a total net loss of \$111,979.

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<sup>1</sup> Order No. PSC-97-0567-FOF-WS, issued May 20, 1997, in Docket No. 961485-WS, In re: Application for grandfather certificates to provide water and wastewater service in Polk County by Lake Haven Utility Association, Ltd. d/b/a Lake Wales Utility Co., Ltd.

Docket No. 060166-WS

Date: August 17, 2006

The utility filed this application on February 27, 2006, to amend its water and wastewater certificates, pursuant to Section 367.045, Florida Statutes, and Rule 25-30.036, Florida Administrative Code. The amendment would allow Gold Coast to provide water and wastewater service for up to 62 single family homes by adding the territory described in Attachment A to its certificates. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes.

### **Discussion of Issues**

**Issue 1:** Should the utility's request to amend its certificates be granted?

**Recommendation:** Yes. Water Certificate No. 590-W and Wastewater Certificate No. 508-S held by Gold Coast Utility Corp. should be amended to include the territory listed on Attachment A. The resultant order should serve as Gold Coast's water and wastewater certificates and should be retained by the utility. Gold Coast should charge the customers in the added territory the same rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding. (Walden)

**Staff Analysis:** On February 27, 2006, Gold Coast filed an application for amendment of its water and wastewater certificates. The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and administrative rules concerning an amendment of certificate. In addition, the application contained proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. Notice was provided to property owners. No objections to the notice were received, and the time for objections has now passed.

Adequate service territory maps and a territory description have been provided as prescribed by Rule 25-30.036(3)(e) and (i), Florida Administrative Code. The utility has proposed a developer agreement for provision of water and wastewater service in the new area, which will provide service to single family homes on large lots, as well as some commercial development fronting on State Road 60. On-site lines for the development will be constructed by and at the cost of the developer, and then deeded to the utility company. The developer is marketing the property now, and it may either be sold or developed by the landowners themselves. All of the land encompassed by this amendment application is owned by one family.

The current water and wastewater plants are adequate to provide service to the new development, although some plant improvements are being planned. CIAC levels are commensurate with plants that are reaching capacity. The utility indicates that the wastewater plant will be expanded and upgraded to provide for reuse. There are no outstanding notices of violation or consent orders with the Department of Environmental Protection.

The utility owner has demonstrated that he is sufficiently experienced and has the financial and technical ability to provide service to the area requested. There are no complaints pending in the Division of Regulatory Compliance and Consumer Assistance.

The Department of Community Affairs (DCA) has stated that the project is inconsistent with Polk County's Comprehensive Plan, and promotes urban sprawl in the area requested for amendment. DCA stated that no data or analysis was shown to demonstrate that the proposed service area expansion was needed to meet approved development or projected growth demands. In the absence of a showing, DCA concluded that the expanded service area will promote urban sprawl. DCA further suggested that Gold Coast (or the developer) should coordinate with the Polk County Growth Management Department to resolve the urban sprawl issues, and cited Rule

9J-5.006(5)(j), Florida Administrative Code, which discusses development controls that can be used to address urban sprawl issues.

In reviewing these comments from the DCA, it is clear that Polk County can control urban sprawl through zoning ordinances and building permit reviews. Section 367.045(5)(b), Florida Statutes, states that the Commission does not need to consider whether an amendment is consistent with a local comprehensive plan, unless a timely objection has been made. No timely objections were filed. Further, when an objection is filed, the Commission must consider, but is not bound by the local comprehensive plan.

Historically the Commission has issued a separate document that served as the utility's certificate of authorization. As a cost and time saving measure, staff recommends that the Commission order should serve as the utility's certificate of authorization. The type of information contained in Attachment B should be included in all future orders that modify a utility's certificate. Staff will begin rulemaking in the near future to revise references in Rule 25-30, Florida Administrative Code, to facilitate this change. No change to Chapter 367, Florida Statutes, is required.

Based upon the above information, staff recommends that it is in the public interest that the utility's application be granted and the land described in Attachment A be added to the water and wastewater certificated territory of Gold Coast Utility Corp. The resultant order should serve as Gold Coast's water and wastewater certificates and should be retained by the utility. Gold Coast should charge the customers in the added territory the same rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.

**Issue 2:** Should the docket be closed?

**Recommendation:** Yes, this docket should be closed because no further action is needed. (Fleming)

**Staff Analysis:** If the amendment is approved, there is no further action to be taken by the Commission and the docket should be closed.

AMENDMENT TO WATER AND WASTEWATER SERVICE TERRITORY FOR GOLD  
COAST UTILITY CORP. IN POLK COUNTY

IN TOWNSHIP 30 SOUTH, RANGE 29 EAST:

Section 8 – the South half of said Section 8, located south of State Road No. 60.

Section 17 – the East 4,840 feet of the North half of said Section 17.

**FLORIDA PUBLIC SERVICE COMMISSION**

authorizes

**Gold Coast Utility Corp.**  
pursuant to  
**Certificate Number 590-W**

to provide water service in Polk 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>
PSC-97-0567-FOF-WS	05-20-1997	961485-WS	Grandfather Certificate
PSC-06-0331-PAA-WS	04-24-2006	050902-WS	Transfer
*	*	060166-WS	Amendment

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

**FLORIDA PUBLIC SERVICE COMMISSION**

authorizes

**Gold Coast Utility Corp.**  
pursuant to  
**Certificate Number 508-S**

to provide wastewater service in Polk 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>
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