



Public Service Commission

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

DATE: August 6, 1996
TO: Division of Records and Reporting
 Division of Legal Services (Crosby)
FROM: Division of Water & Wastewater (Walker) *BSM*
RE: Docket No. 960231-WS; Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Brevard County by The Hamptons Apartments *JPW*

On February 26, 1996, this Commission received an application from The Hamptons Apartments (Hamptons or reseller) for a reseller exemption pursuant to Section 367.022(8), Florida Statutes, (F.S.). Our review indicates that The Hamptons Apartments meets the requirements for status as an entity that resells water and wastewater service at a rate or charge that does not exceed the actual purchase price thereof, as provided in Section 367.022(8), Florida Statutes.

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.). Acting as the authorized agent for Harley Property Investors (a partnership), Mr. John S. Ranney described why The Hamptons Apartments qualifies for reseller exemption. Hamptons, the applicant for this proceeding, is an apartment community located in Brevard County. The applicant intends to render service at or below cost. The application indicates that 178 individually metered apartments will be served.

The applicant, through its authorized agent, acknowledged being aware of the requirements of Rule 25-30.111, F.A.C., regarding submission of an annual report. Likewise, the applicant also acknowledged being aware of the requirements of Chapter 367.122, F.S., regarding examination and testing of meters, and Rules 25-30.262 through 25-30.267, F.A.C., regarding the utility owner's responsibility for insuring the accuracy of meters.

According to the application and supplemental information filed by Mr. Ranney, the City of Melbourne and Brevard County will provide service to The Hamptons Apartments under the following terms: the initial base facility charge shall be \$49.92 (two 2" meters at \$24.96 each) for water service and \$2,055.90 (\$11.55 per apartment) for wastewater service, and the concurrent gallonage rates (per thousand gallons) would be \$1.97 and \$2.85, respectively. The reseller's proposed rates and billing method were also reported: dividing the seller's base facility charge equally among 178 apartment units, the reseller's proposed base charges are \$.28 for water service and \$11.55 for wastewater service. An exact duplication of the seller's gallonage rates was proposed: \$1.97 for water service and \$2.85 for wastewater service.

The Hamptons Apartments will collect a \$30.00 refundable deposit. Residents will be billed monthly, miscellaneous fees will not be collected, and usage in common areas will not be charged to residents. Further, the applicant asserts that it will absorb the cost of the

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billing service. The service area is located at 160 Versailles Drive, Melbourne Beach, Florida, 32951. As authorized agent for the applicant, Mr. John S. Ranney signed the application for reseller exemption and acknowledged that he was aware that pursuant to Section 837.06, Florida Statutes, penalties may be imposed for false statements.

A sample billing for a typical resident in the The Hamptons Apartments complex, assuming 4,500 gallons used:

Base water charge	(\$0.28)	\$ 0.28
Water charges	(4.5 Kgals x \$1.97)	\$ 8.87
Base wastewater charge	(\$11.55)	\$11.55
Wastewater charges	(4.5 Kgals x \$2.85)	<u>\$12.83</u>
	Total	\$33.53

In summary, staff has determined that The Hamptons Apartments 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 that declares that The Hamptons Apartments is exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff further recommends that the order require The Hamptons Apartments to notify this Commission in the event of any change of circumstances or method of operation of its water and wastewater systems. Furthermore, staff recommends that this docket be closed.

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