

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in
Polk County by Crooked Lake Park Sewerage
Company.

DOCKET NO. 20130178-SU
ORDER NO. PSC-2017-0450-FOF-SU
ISSUED: November 20, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISÉ
DONALD J. POLMANN
GARY F. CLARK

ORDER GRANTING EXTENSION OF TIME TO
COMPLETE PRO FORMA PROJECTS

BY THE COMMISSION:

Background

Crooked Lake Park Sewerage Company (Crooked Lake or utility) is a Class C wastewater utility serving approximately 416 customers in Polk County. Water service is provided by Park Water Company, Inc. The utility's service area is comprised of two mobile home parks.

By Order No. PSC-15-0142-PAA-SU, issued March 26, 2015, this Commission approved Phase I and Phase II rates for Crooked Lake. The Phase II rates were to be implemented upon the utility's completion of four pro forma projects, one of which was a condition of the utility's Department of Environmental Protection (DEP) wastewater treatment plant (WWTP) operating permit, and Commission staff's verification of completion. We gave the utility 12 months from the effective date of the consummating order to complete the projects. The consummating order was issued on April 20, 2015¹; therefore, the pro forma projects were to be completed by April 20, 2016. In addition, this Commission required the utility to purchase commercial general liability insurance and provide proof of purchase and continued payment of the insurance premiums prior to the implementation of the Phase II rate increase.

On March 31, 2016, the utility requested an extension of approximately three months to complete the projects due to scheduling delays from subcontractors and emergency repair work in the service area. By Order No. PSC-16-0204-FOF-SU, issued May 19, 2016, in this docket, we gave the utility until July 31, 2016, to complete the Phase II pro forma projects. In the event

¹ Order No. PSC-15-0154-CO-SU, issued April 20, 2015, in Docket No. 2013178-SU, In re: Application for staff-assisted rate case in Polk County by Crooked Lake Park Sewerage Company.

the utility did not meet its July 31, 2016 deadline, we gave Commission staff administrative authority to grant the utility an additional six months to complete the Phase II pro forma projects. Pursuant to that order, the utility requested and was granted additional extensions through January 31, 2017, to complete the pro forma projects. The utility provided documentation in support of two of the four pro forma projects. On August 30, 2017, the utility requested an extension until December 31, 2017, to complete the remaining Phase II pro forma projects and subsequently, on October 25, 2017, the utility requested an additional extension until March 31, 2018 to complete the projects.

This Order addresses the utility's request for an extension through March 31, 2018, to complete the remaining pro forma projects. We have jurisdiction, pursuant to Section 367.121, Florida Statutes (F.S.).

Decision

As discussed in the Background, pursuant to Order No. PSC-16-0204-FOF-SU, this Commission granted Crooked Lake an extension to complete the four pro forma projects by July 31, 2016, and provide documentation that the general liability insurance was renewed. In the event the utility did not complete the pro forma projects by the July 31, 2016 deadline, we gave Commission staff administrative authority to grant additional time.

On June 16, 2016, the utility requested a three-month extension to complete the projects; on June 30, 2016, Commission staff granted the utility's request for an extension, which extended the completion deadline to October 31, 2016. On October 24, 2016, the utility requested another extension of time until January 31, 2017, to complete the pro forma projects. By letter dated November 7, 2016, Commission staff granted the three-month extension and indicated that the pro forma projects should be completed by January 31, 2017.

The utility failed to provide the required documentation by the January 31, 2017 deadline and, on March 3, 2017, our staff sent the utility a Notice of Noncompliance for failing to submit documentation to show the completion of the Phase II pro forma projects as required by Order No. PSC-16-0204-FOF-SU. The Notice of Noncompliance described the potential consequences of noncompliance, pursuant to Section 367.161, F.S. On March 20, 2017, the utility responded to Commission staff's Notice of Noncompliance indicating that one of the four projects, the project that was the subject of the DEP WWTP permit, had been completed. Following several attempts by our staff to contact the utility, on June 19, 2017, our staff sent a letter requesting that the utility provide documentation of the remaining three projects by June 30, 2017. The letter further indicated that, if the documentation was not received, Commission staff would prepare a recommendation to have the Phase II rates adjusted to reflect only the pro forma costs that had been verified. On August 30, 2017, the utility provided documentation to confirm that a second project, the electrical control panel replacement, was completed in 2014 and requested that it be granted an extension through December 31, 2017, to complete the remaining Phase II pro forma projects. Subsequently, on October 25, 2017, the utility requested an additional extension through March 31, 2018.

We have reviewed the documentation related to the construction of the surge tank, digester tank, and sludge bed, which was a condition of the utility's DEP WWTP operating permit, as well as the replacement of the electrical control panel, and we find that the projects are completed. According to the utility, it is currently working on completing the remaining projects, mapping and cleaning the collection system and replacement of approximately 2,100 feet of 4" force main, and is very close to being completed. However, the utility requested an extension to allow for scheduling delays resulting from subcontractor labor shortage, weather delays, and emergency work to lines and manholes as well as the impact that Hurricane Irma has had in the area. The utility further indicated that it had to re-direct its crews and revise schedules to fix various lines and complete emergency work in the service area. Therefore, we find that the request for an extension of time to complete the construction is reasonable.

Based on the foregoing, Crooked Lake's request for an extension of time to complete the remaining Phase II pro forma projects by March 31, 2018, is hereby approved. Upon completion of the pro forma plant items, the utility shall submit a copy of the final invoices and cancelled checks for the remaining Phase II pro forma projects and documentation that the general liability insurance is being maintained by April 30, 2018.

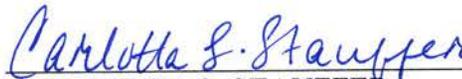
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Crooked Lake Park Sewerage Company's request for an extension of time to complete the remaining Phase II pro forma projects by March 31, 2018, is hereby approved. It is further

ORDERED that, upon completion of the pro forma plant items, Crooked Lake Park Sewerage Company shall submit a copy of the final invoices and cancelled checks for the remaining Phase II pro forma projects and documentation that the general liability insurance is being maintained by April 30, 2018. It is further

ORDERED that this docket shall remain open to allow Commission staff time to verify that the Phase II pro forma projects have been completed, that the supporting documentation related to the pro forma projects and insurance has been provided, and the Phase II rates have been properly implemented. Once these actions are complete and verified by Commission staff, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 20th day of November, 2017.



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.

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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 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.