APRIL 23, 2002

RE: Docket No. 931111-SU - Application for certificate to operate wastewater utility in Franklin County by RESORT VILLAGE UTILITY, INC. Docket No. 991812-SU - Application for transfer of Certificate No. 492-S in Franklin County from Resort Village Utility, Inc. to SGI Utility, LLC.

Should the transfer of the wastewater facilities and Certificate No. 492-S from Resort Village to SGI be approved? RECOMMENDATION: Yes. The transfer of the wastewater facilities and Certificate No. 492-S from Resort Village to SGI is in the public interest and should be approved. SGI is responsible for remitting the 2002 regulatory assessment fees (RAFs) and annual report and all future RAFs and annual reports to the Commission. SGI should provide a copy of a recorded deed in the name of the utility for the land upon which the utility facilities are located or proof of continued use of the land by July 31, 2002. A description of the territory served by the utility is appended to staff's April 11, 2002 memorandum as Attachment A.

APPROVED

COMMISSIONERS ASSIGNED: Deason, Baez, Palecki

SIGNATURES
DISSENTING

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

04476 APR 23 8

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ISSUE 2: What is the rate base of Resort Village at the time of transfer? RECOMMENDATION: The rate base, which for transfer purposes reflects the net book value, is \$344,518 for the wastewater system as of December 31, 1999.

APPROVED

<u>ISSUE 3</u>: Should an acquisition adjustment be included in the calculation of rate base?

<u>RECOMMENDATION</u>: No. SGI has not requested an acquisition adjustment, and there are no extraordinary circumstances in this case to warrant the inclusion of an acquisition adjustment. Staff recommends that no acquisition adjustment should be included in the calculation of rate base.

APPROVED

 $\underline{\hbox{ISSUE 4}}\colon$ What initial wastewater rates and charges should be approved for SGI Utility, LLC?

RECOMMENDATION: The rates and charges as detailed in the analysis portion of staff's memorandum should be approved. The utility should be required to file tariffs within 30 days of the consummating order reflecting the Commission-approved rates and charges. SGI should be required to continue to charge these rates and charges until authorized to change by the Commission. Pursuant to Rule 25-30.475, Florida Administrative Code, the tariff should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. A return on equity of 10% should be approved.

APPROVED

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ISSUE 5: What are the appropriate service availability charges for SGI? RECOMMENDATION: The service availability charges and policy set forth within the staff analysis are appropriate and should be approved. The utility should be authorized to collect a main extension charge of \$800 and a plant capacity charge of \$2,260 per ERC. SGI should be required to file tariffs within 30 days of the consummating order reflecting the Commission-approved rates and charges. The charges should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets.

APPROVED

ISSUE 6: What are the appropriate guaranteed revenues charges for SGI? RECOMMENDATION: The appropriate guaranteed revenues charges for SGI which are set forth in the staff analysis should be approved. SGI should be required to file tariffs within 30 days of the Consummating Order reflecting the Commission- approved rates and charges. The charges should be effective for requests for service made on or after the stamped approval date on the tariff sheets.

APPROVED

ISSUE 7: What is the appropriate AFUDC rate for SGI?

RECOMMENDATION: An AFUDC rate of 10.00% should be approved for SGI and a discounted monthly rate of .832952% should be applied to qualified construction projects beginning on the issued date of the certificates of authorization.

APPROVED

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ISSUE 8: Should these dockets be closed?

RECOMMENDATION: No. If no timely protest is received to the proposed agency action issues, upon the expiration of the protest period a Consummating Order should be issued and Docket No. 931111-SU should be closed. Docket 991812-SU should remain open pending receipt of proof that SGI owns the land upon which the utility's facilities are located or that the utility has continued use of the land. Upon receipt and verification of such proof, Docket No. 991812-SU should be administratively closed.

APPROVED