

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for grandfather certificates to operate water and wastewater facility in Okeechobee County by Pine Ridge Management Corporation.	DOCKET NO. 050061-WS ORDER NO. PSC-05-1116-PAA-WS ISSUED: November 7, 2005
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The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
LISA POLAK EDGAR

ORDER GRANTING GRANDFATHER CERTIFICATES AND NOTICE OF PROPOSED
AGENCY ACTION ORDER SETTING RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that part of the action discussed herein that establishes rates and charges 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.

On May 13, 2004, the Okeechobee County Board of County Commissioners (County Commission) adopted Resolution No. 2004-16 declaring the water and wastewater utilities in that County subject to the provisions of Chapter 367, Florida Statutes. The Commission acknowledged the resolution on June 15, 2004.¹ Pursuant to Section 367.171(2)(b), Florida Statutes, each utility engaged in the operation or construction of a system is entitled to receive a certificate for the area served on the day the Chapter becomes applicable to it.

On January 26, 2005, Pine Ridge Management Corporation (Pine Ridge or utility) filed an application for certificates under grandfather rights to provide water and wastewater service in Okeechobee County. The application was completed on September 1, 2005. We have jurisdiction pursuant to Section 367.171, Florida Statutes.

Application

According to the application, the utility facilities were in existence and operating when purchased by Pine Ridge on January 16, 1990. Service is provided to approximately 135 mobile home lots and 5 general service customers. The utility is located in a portion of the South

¹ Order No. PSC-04-0593-FOF-WS, in Docket No. 040469-WS, In Re: Resolution of the Board of County Commissioners of Okeechobee County declaring Okeechobee County subject to the provision of Chapter 367, F.S.

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Florida Water Management District (SFWMD) which is considered a critical water supply problem area.

The application is in compliance with the governing statute and other pertinent statutes and administrative rules concerning an application for grandfather certificates. Pursuant to Rule 25-30.030(9), Florida Administrative Code, noticing does not apply to grandfather applications.

The water facilities consist of four wells, each rated at 50 gallons per minute, aeration and chlorination treatment facilities, and storage capacity of 5,000 gallons. The wastewater facilities consist of a 20,000 gallon per day treatment facility with effluent disposal by percolation pond. According to the Florida Department of Environmental Protection (DEP), there are no outstanding enforcement actions or corrective orders issued against the utility's water and wastewater systems. The utility is currently in the process of renewing its wastewater operating permit with the DEP. The application contained a legal description of the territory the utility was serving at the time of jurisdiction as well as system and territory maps. A description of the territory is appended to this order as Attachment A. The application also contained a recorded deed in the name of the Virginia L. Gadsden Family Limited Partnership (Family Trust) as proof of ownership of the land upon which the treatment facilities are located. Pine Ridge is the General Partner of the Family Trust.

The utility has submitted a 2004 annual report and has remitted 2004 RAFs for the period May 13, 2004, through December 31, 2004. Pine Ridge has also provided a statement that the books and records of the utility are essentially in compliance with National Association of Regulatory Utility Commissioners' Uniform System of Accounts.

Based upon the above, Pine Ridge Management Corporation's application is approved and the utility shall be issued Certificate Nos. 630-W and 539-S, effective May 13, 2004, to serve the territory described in Attachment A.

Rates and Charges

The utility provides service to 135 water and 136 wastewater mobile home lots and both services to 5 general service customers. The utility's existing rate structure for the mobile home lots consists of a gallonage charge of \$2.50 per thousand gallons for water service and a monthly \$45.00 flat rate for wastewater service. The general service customers are not metered. Instead, they pay a monthly flat rate ranging from \$20 to \$60 for water and wastewater service combined. According to the application, the current rates went into effect January 1, 2004, per written notice from Pine Ridge to all its customers on October 1, 2003.

The general service flat rates shall be allocated 25% to water and 75% to wastewater based on the utility's water and wastewater operating expenses as reported in its 2004 annual report. In addition, a portion of the utility's residential flat rate for wastewater shall be allocated to water so that the average bills for water service (using approximately 3,000 gallons per month) and wastewater service will generate revenues of approximately 25% and 75%, respectively. Except for one mobile home lot which has its own well, these changes do not affect customer bills, only the allocation of revenues collected by the utility. The wastewater only customer will

pay less under the new allocation. A comparison of the utility's current and the Commission-approved rates are shown below.

Residential Service

	Utility's Current		Commission-Approved Rates	
	<u>Water</u>	<u>Wastewater</u>	<u>Water</u>	<u>Wastewater</u>
Flat Rate		\$45.00		
Charge per 1,000 gallons	\$2.50			
Base Charge			\$ 5.00	\$40.00
Charge per 1,000 gallons			\$ 2.50	

General Service

	Utility's Current		Commission-Approved Rates	
	<u>Water and Wastewater</u>		<u>Water</u>	<u>Wastewater</u>
Flat Rate				
Thrift Store		\$20.00	\$ 5.00	\$15.00
Church, TV Repair, Tattoo		\$30.00	\$ 7.50	\$22.50
Mini-Mart		\$60.00	\$15.00	\$45.00

Rule 25.30.335(1), Florida Administrative Code, requires that utilities render bills to customers at regular intervals. The utility bills its mobile home customers semi-annually for usage. However, the wastewater flat rates for mobile home customers and water and wastewater flat rates for general service customers are due monthly without a bill. The utility shall provide a semi-annual bill to all customers affirming the Commission-approved fixed charges and gallonage charge (as applicable) for water and wastewater service and when payment is due. Since the utility is currently at build-out, there is no service availability policy or charges.

The utility shall file a proposed customer notice reflecting all Commission-approved rates and charges. Once approved by our staff, the utility shall provide the notice to all customers within 10 days of the date the order is finalized. Within 10 days after the notice is given, the utility shall file a statement confirming that the notice has been given.

The Commission-approved rates and charges are approved until authorized to change by the Commission in a subsequent proceeding. The tariff shall become effective on or after the stamped approval date, pursuant to Rule 25-30.475, Florida Administrative Code.

The utility requested that the Commission approve its existing \$75.00 violation reconnection charge. Pursuant to Rule 25-30.320(2), Florida Statutes, this charge may be levied

prior to the reconnection of service for cause, including delinquent payment. Pine Ridge's meters to not have a disconnection valve. Instead, the meter has to be physically removed and the line capped. The \$75.00 violation reconnection charge is designed to recover the cost of removing the meter, capping the line, and reinstalling the meter when service is reconnected. We have reviewed the utility's cost justification and believe it to be reasonable. Therefore, the utility's existing \$75.00 violation reconnection charge is approved. This charge shall be included in the notice, and implemented with the tariff, as discussed above.

The utility also requested a late payment charge. However, instead of its existing 10% charge, the utility requested a \$5.00 charge. The purpose of the late payment charge is to ensure that the cost to bill for delinquent service is borne by the cost-causer and not the general body of rate payers. As cost justification, the utility estimates the cost to be approximately \$3.25 for 15 minutes of labor, \$.37 for postage, and \$1.38 for stationary. The cost justification appears reasonable and the resulting charge is consistent with current Commission-approved late payment charges. Therefore, the \$5.00 late payment charge is approved. This charge shall be included in the notice, and implemented with the tariff, as discussed above.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Pine Ridge Management Corporation is hereby granted Certificate Nos. 630-W and 539-S, effective May 13, 2004. The territory that Pine Ridge Management Corporation is authorized to serve is shown on Attachment A of this Order, which is incorporated herein by reference. It is further

ORDERED that the portions of this Order setting the utility's rates and charges 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 Director, Division of the Commission Clerk and Administrative Services, 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 the utility shall file a proposed customer notice reflecting all Commission-approved rates and charges for our review. It is further

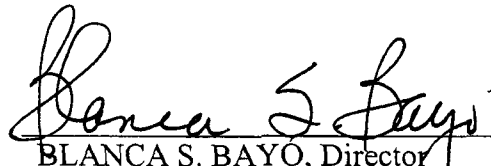
ORDERED that the utility shall provide the approved notice to all customers within 10 days of issuance of the Consummating Order. It is further

ORDERED that the utility file a statement confirming that the notice has been given. It is further

ORDERED that the tariff reflecting rates and charges shall be effective for services rendered or connections made on or after the stamped approval date. It is further

ORDERED that this docket shall remain open to verify that notice has been given to customers and a revised tariff has been filed that reflects the Commission-approved rates and charges. Upon verification of these matters, the docket shall be administratively closed.

By ORDER of the Florida Public Service Commission this 7th day of November, 2005.



BLANCA S. BAYO, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)

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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.

As identified in the body of this order, our action setting rates and charges 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 Director, Division of the Commission Clerk and Administrative Services, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 28, 2005. 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.

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 Director, Division of the Commission Clerk and Administrative Services 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 or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services 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.

Attachment A

Pine Ridge Management Corporation

Okeechobee County

Water and Wastewater Service Area

**Township 37 South, Range 35 East
Section 14**

A parcel of land located in the East 1/2 of Section 14, Township 37 South, Range 35 East, and bounded by the following description:

Commence at the Northeast corner of Section 14, Township 37 South, Range 35 East, thence South 00°12'05" East along the East boundary of said Section 14 for a distance of 2,648 feet to the point of beginning; thence North 90° West for a distance of 880 feet; thence North 0° East for a distance of 1,099 feet; thence North 90° West for a distance of 422 feet; thence South 0° East for a distance of 2,287.99 feet; thence North 63° 02' 04" East for a distance of 1,459.18 feet; thence North 0° East for a distance of 525 feet to the point of Beginning.