# BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of ) DOCKET NO. 900475-SU Certificate No. 81-S From Mid-County ) Services, Inc. to Whiting Waterworks of ) ORDER NO. 23381 Pinellas County, Inc. in Pinellas Co. ) ISSUED: 8-21-90

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman THOMAS M. BEARD BETTY EASLEY GERALD L. GUNTER FRANK S. MESSERSMITH

#### ORDER APPROVING TRANSFER

BY THE COMMISSION:

#### Background

On May 14, 1990, this Commission received an application for the transfer of Certificate No. 81-S from Mid-County Services, Inc. (Mid-County or Utility) to Whiting Water Works of Pinellas County, Inc. (Whiting). The closing has not occurred, pending Commission approval of the transfer. Mid-County currently serves approximately 1100 residential and general service customers in Pinellas County.

Whiting is a subsidiary of Whiting Water Works, Inc. which has begun acquiring and operating water and wastewater systems in Florida. The parent company of these corporations, Decker Energy International, was formed in 1982 and develops, owns, and operates cogeneration and small power facilities in Michigan, and California.

### Application

The application is in compliance with Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for transfer. In particular, the notarized application contains:

- A filing fee in the amount of \$1500, as prescribed by Rule 25-30.020, Florida Administrative Code.
- 2) Proof of notice to all interested governmental and regulatory agencies and all utilities within a

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> four-mile radius of the territory, and proof of advertisement in a newspaper of general circulation in the county, as prescribed by Rule 25-30.030, Florida Administrative Code.

- Proof of notice to all customers of record pursuant to 25-30.030(2)(g), Florida Administrative Code.
- 4) Evidence that the Utility owns the land upon which the utility's facilities are located as required by Rule 25-30.035(3)(f), Florida Administrative Code.

A quit claim deed was filed with the application as proof of ownership of the land upon which the facilities are located. A quit claim deed is not sufficient to prove ownership. Therefore, Whiting is directed to obtain a recorded warranty deed within 30 days of the closing of the sale. A copy of the warranty deed must be filed with this Commission.

One objection to the notice of application was received from a customer of Mid-County. That complaint has been withdrawn.

Mid-County is not in compliance with the rules of the Department of Environmental Regulation (DER). DER has enforcement action against the Utility for failure to meet various deadlines regarding the system upgrade required to be completed by October 1, 1990. The Utility was supposed to submit a construction permit application to DER by January 1, Construction of an advanced wastewater treatment plant 1990. was to begin on May 1, 1990, and be in operation by October 1, 1990. Whiting has met with DER and discussed its plan to upgrade the facility as soon as they acquire the Utility.

As stated previously, Whiting is a subsidiary of Whiting Water Works, Inc., which is in the business of acquiring and operating water and wastewater systems in Florida. Whiting Water Works, Inc. currently owns and operates Sunrise Water System in Polk County. Although Whiting is relatively new to the water and wastewater business, it has extensive experience with the power industry and has strong engineering backgrounds, as well as prior experience in working with regulatory agencies.

Whiting has arranged to purchase Mid-County and make the improvements required by DER, as evidenced in a letter filed

Whiting has arranged to purchase Mid-County and make the improvements required by DER, as evidenced in a letter filed with the Commission from the Bank of New York, dated May 15, 1990. That letter states that the Bank will extend additional credit of \$355,000, if needed.

Therefore, since Whiting has demonstrated the technical and financial ability to operate the Utility in a safe and efficient manner, we find that the transfer is in the public interest and it is approved. A description of the territory being transferred is shown on Attachment A of this Order. As stated previously, Whiting shall submit a copy of the recorded warranty deed in its name within 30 days of the closing of the sale.

#### Rate Base

An audit of the books and records of the utility to determine the rate base (net book value) at the time of transfer is underway. However, so that the sale may be consummated and the improvements required by DER can be made, we will establish rate base at a later date.

### Rate and Charges

The present rates and charges approved for Mid-County are as follows:

# RATES General Service

Base Facility Meter Size Charge Bi-Monthly \$ 5/8" 12.42 1" 31.05 1 1/2" 62.10 2" 99.36 3" 198.74 4" 310.52 6" 621.04 Gallonage Charge Per 1,000 Gallons 1.09

# Residential Service

Base Facility Charge Bi-Monthly

All Meter Sizes

Meter Size

\$ 12.42

Gallonage Charge Per 1,000 Gallons (Maximum of 20,000 Gallons)

1.09

The Utility does not collect customer deposits.

## SERVICE AVAILABILITY CHARGES

### Plant Capacity Charges

\$136.50 per equivalent residential connection (ERC), computed upon a basis of sewer plant capacity of 350 gallons per day per ERC.

## Main Extension Policy

Service to property may be dependent upon the extension of or the existence of previously extended off-site sewage collection facilities. Whenever use of such off-site facilities is necessary to render service, the contributor must pay in advance the total cost of the pro rata share of all off-site facilities necessary to provide service to the property (tract) to be rendered service.

#### Sewage Flow Meter Installation

Each contributor will pay the actual cost of sewage flow meters and meter installation.

Rule 25-9.044(1), Florida Administrative Code, states that the new owner of a system must adopt and use the rates, classification and regulations of the former operating company unless authorized to change by the Commission. Whiting has not requested a change in the rates and charges of the Utility with the exception that they would like to begin collecting miscellaneous service charges. Therefore, Whiting shall continue to charge the rates and charges previously approved for Mid-County. Further, the request to collect miscellaneous

service charges in accordance with Staff Advisory Bulletin No. 13, Second Revised, is hereby approved. The requested miscellaneous service charges shall be effective for services provided or connections made on or after the stamped approval date of the tariff sheets. Whiting has filed appropriate tariff sheets reflecting the requested changes.

It is, therefore,

ORDEFED by the Florida Public Service Commission that the transfer of Certificate No. 81-S from Mid-County Services, Inc., 3210 U.S. Highway 19 North, Clearwater, Florida 34621, to Whiting Water Works of Pinellas County, Inc., 400 North New York Avenue, Suite 101, Winter Park, Florida 32789, is hereby approved. It is further

ORDEFED that Whiting shall obtain, and submit to this Commission, a copy of a recorded warranty deed in its name as evidence that it owns the land upon which the facilities are located within 30 days of the closing of the sale. It is further

ORDERED that Whiting shall continue to charge the rates and charges previously approved for Mid-County until authorized to change by this Commission. It is further

ORDERED that Whiting's request to collect miscellaneous service charges as set forth in the body of this Order is hereby approved. The miscellaneous service charges shall be effective for service provided or connections made on or after the stamped approval date of the tariff. It is further

ORDERED that Docket No. 900475-SU shall remain open, pending the establishment of rate base.

By ORDER of the Florida Public Service Commission, this <u>21st</u> day of <u>AUGUST</u>, <u>1990</u>.

STEVE TRIBBLE, Director Division of Records and Reporting

(SEAL)

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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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Rec.rds 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 after the issuance 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.

#### ATTACHMENT A

## DESCRIPTION FOR WHITING WATERWORKS OF PINELLAS COUNTY

## PINELLAS COUNTY

## SERVICE TERRITORY DESCRIPTION

In Township 28 South, Range 15 East:

Section 18: The SE 1/4 of the SW 1/4 less the North 300 feet thereof. The SW 1/4 of the SE 1/4 of NW 1/4. The South 250 feet of the North 1/2 of the SE 1/4 of the NW 1/4.

Section 19: The NW 1/4 of the SW 1/4 less the South 300 feet thereof. The West 100 feet of the NE 1/4 of the SE 1/4 less the South 300 feet thereof. The West 100 feet of the SE 1/4 of the NW 1/4 less the South 300 feet thereof. The NE 1/4 of the NW 1/4. The East 1/4 of the NW 1/4 of the NW 1/4 less the North 300 feet thereof. The South 1/2 of the NE 1/4.

Section 24: The South 1/2 of the NE 1/4 of the SE 1/4.