

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for) DOCKET NO. 951533-WS
certificates to provide water) ORDER NO. PSC-96-0434-FOF-WS
and wastewater service in) ISSUED: March 28, 1996
Manatee County by Keith & Clara)
Starkey d/b/a Heather Hills)
Estates)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER GRANTING GRANDFATHER CERTIFICATE,
APPROVING RATES AND CHARGES
AND
NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MISCELLANEOUS SERVICE CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein approving miscellaneous service charges is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

On October 10, 1995, the Manatee County Board of County Commissioners adopted Resolution No. R-95-109, pursuant to Section 367.171, Florida Statutes, declaring the privately owned water and wastewater utilities in Manatee County subject to the provisions of Chapter 367, Florida Statutes, effective October 10, 1995. The Florida Public Service Commission received Manatee County's resolution on October 17, 1995. The effect of the resolution is to invoke Public Service Commission jurisdiction over privately owned water and wastewater systems in Manatee County. Pursuant to Section 367.031, Florida Statutes, all utilities subject to the Commission's jurisdiction must obtain either a certificate to provide water and wastewater service or an order recognizing the exempt status of the system.

DOCUMENT NUMBER-DATE

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PSC-96-0434-REPORTING

Keith & Clara Starkey d/b/a Heather Hills Estates (Heather Hills or utility) was established in 1967 to serve water and wastewater customers within the Heather Hills Estates in Manatee County, Florida. Heather Hills, a Class C utility serves 353 single family residential customers, a club house and a golf course clubhouse/restaurant for an approximate total of 355 water customers and 354 wastewater customers. The golf course furnishes its own wastewater service.

Heather Hills has never been regulated by any governing authority. Therefore, no annual reports or related information are available.

APPLICATION

On December 7, 1995, Heather Hills filed its application for a water and wastewater certificate of authority (grandfather certificate) to provide service in Manatee County. The application is in compliance with the governing statute, Section 367.171, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for a grandfather certificate. The statutes and rules do not require noticing for grandfather certificate applications. The application contains a check in the amount of \$1,000.00, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided a warranty deed as evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.035(6), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.035(9), (10), and (11), Florida Administrative Code. A description of the territory requested by the applicant is appended to this Order as Attachment A.

Based on the above information, we find it appropriate to approve Heather Hills' application for a grandfather certificate. Accordingly, Heather Hills shall be granted Water Certificate No. 577-W and Wastewater Certificate No. 498-S to serve the territory described in Attachment A.

RATES AND CHARGES

Prior to Commission jurisdiction, Heather Hills was never regulated by any regulatory authority. For informational purposes, the County's rates had been approved in Resolution No. R-95-219 by the Manatee County Board of County Commissioners and became effective on October 1, 1995.

Heather Hills' rates are roughly based on the rates charged by Manatee County, who supplies water and wastewater service to the community in bulk. The marked differences are as follows: Heather Hills bills quarterly rather than monthly; Heather Hills has a quarterly minimum charge that includes 9,000 gallons of water and wastewater service; Heather Hills also bills an administrative fee as part of its minimum charge each quarter.

Manatee County charges master metered mobile home parks on a monthly base facility charge of \$2.40 for water and \$5.88 for wastewater. The County charges \$0.96 per 1,000 gallons for water usage up to 3,600 gallons per month and \$1.31 per 1,000 gallons for water consumption in excess of 3,600 gallons. For wastewater, Manatee County charges a rate of \$2.53 per 1,000 gallons, based upon 85% of water consumption. Also, wastewater charges are limited to a maximum of 12,000 gallons per month.

Heather Hills charges its customers the same base facility charge billed by Manatee County of \$2.40 for water and \$5.88 for wastewater. Heather Hills also bills a "usage" charge that includes 9,000 gallons of water and wastewater service on a quarterly basis or 3,000 gallons per month. This "usage" charge amounts to \$2.88 for water per month and \$6.45 for wastewater per month.

In addition to the base facility charge and usage charges, Heather Hills levies a separate administrative charge. This charge covers repairs and maintenance expenses of the lines throughout the Heather Hills service area, labor for meter reading, billing and maintenance of records. These are cost items that are typically included in a flat base facility charge structure normally used by Commission-regulated utilities. Staff requested detailed information concerning this administrative charge. The total quarterly amount is \$19.71, of which 66.6% is allocated to water service and 33.3% is allocated to wastewater. The allocation was based on the time and labor involved in billing for each of these services. This allocation results in a monthly fee of \$4.38 for water and \$2.19 for wastewater.

The three types of charges combine to create the equivalent of a monthly base facility charge of \$9.66 for water, which includes 3,000 gallons and \$14.52 for wastewater.

In terms of gallonage charges, Heather Hills charges its customers a water consumption rate of \$0.96 per 1,000 gallons up to 9,000 gallons per quarter, and \$1.50 per 1,000 gallons for water consumption in excess of 9,000 gallons. For wastewater, Heather

Hills charges a rate of \$2.53 per 1,000 gallons, based on 85% of water consumption.

While the rate structure varies from the traditional Commission structure, we find the rates and charges billed by Heather Hills to be reasonable. Our staff has verified that Heather Hills was in fact charging the described rates on October 10, 1995, the date Manatee County transferred jurisdiction to the Commission. Adjustments to rate structure and level can be made in any future rate proceeding.

For informational purposes, we reviewed sample bills for a residential customer using Heather Hills rates and the county's rates. However, this analysis involves another set of rates, since the county uses different rates for its regular residential customers. The Manatee County base facility charge for residential service is \$5.15 for water and \$11.79 for wastewater. The gallonage rate is \$0.96 per 1,000 gallons for water usage up to 6,000 gallons per month. For water consumption in excess of 6,000 gallons, the county rate increases to \$1.03 per 1,000 gallons. For water consumption in excess of 15,000 gallons, the county consumption rate increases to \$1.50 per 1,000 gallons. For wastewater, Manatee County charges a rate of \$2.53 per 1,000 gallons, based on 85% of water consumption.

Under direct service from the county, a residential customer using 3,000, 6,000 and 9,000 gallons of water and wastewater would be billed monthly amounts of \$26.27, \$35.60 and \$45.14, respectively.

A Heather Hills customer using 3,000, 6,000 and 9,000 gallons of water and wastewater would be billed monthly \$24.18, \$35.13 and \$46.08 on a monthly basis. This includes both water and wastewater base facility charges, water and wastewater consumption charges and the administrative charge.

Finally, Heather Hills has requested approval of miscellaneous service charges pursuant to Second Revised Staff Advisory Bulletin No. 13, and a meter bench test, (Rule 25-30.266, Florida Administrative Code). These miscellaneous service charges are standard throughout the water and wastewater industry in Florida. Prior to Commission regulation, Heather Hills did not charge customers a connection fee, other turn-on service charges or a meter bench test charge. The utility's rates and charges are detailed on the following pages.

Service Rates

General Service - Water
Residential Service - Water

Billing Period Quarterly

Base Facility Charge

Meter Size:

3/4" and 1.0" \$ 7.20

Usage Charge 8.64

First 9,000 gallons (included in Usage Charge)

Gallonage Charge

Per 100 gallons 0.15
(in excess of 9,000 gallons)

Administrative Charge 13.14

(labor, billing services)

Minimum Charge \$28.98

Service Rates

General Service - Wastewater
Residential Service - Wastewater

Billing Period Quarterly

Base Facility Charge
All customers \$17.64

Usage Charge 19.35

(based upon 85% of 9,000 gallons)

Gallonage Charge
Per 100 gallons 0.30
(in excess of 9,000 gallons)

Administrative Charge 6.57
(labor, billing services)

Minimum Charge \$43.56

Meter Test Charges

Meter Size

3/4" \$20.00
1.0" \$25.00

Miscellaneous Service Charges

Initial connection \$10.00
Normal reconnection \$10.00
Violation reconnection \$15.00
Premises visit \$ 5.00

The utility has filed a tariff which reflects the above rates and charges and we approve them as submitted. We further find that Heather Hills shall be required to continue to charge these rates and charges until authorized to change by the Commission. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

REGULATORY ASSESSMENT FEES

Pursuant to Rules 25-30.110(3) and 25-30.120(2), Florida Administrative Code, annual reports and regulatory assessment fees are due from regulated utilities regardless of whether a certificate has been granted. Heather Hills has been subject to this Commission's jurisdiction since October 1, 1995. The utility was advised of the Commission's jurisdiction and the utility's responsibility to obtain a certificate by a letter dated November 10, 1995. Therefore, Heather Hills shall pay regulatory assessment fees within 45 days from the date of this Order.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Keith & Clara Starkey d/b/a Heather Hills Estates, 4925 Third Street West, Bradenton, Florida 34207, is hereby granted Certificate No. 557-W to serve the territory described in Attachment A of this Order. It is further

ORDERED that Heather Hills Estates shall charge its customers the rates and charges approved herein until authorized to change by this Commission. The tariff filed by Heather Hills Estates, which reflects these rates and charges, shall be effective on the stamped approval date on the tariff sheets. It is further

ORDERED that Heather Hills Estates shall remit regulatory assessment fees for the portion of 1995 when Heather Hills Estates was under Commission jurisdiction, to be submitted within 45 days from the date of this Order. It is further

ORDERED that the provisions of this Order approving miscellaneous service charges are issued as proposed agency action and shall become final unless an appropriate petition is filed with the Director of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the Notice of Further Judicial Proceedings or Judicial Review. It is further

ORDERED that, if no protests are received, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 28th day of March, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

MTR

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 regarding our approval of the miscellaneous service charges is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 18, 1996.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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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.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting 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 of the effective date 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.

ATTACHMENT A

WATER SERVICE AREA

DESCRIPTION OF TERRITORY SERVED

Heather Hills Estates

Manatee County, Florida

Section 11, Township 35S, Range 17E

The NE 1/4 of the SE 1/4 and the South 1/2 of the SE 1/4 of the NE 1/4.

also

Section 12, Township 35S, Range 17E

From the NW corner of the SW 1/4 of the SW 1/4 of the NW 1/4 run due East 170.0 feet to the Point of Beginning;

thence due North 50.0 feet; thence due East 100.0 feet; thence due South 100.0 feet; thence due West 100.0 feet; thence due North 50.0 feet to the Point of Beginning.