



## Public Service Commission

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

**DATE:** May 31, 1996  
**TO:** Raj Agarwal, Division of Legal Services  
 Division of Records and Reporting  
**FROM:** Patricia Brady, Division of Water and Wastewater *pb BSM for JDN*  
**RE:** Docket No. 960073-WS, Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Broward County by The Courtyards of Coral Springs Apartments.

On January 22, 1996, an application for a reseller exemption from regulation by the Florida Public Service Commission was received on behalf of The Courtyards of Coral Springs Apartments (The Courtyards) pursuant to Section 367.022(8) Florida Statutes. The application was signed by Mr. Richard Huff as Managing General Partner of The Courtyards of Coral Springs Limited Partnership which owns The Courtyards. The primary contact for the application is Mr. Frank Manno. The mailing address for The Courtyards and Mr. Manno is c/o Conservation Billing Services, Inc., 90 South Newtown Street Road, Suite #3, Newtown Square, Pennsylvania 19073-4035 (610/356-8015). The physical address of the system is 8228 NW 24th Street, Coral Springs, Florida. This location is in Broward County.

The application as originally filed was missing Attachments 11 through 13. On May 2, 1996, a revised application was filed with the Commission. As revised, the application 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 the reseller plans to provide water and wastewater services to the residents of The Courtyards at a rate or charge that does not exceed the actual purchase price. By signing the application Mr. Huff 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. Huff 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.

The Courtyards is an existing apartment complex consisting of 66 units which the applicant intends to retrofit with individual meters. The Courtyards receives its water and wastewater 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.

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

May 31, 1996

The City of Coral Springs charges The Courtyards a uniform tariff rate for a General Service Customer with a 3" master meters as follows:

Water base charge	\$ 809.16 / master meter
Water usage charge for first 330,000 gallons	\$ 0.93 / 1,000 gallons
Water usage charge for above 330,000 gallons	\$ 1.22 / 1,000 gallons
10% local tax on water	
Wastewater base charge	\$1,117.38 / meter
Wastewater usage charge	\$ 1.35 / 1,000 gallons

The Courtyards proposes to prorate the City of Coral Springs' base charges across the 66 units. Usage rates will be based on actual metered water consumption and charged at the same rates charged by the City of Coral Springs. The following charts show that The Courtyards's proposed methodology for reselling utility services will not exceed the cost to purchase such services.

#### RESELLER'S AVERAGE MONTHLY BILL

Assuming 6,000 gallons per unit x 66 units for 396,000 total gallons  
(ptg = per thousand gallons)

Water base charge	\$ 809.16
Water usage charge for first 330,000 gallons	
330,000 gallons / 1,000 gallons x \$0.93 ptg	\$ 306.90
Water usage charge for usage over 330,000 gallons	
396,000 gallons - 330,000 = 66,000 gallons	
66,000 gallons / 1,000 gallons x \$1.22 ptg	<u>\$ 80.52</u>
Subtotal	\$1,196.58
10% local tax on water	<u>\$ 119.66</u>
Subtotal for water	\$1,316.24
Base wastewater charge	\$1,117.38
Wastewater usage charge for 396,000 gallons	
396,000 gallons / 1,000 gallons x 1.35 ptg	<u>\$ 534.60</u>
Subtotal for wastewater	\$1,651.98
Total costs for 396,000 gallons for 66 units	<u>\$2,968.22</u>

### RESIDENT'S AVERAGE MONTHLY BILL

Assuming 6,000 gallons per unit  
(ptg - per thousand gallons)

Water base charge (\$809.16 / 66 units)	\$ 12.25
Water usage charge for first 5,000 gallons at \$0.93 ptg *	\$ 4.65
Water usage charge for remaining 1,000 gallons at \$1.22 ptg	\$ 1.22
Subtotal for water	\$ 18.13
10% local tax on water	\$ 1.81
Subtotal for water	\$ 19.94
Wastewater base charge (\$1,117.38 / 66 units)	\$ 16.93
Wastewater usage charge for 6,000 gallons at \$1.35 ptg	\$ 8.10
Subtotal for wastewater	\$ 25.03
Total Bill per unit	\$ 44.97
Total Revenue (\$44.97 x 66 units)	<u>\$2,968.02</u>

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- \* The break in water usage rates at 5,000 gallons was derived by dividing the 330,000 gallons allowed a first tier master meter rate by the City of Coral Springs by the 66 apartment units to get a per apartment allocation of the rate:

$$330,000 \text{ gallons} / 66 \text{ units} = 5,000 \text{ gallons}$$

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The reseller has contracted with Conservation Billing Services, Inc. (CBSI) to do the meter reading and billing. CBSI will bill residents within eight (8) business days after the meters have been read. The reseller proposes to use CBSI's methodology for allocating water over the common areas by taking a three (3) month property average for water and wastewater and multiplying by twelve percent (12%). The twelve percent (12%) will then be evenly divided by the total number of units in the property. Twelve percent (12%) is the average common area usage CBSI has identified from a database of 94 communities. Once the property is fully metered, CBSI will adjust the common area fee to be totally accurate for The Courtyards. The reseller does not propose to charge any meter deposits or additional administrative or processing fees.

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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 The Courtyards of Coral Springs Apartments exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff also recommends that the order specifically state the terms under which the utility is being granted an exemption from regulation and put the current owner of The Courtyards, or successor in title, on notice to notify the Commission within 30 days of any change in circumstances or method of operation of The Courtyard's water and wastewater system which might violate the terms of the exemption so that its continued exempt status may be evaluated. Furthermore, staff recommends that this docket be closed.

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