

FLORIDA PUBLIC SERVICE COMMISSION

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

M E M O R A N D U M

OCTOBER 3, 1991

TO : DIRECTOR OF RECORDS AND REPORTING

FROM : DIVISION OF WATER AND WASTEWATER (REDEMANN)  
DIVISION OF LEGAL SERVICES (CROSBY)

RE : UTILITY: SOUTH SEAS UTILITY COMPANY  
DOCKET NO. 910858-SU  
COUNTY: LEE  
CASE: APPLICATION FOR AMENDMENT OF CERTIFICATE NO. 268-S

AGENDA: OCTOBER 15, 1991 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

CRITICAL DATES: NONE

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CASE BACKGROUND

On August 13, 1991, South Seas Utility Company (South Seas or utility) filed an application for amendment of its wastewater certificate to include additional territory in Lee County. South Seas is a Class B Utility currently operating under certificate No. 268-S in Lee County. The utility provides wastewater service to 57 customers including one customer residing in the requested territory. Water service is provided by Island Water Association. The 1990 Annual Report shows revenues of \$463,829 and a net operating income of \$108,499.

Staff has authority to administratively approve applications for amendment pursuant to APM 2.08(c)(5), when no protests have been filed. However, in this case, staff has brought this application to the Commission for decision, because the utility is already serving one customer in the territory it is seeking to amend, which is in violation of Section 367.045, Florida Statutes. Staff is not recommending that the utility be show caused, because the utility took the necessary steps to correct the error on its own motion. In addition, staff is not aware of any problems to this customer or any surrounding utilities resulting from South Seas providing this service.

DOCUMENT NUMBER-DATE

09787 OCT -3 1991

FPSC-RECORDS/REPORTING

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the application of South Seas Utility Company for amendment of Wastewater Certificate No. 268-S be granted?

**RECOMMENDATION:** Yes, South Seas Utility Company should be granted the additional territory described in Attachment A. (Redemann, A. Crosby)

**STAFF ANALYSIS:** On August 13, 1991, South Seas filed its application for amendment of its wastewater certificate to include additional territory in Lee County. Except as discussed in the Case Background, the application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for amendment of certificate. The application contains a check in the amount of \$150, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.036(1)(d), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.036(1)(e),(f) and (i), Florida Administrative Code. A description of the territory requested by the utility is appended to this memorandum as Attachment A. In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, including notice to the customers in the proposed territory. No objections to the notice of application have been received and the time for filing such has expired.

The utility has been in operation since 1975. Envirotech Operating Systems, under this name and a previous name, has operated the plant since 1977.

As mentioned previously, the utility is serving one existing customer in the requested territory, which is has been serving for the past five years. In addition, the utility has received requests for service in two of the remaining four parcels in the requested area. One property owner intends to replace a failing septic tank and drain field system. Another property owner has a septic tank and drain field system that is undersized for its expansion plans. Also, the utility anticipates that the other two parcels will request service in the future. Therefore, there is a definite need for service in the requested territory. At build

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out, this requested territory will serve approximately 22 ERC's. According to the utility the provision of service will be consistent with the wastewater sections of the local comprehensive plan, as approved by the Department of Community Affairs. Also, 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 Regulation and learned that there are no enforcement actions or corrective orders against the utility.

According to the 1990 Annual Report, the utility shows \$280,190 as equity capital, and as mentioned in the Case Background the utility had a net operating income of \$108,499 for 1990. In addition, the utility collects a service availability charge of \$1,500/ERC. Thus, staff believes the utility has the financial ability to serve the area.

The utility's current rates are the result of a pass-through rate adjustment effective September 29, 1990. The service availability charge was established in the utility's last rate case proceeding (Docket No. 881518-SU, Order No. 22094, issued October 26, 1989). These rates and charges will be applicable in the new service territory.

Based on the above information, staff believes it is in the public interest to grant the application of South Seas Utility Company for amendment of Certificate No. 268-S. The utility has returned the certificate for entry to include the additional territory and filed revised tariff sheets which reflect the amended territory description.

ATTACHMENT A

SOUTH SEAS UTILITY COMPANY

TERRITORY DESCRIPTION

The following described lands located in a portion of Section 26, Township 45 South, Range 21 East, Lee County, Florida:

Section 26

From the Northwest corner of said Section run South 08° 29' 50" West along the West line of said section for 3,250 feet, more or less, to an intersection with the Northeast right-of-way line of a public road being 30 feet wide; thence run South 16° 50' 00" East along said Northeasterly right-of-way line for 775 feet, more or less, to an intersection with the Southerly right-of-way line of Captiva Drive S.W. (formerly Binder Avenue); thence run South 77° 10' 20" East along said line for 122.78 feet, more or less, to the Point of Beginning. From said Point of Beginning continue South 77° 10' 20" East along the Southerly right-of way line for 200 feet, more or less, to a jog in said Southerly right-of-way line; thence run South 12° 49' 40" West along said jog for 2.10 feet, more or less, to the Southerly line of Captiva Drive S.W. (formerly Binder Avenue); thence run South 71° 18' 20" East along said line for 718.03 feet, more or less; thence run South 02° 55' 20" West for 183.30 feet, more or less; thence run South 18° 41' 20" West for 5.00 feet; thence run North 71° 18' 20" West for 951.36 feet, more or less; thence run North 18° 41' 40" East for 3.89 feet, more or less, thence run North 12° 49' 40" East for 160 feet, more or less, to the Point of Beginning.

Bearings hereinabove mentioned are assumed, based on the West line of said Section 26, Township 45 South, Range 21 East to bear South 08° 29' 50" West.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. (A. Crosby)

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