

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in
Charlotte County by Little Gasparilla Water
Utility, Inc.

DOCKET NO. 130265-WU
ORDER NO. PSC-16-0285-FOF-WU
ISSUED: July 25, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

ORDER APPROVING SECOND REQUEST FOR EXTENSION OF TIME
TO COMPLETE REQUIRED PHASE II PRO FORMA CONSTRUCTION

BY THE COMMISSION:

Case Background

Little Gasparilla Water Utility, Inc., (Little Gasparilla or Utility) is a Class B water utility serving approximately 371 customers on Little Gasparilla Island in Charlotte County. The Utility's service area is on a private island, which consists primarily of vacation homes. Little Gasparilla's service territory is located in the Southern Water Use Caution Area within the Southwest Florida Water Management District.

By Order No. PSC-14-0626-PAA-WU, issued October 29, 2014, in this docket, the Utility was given until December 3, 2015, to complete the Phase II pro forma construction of a new building and meter replacements. However, the Utility encountered financing issues and requested an extension of time to complete the Phase II pro forma. By Order No. PSC-16-0023-FOF-WU, issued January 12, 2016, the Florida Public Service Commission (Commission) approved the Utility's request for an extension of time to complete the required Phase II pro forma by June 3, 2016.

On May 19, 2016, the Utility notified the Commission that it would not be able to meet the June 3, 2016 deadline for completing the Phase II pro forma plant items. Little Gasparilla requested that it be granted a second extension of approximately six months to complete the Phase II pro forma plant items. This Order addresses the Utility's request for a second extension to complete its Phase II pro forma plant items. We have jurisdiction pursuant to Section 367.121, Florida Statutes.

Decision

By Order No. PSC-16-0023-FOF-WU, the Utility was granted an extension until June 3, 2016, to complete Phase II pro forma construction of a new building and meter replacements. The Utility indicated that the reason for the delay in completing the Phase II pro forma plant items was Charlotte County's potential action to repeal its mandatory water connection ordinance and the effect that it would have on the Utility's ability to borrow funds to finance the pro forma plant items.

The Charlotte County ordinance required connections to a centralized water system within one year of availability. Charlotte County did not repeal the mandatory water connection ordinance, but added a five-year grace period for residents who applied for the exception to the mandatory connection. The exception to the mandatory connection requirement expires on January 1, 2021. According to the Charlotte County ordinance, the existing residents who did not apply or were not approved for the exception to the mandatory connection requirement are expected to connect to the Utility. The additional connections would pay Little Gasparilla's approved service availability charges, which would potentially increase the financial ability of the Utility to pay its existing and any additional loans. However, due to the length of time it took Charlotte County to make its decision, the Utility was required to revise projections that had been previously submitted, as loans are approved based on projections and Small Business Administration's guaranty. We find that the Utility has submitted all of its required updated information.

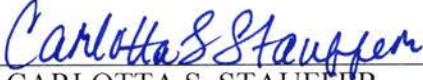
On May 26, 2016, the Utility indicated Stonegate Bank had approved the loan. However, the approval and guaranty from the Small Business Administration is still pending. Since the Utility is still awaiting financing to get the construction underway, we hereby approve Little Gasparilla's second request for an extension of time to complete its pro forma construction of a new building and meter replacements. The pro forma plant items shall be completed by December 15, 2016. The Utility is required to submit a copy of the final invoices and cancelled checks for the Phase II pro forma plant items. Furthermore, in this docket, the Utility is required to provide proof that a simplified employee pension plan has been established and that contributions to the fund have begun prior to our approval of Phase II rates.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Little Gasparilla Water Utility, Inc.'s second request for an extension of time to complete its required Phase II pro forma construction of a new building and meter replacements is hereby approved. The pro forma plant items shall be completed by December 15, 2016. The Utility is required to submit a copy of the final invoices and cancelled checks for the Phase II pro forma plant items. The Utility is required to provide proof that a simplified employee pension plan has been established and that contributions to the fund have begun prior to Commission approval of Phase II rates. It is further,

ORDERED that this docket shall remain open for this Commission's final decision on the appropriate Phase II revenue requirement and rates.

By ORDER of the Florida Public Service Commission this 25th day of July, 2016.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
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Tallahassee, Florida 32399
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SAF

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 Office of Commission Clerk, 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 Office of Commission Clerk, 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.