

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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RECEIVED-FPSC

COMMISSION  
CLERK

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**DATE:** May 8, 2013  
**TO:** Ann Cole, Commission Clerk, Office of Commission Clerk  
**FROM:** Jennifer S. Crawford, Attorney Supervisor, Office of the General Counsel  
**RE:** Docket No. 120271-WS - Application for transfer of water and wastewater facilities of Damon Utilities, Inc. to the City of Avon Park in Highlands County, and request of cancellation of Certificate Nos. 499-W and 433-S.

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Please place the attached administrative approval of a transfer to a governmental entity in the above referenced docket.

JSC/ace

DOCUMENT NUMBER-DATE

02573 MAY-8 2013

FPSC-COMMISSION CLERK



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

## -M-E-M-O-R-A-N-D-U-M-

**DATE:** May 8, 2013

**TO:** Jennifer S. Crawford, Attorney Supervisor, Office of the General Counsel

**FROM:** Avy Smith, <sup>AS</sup> Public Utility Analyst II, Division of Accounting & Finance  
Stephen B. Fletcher, Public Utilities Supervisor, Division of Accounting & Finance

**RE:** Administrative approval of a transfer to a governmental entity in Docket No. 120271-WS, Joint application for transfer of water and wastewater facilities of Damon Utilities, Inc. to the City of Avon Park in Highlands County, and request for cancellation of Certificate Nos. 499-W and 433-S.

*AS*  
*ALM*

Damon Utilities, Inc. (Damon or Utility) is a Class C water and wastewater utility providing service to approximately 283 water and 104 wastewater customers in Highlands County. Water and wastewater rates were last established for this Utility in its 2008 rate case.<sup>1</sup>

On October 25, 2012, Damon filed a partially complete application for transfer of its water and wastewater facilities to the City of Avon Park (Avon Park) and cancellation of Certificate Nos. 499-W and 433-S. After contacting the buyer, staff was able to compile a completed application on February 12, 2013. Pursuant to Section 367.071(4), Florida Statutes (F.S.), the sale of facilities to a governmental authority shall be approved as a matter of right. As such, no notice of the transfer is required and no filing fees apply.

The completed application included an Agreement for Purchase and Sale of Water and Wastewater Assets between Damon and Avon Park, dated April 18, 2012, contingent upon Commission-approval of the instant transfer. Pursuant to Section 367.071(4)(a), F.S., and Rule 25-30.037(4)(e), Florida Administrative Code (F.A.C.), the Utility included a statement that Avon Park obtained the most recent income statement, the most recent balance sheet, statement of rate base for regulatory purposes, and contributions-in-aid-of-construction. Damon has not collected any customer deposits, therefore the requirements of Rule 25-30-037(4)(g), F.A.C., regarding customer deposits are not applicable to this docket.. The Utility has paid all outstanding regulatory assessment fees (RAFs), including RAFs for the period January 1, through December 31, 2012. The Utility will not be under the Commission's jurisdiction after December 31, 2012; therefore, no RAFs are due after this date, and no annual report needs to be filed for the year ended December 31, 2013.

The Commission has jurisdiction pursuant to Section 367.071, F.S. Also, pursuant to Section 2.07(C)(4)(d) of the Administrative Procedures Manual, staff has been given administrative authority to approve transfers to governmental entities that are in compliance with

<sup>1</sup> See Order No. PSC-09-0618-PAA-WS, issued September 11, 2009, in Docket No. 080709-WS, In re: Application for staff-assisted rate case in Highlands County by Damon Utilities, Inc.

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Docket No. 120271-WS

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Section 367.071(4)(a), F.S. and are not controversial in nature. Based on the above, staff believes that the application is in compliance with Section 367.071(4)(a), F.S., and Rule 25-30.037(4), F.A.C. Staff recommends that the Commission acknowledge the transfer of the water and wastewater systems to Avon Park as a matter of right, pursuant to Section 367.071(4)(a), F.S., and cancel Certificate Nos. 499-W and 433-S effective December 31, 2012. In addition, staff recommends that the docket be closed because no further action is necessary.