

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for cancellation of Certificate
No. 388-S by Sun Communities Finance, LLC.
d/b/a Water Oak Utility.

DOCKET NO. 20200010-WS
ORDER NO. PSC-2020-0074-PAA-WS
ISSUED: March 12, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
JULIE I. BROWN
DONALD J. POLMANN
ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION
ORDER CANCELING WATER OAK UTILITY'S CERTIFICATE NO. 388-S

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Sun Communities Finance, LLC, d/b/a Water Oak Utility (Water Oak or Utility) is a Class B water and wastewater utility located in Lake County. The Utility provides service to approximately 1,145 residential customers and 11 commercial customers. The Utility was granted Water Certificate No. 454-W and Wastewater Certificate No. 388-S in October 1986.¹

On December 3, 2019, Commission staff was notified of Water Oak's intent to cease operation of its own wastewater treatment plant and begin reselling wastewater service from the Town of Lady Lake (Lady Lake) at a rate which does not exceed the actual purchase price. As such, the Utility is requesting that its wastewater system be exempt from our jurisdiction pursuant to Section 367.022(8), Florida Statutes (F.S.), and cancellation of its wastewater certificate. The Utility's water system will continue to be operated as a regulated water utility. We have jurisdiction pursuant to Section 367.022, F.S.

¹Order No. 16150, issued May 23, 1986, in Docket No. 19850517-WS, *In re: Application of Water Oak Utilities Co., Inc., for certificates to provide water and sewer service in Lake County, pursuant to the provisions of section 367.041, F.S.*

Decision

On December 3, 2019, Commission staff was notified that the Utility was seeking exemption from regulation of its wastewater service pursuant to Section 367.022(8), F.S. This exemption applies to any person who resells water or wastewater service at a rate or charge which does not exceed the actual purchase price of the water or wastewater.

On April 15, 2019, Water Oak entered into an agreement with Lady Lake which will receive and treat all wastewater from the Utility. Water Oak will resell wastewater service at a rate or charge which does not exceed the actual purchase price of the bulk wastewater service. The Utility will be splitting each bulk wastewater service bill among the customers based upon their water usage, with no “add on” charges being assessed. On December 23, 2019, the connection to Lady Lake was made and as of January 20, 2020, the Utility has ceased operation of its wastewater treatment plant.²

Water Oak has paid its 2019 and 2020 RAFs, provided billing data which demonstrates that customers are not being charged at a rate that exceeds the actual purchase price of the wastewater service, and notified its customers that it is seeking exemption from our jurisdiction.³ In addition, Water Oak has agreed to file its 2019 Annual Report.

Based on the above, we hereby cancel Certificate No. 388-S effective the date the Consummating Order is issued. The Utility shall file its 2019 Annual Report pursuant to Commission rule. The water system will continue to be operated as a regulated utility.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Water Oak Utility’s Certificate No. 388-S shall be canceled effective the date the Consummating Order is issued. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the “Notice of Further Proceedings” attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall remain open for Water Oak Utility to submit its 2019 Annual Report. Once this action is complete, this docket shall be closed administratively.

²Document No. 00590-2020, filed January 27, 2020.

³Document No. 00869-2020, filed February 11, 2020.

By ORDER of the Florida Public Service Commission this 12th day of March, 2020.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KBS

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.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 2, 2020. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.