



Public Service Commission

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

DATE: April 11, 1996
TO: Division of Records and Reporting
 Division of Legal Services, Alice Crosby
FROM: Division of Water & Wastewater, J. Travis Coker *JTC 03/11/96*
RE: Docket No. 960269-WS; Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Orange County by the Grand Reserve at Maitland Apartment Community.

On March 4, 1996, this Commission received an application from Grand Reserve at Maitland Apartment Community (Grand Reserve or reseller) for a reseller exemption pursuant to Section 367.022(8), Florida Statutes, (F.S.). Staff has determined that Grand Reserve meets the requirements for status as a service entity that will resell water and wastewater at a rate that will not exceed the actual purchase price thereof provided in Section 367.022(8), F.S.

The application was filed in accordance with Section 367.022(8), F.S., and Rule 25-30.060(3)(h), Florida Administrative Code (F.A.C.). Included with exemption application was a statement from the agent of the system describing the statutory and factual basis for the exemption. The applicant stated that services are only to provide utility service as a nonprofit service. Grand Reserve is owned by Antigua Club Associates Limited. Ms. Jacqueline Coscia Leccese, General Partner of Antigua Club Associates Limited submitted a letter of authorization giving Mr. John S. Ranney legal authority to act on behalf of the apartment complex. Mr. Ranney, of Envirotech Utility Management Systems signed the application on behalf of Grand Reserve. In addition, Mr. Ranney acknowledged Section 837.06, Florida Statutes, regarding false statements. The applicant acknowledged the requirements of Rule 25-30.111, F.A.C., regarding annual reporting requirements. The applicant also acknowledged Chapter 367.122, F.S., which deals with the examination and testing of meters; and Rules 25-30.262 through 25-30.267, F.A.C., which explains the responsibilities of the utility owner for insuring the accuracy of the meters.

Grand Reserve has named Orange County Utilities as the entity providing service to the apartment complex and has submitted that company's rates and charges. The reseller has also provided its proposed rates and charges and an explanation of its proposed method of billing. The actual rates billed to the tenants are identical to the rates charged by Orange County Utilities. This demonstrates that the rates charged will not exceed the amount paid for water or wastewater by the reseller entity. Grand Reserve states it does require a \$30.00 deposit and will notify this Commission of any change in this policy. Grand Reserve also stated in its application that tenants will be billed monthly, no miscellaneous charges or water charges for common areas will be levied and that the service territory will be limited to the apartment complex only. The service area is identified by the following address: Grand Isle Circle, Orlando, Florida, 32810.

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For informational purposes, Orange County Utilities' rates and charges for general metered water and wastewater service, charged monthly are as follows:

Base Rates

<u>Meter Size</u>	<u>Water</u>	<u>Wastewater</u>
5/8"	\$ 4.61	\$ 14.15
3/4"	4.61	14.15
1.0"	8.86	31.27
1.5"	15.93	59.81
2.0"	24.42	94.07
3.0"	47.07	185.42
4.0"	72.56	288.18
6.0"	143.36	573.61
8.0"	228.30	916.12

Consumption Rate

\$ 1.19 per 1,000 gallons (with a 3,000 gallon minimum)

Conservation Surcharge

\$ 1.79 per 1,000 gallons in excess of 15,000 gallons

Maximum Wastewater Volume Charge

Single Family = 14,000 gallons

Multi-Family (2-4 units) = 25,000 gallons

All Others = No Maximum Charge

Orange County ordered these rates effective October 1994.

Grand Reserve has a 2.0" meter in use. The proposed rates for water and wastewater service for the apartment complex, charged monthly are as follows:

WATER RATES

Base Rate

Meter Size

2.0"

\$24.42

$24.42 / 364 = \$.07$

Consumption Rate

per 1,000 gallons

\$ 1.19

WASTEWATER RATES

Base Rate

Meter Size

2.0"

\$94.07

$94.07 / 364 = \$.26$

Consumption Rate

per 1,000 gallons

\$ 3.18

The 364 units at Grand Reserve will be billed for consumption based on these rates. An example of a Grand Reserve tenant with 4,500 gallons usage would be calculated as follows:

Base water charge	(\$.07)	\$.07
Water charges	(4500 x 1.19)	\$ 5.36
Base wastewater charge	(\$.26)	\$.26
Wastewater charges	(4500 x 3.18)	<u>\$14.31</u>
	Total	\$20.00

In summary, staff has determined that Grand Reserve meets the necessary qualifications for a nonprofit reseller exemption pursuant to Section 367.022(8), Florida Statutes and Rule 25-30.060(3)(h), Florida Administrative Code. Staff recommends that an administrative order be issued finding Grand Reserve exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff further recommends that the order require Grand Reserve to notify this Commission in the event of any change of circumstances or method of operation of its water system. Furthermore, staff recommends that this docket be closed.