

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-

DATE: May 6, 2010

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Williams, Slemkewicz)
Office of the General Counsel (Holley)

JW PR J9 or CROB (W)
JAH JSB

RE: Docket No. 100147-WS – Application for transfer of water and wastewater facilities to Florida Governmental Utility Authority, and cancellation of Certificate Nos. 157-W and 107-S, by Lindrick Service Corporation.
County: Pasco

AGENDA: 05/18/10 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\100147.RCM.DOC

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COMMISSION
CLERK

Case Background

Lindrick Service Corporation (Lindrick or utility) is a Class A water and wastewater utility providing service to approximately 4,200 customers in Pasco County. The utility is located in the Northern Tampa Bay Water Use Caution Area of the Southwest Florida Water Management District (SWFWMD). The utility's 2008 annual report shows gross revenue of \$2,778,925 and net operating income of \$164,734. The utility was originally issued Certificate Nos. 157-W and 107-S in 1973.¹

¹ Order No. 5797, issued July 5, 1973, in Docket No. C-73117-W, In re: Application of Lindrick Service Corporation for Certificates to Operate Existing Water and Sewer Systems in Pasco County.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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On March 26, 2010, Lindrick filed an application for transfer of its water and wastewater systems to the Florida Governmental Utility Authority (FGUA) and for cancellation of Certificate Nos. 157-W and 107-S. The Commission has jurisdiction pursuant to Section 367.071, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the transfer of the water and wastewater facilities of Lindrick Service Corporation to the Florida Governmental Utility Authority be acknowledged, as a matter of right, and Certificate Nos. 157-W and 107-S be cancelled?

Recommendation: Yes. The transfer of the Lindrick water and wastewater territory and facilities to the Florida Governmental Utility Authority should be acknowledged, as a matter of right, pursuant to Section 367.071(4)(a), F.S., and Certificate Nos. 157-W and 107-S should be cancelled effective March 10, 2010, which was the closing date of the sale. Lindrick is still responsible for the payment of RAFs on revenues for the period January 1, 2010, through March 9, 2010, with a due date of July 30, 2010. However, the utility is not required to file an annual report for 2010. (Williams, Slemkewicz, Holley)

Staff Analysis: Lindrick applied for a transfer of its facilities and territory to FGUA on March 26, 2010, pursuant to Section 367.071, F.S., and Rule 25-30.037(4), Florida Administrative Code, (F.A.C.) The FGUA has been determined to be a governmental authority in previous dockets.² The closing on the sale of the utility facilities took place on March 10, 2010. Therefore, March 10, 2010, is the effective date of the transfer.

Pursuant to Section 367.071(4)(a), F.S., the sale of facilities to a governmental authority shall be approved as a matter of right. As such, no notice of the transfer is required and no filing fees apply. The application is in compliance with Section 367.071(4)(a), F.S., and Rule 25-30.037(4), F.A.C.

The application contains a statement that the FGUA obtained Lindrick's most recent income and expense statement, balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction, pursuant to Rule 25-30.037(4)(e), F.A.C. In addition, a statement was provided that the customer deposits were transferred to FGUA and the accumulated interest on the deposits was distributed to the applicable customers.

The utility has paid its 2009 Regulatory Assessment Fees and has filed all annual reports through 2008. The utility has been granted an extension until May 31, 2010 to file its 2009 Annual Report. Lindrick is still responsible for the payment of RAFs on revenues for the period January 1, 2010, through March 9, 2010, with a due date of July 30, 2010. However, the utility is not required to file an annual report for 2010.

² See Order No. PSC-00-2351-FOF-WS, issued December 7, 2000, in Docket No. 990489-WS, In re: Application by Florida Cities Water Company, holder of Certificate Nos. 027-W and 024-S in Lee County and 0007-W and 0003-S in Brevard County, and Poinciana Utilities, Inc., holder of Certificate Nos. 146-W and 103-S in Polk and Osceola Counties, for transfer of facilities to Florida Governmental Utility Authority and Cancellation of Certificate Nos. 027-W, 024-S, 007-W, 003-S, 146-W, and 103-S; Order No. PSC-03-1284-FOF-WS, issued November 10, 2003, in Docket No. 030932-WS, In re: Joint application for acknowledgement of sale of land and facilities of Florida Water Services Corporation in Lee County to Florida Governmental Utility Authority, and for cancellation of Certificate Nos. 306-W and 255-S; and Order No. PSC-09-0334-PAA-WS, issued May 14, 2009, in Docket No. 090120-WS, In re: Joint notice by Aloha Utilities, Inc. and the Florida Governmental Utility Authority of transfer of water and wastewater assets to the Florida Governmental Utility Authority, in Pasco County, and cancellation of Certificate Nos. 136-W and 97-S.

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Staff recommends that the transfer of the Lindrick water and wastewater territory and facilities to FGUA should be acknowledged, as a matter of right, pursuant to Section 367.071(4)(a), F.S., and Certificate Nos. 157-W and 107-S should be cancelled effective March 10, 2010, which was the closing date of the sale.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed because no further action is necessary. (Holley, Williams)

Staff Analysis: If the Commission approves staff's recommendation in Issue 1, this docket should be closed because no further action is necessary.