BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for amendment of Certificates 567-W and 494-S to extend water and wastewater service areas to include certain land in Lake County by Shangri-La by the Lake Utilities, Inc.

DOCKET NO. 050875-WS ORDER NO. PSC-06-0095-FOF-WS ISSUED: February 10, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman J. TERRY DEASON ISILIO ARRIAGA MATTHEW M. CARTER II KATRINA J. TEW

FINAL ORDER AMENDING CERTIFICATE NOS. 567-W AND 494-S TO INCLUDE ADDITIONAL TERRITORY IN LAKE COUNTY

BY THE COMMISSION:

Background

On November 16, 2005, Shangri-La filed an application with this Commission to amend for amendment of its water and wastewater certificates, pursuant to Section 367.045, Florida Statutes, and Rule 25-30.036, Florida Administrative Code. Shangri-La-By-The-Lake Utilities, Inc. (Shangri-La or utility) is a Class C water and wastewater utility company serving 150 water and 142 wastewater customers in Lake County. The utility was issued certificates on January 12, 1996, by Order No. PSC-96-0062-FOF-WS. The utility's 2004 annual report lists \$19,530 in water revenue and \$39,061 in wastewater revenue, with a total overall net loss of \$35,253.

The amendment would allow Shangri-La to provide water and wastewater service for up to 84 single family homes by adding the territory described below in Attachment A to its certificates. We have jurisdiction pursuant to Section 367.045, Florida Statutes.

Amendment

The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and administrative rules concerning an application for amendment of certificate. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections were received and the time for filing objections has expired. The Department of Community Affairs has stated that the project is consistent with Lake County's Comprehensive Plan, and identified no growth management concerns with the area requested for amendment.

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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 entered into a developer agreement for provision of water and wastewater service in the new area. Harbor Shores will receive water service only to 80 single family homes. Harbor Shores will have septic tanks installed to serve these homes. Insim Estates will receive both water and wastewater service to the four new homes to be built. On-site lines for both developments will be constructed by and at the cost of the developer, and then deeded to the utility company. The current water and wastewater plants are adequate to provide service to the new developments. There are no outstanding notices of violation or consent orders with the Department of Environmental Protection.

We are satisfied that the utility 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.

Based upon the above information, we find that it is in the public interest that the utility's application be granted and the land described in Attachment A, attached hereto, be added to the water and wastewater certificated territory of Shangri-La-By-The-Lake Utilities, Inc. Shangri-La shall 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.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Shangri-La-By-The-Lake Utilities, Inc.'s application for amendment of Certificate Nos. 567-W and 494-S is hereby approved as set forth in the body of this order. It is further

ORDERED that Attachment A is incorporated herein by reference. It is further

ORDERED that Shangri-La-By-The-Lake Utilities, Inc. shall charge the customers in the territory added herein the rates and charges approved in its tariff until authorized to change by this Commission. It is further

ORDERED that this docket shall be closed.

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By ORDER of the Florida Public Service Commission this 10th day of February, 2006.

BLANCA S. BAYÓ, Director Division of the Commission Clerk and Administrative Services

By:

Hong Wang, Supervisor Case Management Review Section

(SEAL)

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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 the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services 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.

AMENDMENT TO WATER AND WASTEWATER SERVICE TERRITORY FOR SHANGRI-LA-BY-THE-LAKE UTILITIES, INC. IN LAKE COUNTY

PARCEL 1 (HARBOR SHORES) WATER SERVICE ONLY:

THAT PART OF GOVERNMENT LOT 7, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7. THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7. 66.00 FEET TO THE SOUTHERLY EXTENSION OF THE EAST RIGHT OF WAY LINE OF HARBOR SHORES DRIVE: THENCE RUN N00°04'08"W ALONG SAID SOUTHERLY EXTENSION, 33.00 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND EAST RIGHT OF WAY LINE OF SAID HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING: THENCE RUN N00°04'08"W ALONG SAID EAST RIGHT OF WAY LINE, 951.09 FEET TO A POINT 300.00 FEET SOUTH OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7: THENCE RUN N89°26'52"E PARALLEL WITH THE NORTH LINE OF GOVERNMENT LOT 7, 726.00 FEET; THENCE RUN N00°04'08"W PARALLEL WITH THE WEST LINE OF GOVERNMENT LOT 7. 300.00 FEET TO A POINT 759.00 EAST OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7: THENCE RUN N89°26'52"E ALONG SAID NORTH LINE, 594.19 FEET TO THE MEANDER LINE AS ESTABLISHED BY U.S. GENERAL LAND OFFICE IN 1926; THENCE RUN S02°31'38"E ALONG SAID MEANDER LINE, 299.29 FEET: THENCE CONTINUE ALONG SAID MEANDER LINE \$29°50'19"W. 667.71 FEET TO THE WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S39°23'45"W ALONG SAID WESTERLY RIGHT OF WAY LINE, 490.42 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE: THENCE RUN S89°26'52"W ALONG SAID NORTH RIGHT OF WAY LINE, 688.37 FEET TO THE POINT OF BEGINNING.

AMENDMENT TO WATER AND WASTEWATER SERVICE TERRITORY FOR SHANGRI-LA-BY-THE-LAKE UTILITIES, INC. IN LAKE COUNTY

PARCEL 2 (INSIM ESTATES) WATER AND WASTEWATER SERVICE:

THAT PART OF GOVERNMENT LOTS 7 AND 12, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 813.11 FEET TO THE EASTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N39°23'45"E ALONG SAID EASTERLY RIGHT OF WAY LINE, 130.44 FEET TO A LINE 100 FEET NORTH OF, WHEN MEASURED PERPENDICULAR TO, THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN N89°26'52"E ALONG SAID LINE 100 FEET NORTH OF GOVERNMENT LOT 12, 784 FEET MORE OR LESS TO THE WATER'S EDGE OF LAKE EUSTIS; THENCE RUN SOUTHWESTERLY ALONG SAID WATER'S EDGE TO THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN S89°26'52"W ALONG THE SOUTH LINE OF GOVERNMENT LOT 12, 790 FEET MORE OR LESS TO THE SOUTH LINE OF GOVERNMENT LOT 12 AND 7, 790 FEET MORE OR LESS TO THE POINT OF BEGINNING.