



Public Service Commission

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

DATE: November 7, 1995
TO: Alice Crosby, Division of Legal Services
Division of Records and Reporting
FROM: Patricia Brady, Division of Water and Wastewater *pb BSM JMW*
RE: Docket No. 950893-WS, Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Broward County by Coral Lake Apartments.

On July 28, 1995, an application for a reseller exemption from regulation by the Florida Public Service Commission was filed on behalf of Coral Lake Apartments (Coral Lake) pursuant to Section 367.022(8) Florida Statutes. The application was signed by Mr. Robert M. Valez as Director of Corporate Property Management (CPM). CPM is a division of Metropolitan Life Insurance Company which owns Coral Lake. Ms. Rosemary LaPrete is the primary contract for the application. The mailing address for Coral Lake and Ms. LaPrete is 6400 Congress Avenue, Suite 1100, Boca Raton, Florida 33487 (407/997-9700). The physical address and service territory for the system is 8300 Coral Lake Lane, Coral Springs, Florida 33065. This location is in Broward County.

The application was filed in accordance with Section 367.022(8), Florida Statutes, and Rules 25-30.060(1), (2), and (3)(h), Florida Administrative Code. The application states that Coral Lake plans to purchase the water and wastewater service from the City of Coral Springs and resell these services to the residents of Coral Lake at a rate or charge that does not exceed the actual purchase price. By signing the application Mr. Valez has acknowledged responsibility for the requirements of Rule 25-30.111, Florida Administrative Code, regarding annual reporting requirements as well as responsibility for the requirements of Section 367.122, Florida Statutes, and Rules 25-30.262 through .267, Florida Administrative Code, regarding the examination and testing of meters. Furthermore, Mr. Valez has acknowledged that he is aware of the penalty pursuant to Section 837.06, Florida Statutes, for knowingly making false statements in writing with the intent to mislead.

Coral Lake Apartments is an existing 260-unit apartment complex receiving service from the City of Coral Springs. Included with the application was a schedule of the City of Coral Springs' current rates and charges; a schedule of the applicant's proposed method of billing residents for water and wastewater; and an explanation showing that the amount billed will not exceed the amount paid for water and wastewater services. The reseller does not intend to retrofit the apartments with individual meters nor charge the residents for their usage. Water and wastewater usage for the individual apartments will be paid by the reseller. The applicant only intends to charge residents for the fixed fees and taxes charged by the City of Coral Springs.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

The City of Coral Springs currently charges Coral Lake Apartments the following rates and charges:

Water fixed fee	(per unit)	\$12.26
Water usage rate	(per thousand gallons)	\$.935644
Public Utility Tax	(on water bill only)	10%
Wastewater fixed fee	(per unit)	\$16.92
Wastewater usage rate	(per thousand gallons)	\$ 1.351497

Based on an estimated monthly metered consumption for Coral Lake Apartment of 1,336 K (thousand) gallons, the following two charts compare the reseller's total costs with an estimated resident bill. Notice that the City of Coral Springs charges Coral Lake Apartments fixed charges for 260 apartment units plus 2 additional units. This means that the reseller's costs are based on 262 units whereas the reseller's revenues are based on 260 units.

RESELLER'S MONTHLY COSTS

Water fixed fee	(\$12.26 x 262 units)	\$ 3,212.12
Water usage rate	(\$0.935644 x 1,336 K gallons)	<u>\$ 1,250.02</u>
Subtotal Water Bill		\$ 4,462.14
Public Utility Tax	(10% of water bill)	\$ 446.21
Wastewater fixed fee	(\$16.92 x 262)	\$ 4,433.04
Wastewater usage rate	(\$1.351497 x 1,336 K gallons)	<u>\$ 1,805.60</u>
Reseller's total costs (262 units)		\$11,146.99

RESIDENT AVERAGE MONTHLY BILL

Water fixed fee	(per unit)	\$ 12.26
Public Utility Tax	(on water bill only)	\$ 1.23
Wastewater fixed fee	(per unit)	<u>\$ 16.92</u>
Total Monthly Payment	(per unit)	\$ 30.41
Resellers's total revenues (260 units)		\$ 7,906.60

Since \$7,906.60 is less than \$11,146.69, the reseller's proposed methodology ensures that the tenants of Coral Lake will never pay more than the actual cost of their water and wastewater service. The reseller has contracted with Waterline Management, Inc. to do the billing for water and wastewater service.

Docket No. 950893-WS

Page 3

November 7, 1995

Section 2.08(C)(14) of the Administrative Procedures Manual grants staff the administrative authority to approve requests for determination of exempt status that are clear-cut and without controversy. Staff finds the application in compliance with statutory requirements and without apparent controversy. Staff recommends that an administrative order be issued finding Coral Lake Apartments exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff recommends that the order require that the owners, or successors, of Coral Lake notify the Commission within 30 days of any change in circumstances or method of operation of its water or wastewater systems so that exempt status may be reevaluated. Furthermore, staff recommends that this docket be closed.

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