

MEMORANDUM

June 3, 1992

ORIGINAL
FILE COPY

TO : REX GOLDEN, DIVISION OF LEGAL SERVICES
DIVISION OF RECORDS AND REPORTING

FROM: RICHARD REDEMANN, DIVISION OF WATER AND WASTEWATER

RE : DOCKET NO. 920095-WS; REQUEST FOR EXEMPTION FROM FLORIDA
PUBLIC SERVICE COMMISSION REGULATION OF A WATER AND
WASTEWATER FACILITY IN ESCAMBIA COUNTY BY MONSANTO
CHEMICAL COMPANY

On December 3, 1991, the Board of County Commissioners of Escambia County adopted a resolution pursuant to Section 367.171, Florida Statutes (F.S.), declaring the water and wastewater utilities in that County subject to the provisions of the Water and Wastewater Regulatory Law, Chapter 367, F.S. The effect of the resolution is to invoke the Commission's jurisdiction over water and wastewater systems in Escambia County. Pursuant to Section 367.031, F.S., 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.

On January 31, 1992 Monsanto Chemical Company (Monsanto) applied for an exemption for a water and wastewater facility from the Florida Public Service Commission under Section 367.022 (3), F.S., Manufacturers providing service solely in connection with their operation. Mr. Luther Fred Sitten, Senior Environmental Specialist, was contacted at (904) 968-7000. He explained that Monsanto produces 1.5 million gallons of fresh water daily that is used at the Monsanto plant for processing chemicals, cooling equipment, and general plant use. The wastewater treatment plant, which is designed for 400,000 gallons a day (gpd) treats 172,800 gpd. This treated wastewater is then reused in the boilers and cooling towers. There are approximately 3,000 people who work at the Monsanto plant daily.

During the investigation, staff determined that Monsanto was serving customers, which are located on Monsanto's property in Gonzales, Florida, and charging for service. Therefore, staff advised Monsanto it would not qualify for an exemption under Section 367.022(3), F.S.

On May 22, 1992, Monsanto re-filed its application for exemption, under Section 367.021(12), stating it was not a utility. According to the amended application, Monsanto indicates that besides serving itself with water and wastewater the following

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facilities located within Monsanto's property are also served: Fiberweb North America, Inc. (Fiberweb); Advanced Elastomer Systems, L.P. (AES LP); Puritan-Bennett Corporation (Puritan-Bennett); Monsanto Employees Credit Union (MECU), and the Monsanto Employees Golf Association (MEGA). Listed below are the arrangements between each company: Fiberweb receives water and wastewater service pursuant to a Lease Agreement, and were charged for this service. AES LP receives water and wastewater service pursuant to a Service Agreement and were charged for water and wastewater service. Puritan-Bennett receives water service in accordance with their agreement and was billed for water service, but does not receive wastewater service. MECU is provided water and wastewater service pursuant to its premises lease with Monsanto. The premises lease requires an annual payment of \$10.00, and does not include a specific charge for water and wastewater service. MEGA is provided water service from the City of Gonzales, and receives irrigation water from Monsanto for the golf course at no charge.

Pursuant to letters dated May 22, 1992, Monsanto has waived payment for the water and wastewater services provided to Fiberweb, AES LP and MECU and for water provided to Puritan-Bennett. Therefore, Monsanto no longer receives compensation for water and wastewater service.

Based upon the facts presented herein, staff believes Monsanto is exempt as defined by Section 367.021(12), F.S. (Section 367.021(12), F.S. defines utility as "every person ... who is providing, or proposes to provide, water and wastewater service to the public for compensation."). Staff recommends that an administrative order be issued by June 30, 1992 indicating the exempt status of the Monsanto, whose mailing address is P.O. Box 12830; Pensacola, Florida 32575-2830. If any further information is needed, please contact me as soon as possible.

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