

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:** February 27, 2014

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Division of Engineering (Ellis, Watts) *PoE*  
Office of the General Counsel (Gilcher) *W A PV TS*  
*JEH JSC*

**RE:** Docket No. 130261-WU – Application for amendment of Certificate No. 401-W in Highlands County, by Placid Lakes Utilities, Inc.

**AGENDA:** 03/13/14 – Regular Agenda – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** ~~Staff~~ All Commissioners *(CSA)*

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

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#### Case Background

Placid Lakes Utilities, Inc. (Placid Lakes or Utility) is a Class B water utility in Highlands County, Florida and provides service to approximately 1,971 water connections. The Utility is in the Southwest Florida Water Management District. On October 24, 2013, the Utility filed an application with the Commission to amend Certificate No. 401-W to add territory in Highlands County, pursuant to Section 367.045, Florida Statutes (F.S.).

This application was filed in response to a recent review of the Utility's service territory which revealed that the Utility is currently providing service to approximately 55 water connections located outside its certificated territory. The Utility has indicated that it has been providing service to this area since the 1980s. Shortly after the Utility was notified that it was serving outside of its territory, the Utility filed its amendment of Certificate 401-W to extend its water service territory to include those customers it is already serving. The proposed amendment areas are located adjacent to Placid Lake's existing Commission-approved service territories. On

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December 5, 2013, in Order PSC-13-0646-PAA-WU, the Commission declined to initiate a show cause proceeding against the Utility for serving outside of its certificated territory.<sup>1</sup>

The Commission has jurisdiction to address this application pursuant to Section 367.045, F.S.

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<sup>1</sup> See Order PSC-13-0646-PAA-WU, issued December 5, 2013, in Docket No. 130025-WU, In re: Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

### **Discussion of Issues**

**Issue 1:** Should the Commission approve Placid Lakes Utilities' application for amendment of Certificate 401-W?

**Recommendation:** Yes. The Commission should approve Placid Lakes' application for amendment of Certificate No. 401-W to include territory as reflected in Attachment A. The resultant order should serve as Placid Lakes' amended certificate and should be retained by the Utility. The Utility should continue to charge the customers in the territory added herein the rates and charges contained in its current tariff until authorized to change by the Commission. In addition, the Utility should be ordered to file revised tariff sheets that incorporate the additional territory within thirty days from the date of the Commission Order approving the amendment. (Ellis, Watts)

**Staff Analysis:** This application is in compliance with the governing statute, Section 367.045, F.S., and Rule 25-30.036, Florida Administrative Code (F.A.C.). The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C.

The Utility is currently providing service to approximately 55 water connections located outside its certificated territory. The Utility has indicated that service to these customers started in the 1980s. Until recently, the Utility had assumed that the proposed areas had always been within the certificated areas authorized by the Commission. By providing service to the extended area since the 1980s, the Utility has demonstrated that it has the necessary financial and technical expertise to do so. The Utility has indicated that throughout this time period, the calculation of the annual regulatory assessment fees for Placid Lakes were inclusive of all these customers. In addition, the Utility has indicated that its current water system has sufficient capacity to serve the proposed areas.

Staff has contacted the Department of Environmental Protection and the Southwest Florida Water Management District and learned that there are no outstanding notices of violation for the Utility's water treatment facilities. Adequate service territory maps and territory descriptions have also been provided. No objections to the applications have been received at this time, and the time for filing objections has passed.

Based on the above, staff recommends that the Commission approve Placid Lakes' application for amendment of Certificate No. 401-W to include territory as reflected in Attachment A. The resultant order should serve as Placid Lakes' amended certificate and should be retained by the Utility. The Utility should continue to charge the customers in the territory added herein the rates and charges contained in its current tariff until authorized to change by the Commission. In addition, the Utility should be ordered to file revised tariff sheets that incorporate the additional territory within thirty days from the date of the Commission Order approving the amendment.

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

**Recommendation:** Yes. If the Commission approves staff's recommendation in Issue 1, no further action will be necessary and this docket should be closed. (Gilcher)

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

**Description of Water Territory Added**

**Township 37 South, Range 29 East**

**Section 13**

All of said Section 13 lying South and West of Catfish Creek.

**Section 24**

All of said Section 24 lying South and West of Catfish Creek and West of Lake Placid, excluding the area south of a line described thusly:

Commence at the Southwest Corner of Section 24, Township 37 South, Range 29 East; thence run northerly along the West Section Line of said Section 24 for a distance of approximately 660 feet to the Point of the Beginning; thence run easterly until reaching Lake Placid.

**FLORIDA PUBLIC SERVICE COMMISSION**  
**authorizes**  
**Placid Lakes Utilities, Inc.**  
**pursuant to**  
**Certificate No. 401-W**

to provide water service in Highlands 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 suspended, canceled, or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
12954	10/10/83	820478-W	Original
17372	04/07/87	860532-WU	Amendment
22164	11/08/89	891158-WU	Amendment
PSC-97-1148-FOF-WU	09/30/97	970231-WU	Amendment
PSC-98-0687-FOF-WU	05/19/98	971204-WU	Amendment
*	*	130261-WU	Amendment

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