



Public Service Commission

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JUN - 4 1998

11:30
FPSC - Records/Reporting

DATE: JUNE 4, 1998

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF WATER AND WASTEWATER (WALKER, REDEMANN) *BSM*
DIVISION OF LEGAL SERVICES (CROSBY) *PH*

RE: DOCKET NO. 970158-WS - APPLICATION FOR GRANDFATHER CERTIFICATE TO OPERATE A WATER AND WASTEWATER UTILITY IN POLK COUNTY, BY ORCHID SPRINGS DEVELOPMENT CORP. WATER & SEWER.
COUNTY: POLK

AGENDA: JUNE/16/ 1998 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: THIS ITEM SHOULD FOLLOW DOCKET NO. 961229-WS FOR GARDEN GROVE WATER COMPANY, INC.

FILE NAME AND LOCATION: S:\PSC\WAW\WP\970158.RCM

CASE BACKGROUND

On May 14, 1996, the Board of County Commissioners of Polk County adopted a resolution pursuant to Section 367.171, Florida Statutes, declaring that privately owned water and wastewater utilities in that county were subject to the provisions of Chapter 367, Florida Statutes. The resolution was acknowledged by this Commission on July 11, 1996, by Order No. PSC-96-0896-FOF-WS. Pursuant to Section 367.171, Florida Statutes, a utility subject to the jurisdiction of this Commission must obtain a certificate of authorization.

On February 5, 1997, Orchid Springs Development Corporation, Water & Sewer (Orchid Springs or utility) filed an application for a grandfather certificate to provide water service and wastewater service in Polk County pursuant to Section 367.171(2)(b), Florida

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Statutes. After reviewing the territory description, it became apparent that a small portion of the stated territory was actually being served by Garden Grove Water Company. Staff alerted both utilities, which have been negotiating to resolve the conflict. On April 15, 1998, Orchid Springs filed documentation to delete a portion of its service area and transfer that parcel to Garden Grove Water Company, Inc. Since the grandfather certificate has not been issued, this transaction has been handled informally, and will be codified in the new certificated territory description.

Orchid Springs provides water and wastewater service for about 299 residential customers and about 11 commercial customers. As Orchid Springs serves some condominium customers, the customer equivalent measure is about 520 residential units. According to the application, Orchid Springs has been providing utility service since 1969.

Pursuant to Rules 25-30.110(3) and 25-30.120(2), Florida Administrative Code, annual reports and regulatory assessment fees are due from regulated utilities regardless of whether a certificate has been granted. Orchid Springs has been subject to this Commission's jurisdiction since May 14, 1996.

This recommendation addresses Orchid Springs' application for a grandfather certificate. Our review indicates that Orchid Springs is current with regard to submission of annual reports and payment of regulatory assessment fees.

DISCUSSION OF ISSUES

ISSUE 1: Should the application of Orchid Springs for a grandfather certificate in Polk County be granted?

RECOMMENDATION: Yes, Orchid Springs should be granted Water Certificate No. 600-W and Wastewater Certificate No. 516-S. (WALKER, REDEMANN)

STAFF ANALYSIS: As discussed in the case background, the Board of County Commissioners of Polk County transferred jurisdiction of the privately owned water and wastewater utilities in Polk County to this Commission on May 14, 1996. On February 5, 1997, Orchid

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Springs applied for a grandfather certificate to provide service in Polk County, in accordance with Section 367.171(2)(b), Florida Statutes. On April 15, 1998, Orchid Springs filed proof of notification documents to delete a portion of its service area and transfer that parcel to Garden Grove Water Company, Inc.

The application is in compliance with the governing statute, Section 367.171, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for a grandfather certificate. The rules and statutes do not require noticing for grandfather certificate applications. The application contains a check in the amount of \$1,000, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

Rule 25-30.035(6), Florida Administrative Code, requires a utility to provide proof that it owns the land or has continued use of the land upon which its facilities are located. Instead, Orchid Springs produced copies of its tax assessment bills for 1996 as proof of ownership. By letter dated February 17, 1997, Orchid Springs was advised that warranty deeds or similar information was needed to confirm ownership of its treatment plant sites. On April 29, 1998, Orchid Springs provided warranty deeds for its treatment plant sites.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.035(9), (10), and (11), Florida Administrative Code. A description of the territory requested by the applicant is appended to this memorandum as Attachment A.

Staff contacted the Department of Environmental Protection and was informed that there are no outstanding notices of violation for Orchid Springs. Based on the above information, staff recommends that Orchid Springs be granted Water Certificate No. 600-W and Wastewater Certificate No. 516-S to serve the territory described in Attachment A.

ATTACHMENT A

Orchid Springs Development Corp. Water and Sewer
Water and Wastewater Service Area
Polk County

TRACT A: Starting at the Northeast corner of Section 35, Township 28 South, Range 26 East, run thence South 0°22' East along the East boundary of Section 35 a distance of 580.8 feet to a concrete marker for the POINT OF BEGINNING; run thence South 0°22' East along the East boundary of Section 35 a distance of 1414.2 feet; thence North 89°44' East a distance of 560 feet; thence North 33°58' East a distance of 1000 feet; thence North 40°11' West a distance of 1826.13 feet; thence North 60°57' West a distance of 467 feet to the Easterly right-of-way boundary of County Road 550; thence South 29°03' West along the Easterly right-of-way of County Road 550 a distance of 1195 feet; thence North 89°44' East a distance of 1038.76 feet to the POINT OF BEGINNING, AND

TRACT B: North 420 feet of the South 749.20 feet of the Northeast quarter of the Northeast quarter of Section 35, Township 28 South, Range 26 East, lying East of the right-of-way of County Road 550, containing approximately 11.16 acres. Also the 12½ feet immediately East of the above-described property which was closed as a road by Polk County Commissioners, Resolution recorded in Official Records Book 1067, page 823.

TRACT #2: All that part of the West half of the Southwest quarter of the Southwest quarter of Section 25, Township 28 South, Range 26 East, and the East half of the Southeast quarter of the Southeast quarter, Section 26, Township 28 south, range 26 East, lying Southeasterly and Southerly of the right-of-way of County Road 550, and lying Northerly of a line described as follows: Starting at the corner common to Sections 25, 26, 35, and 36, Township 28 South, Range 26 East, Polk County, Florida, run thence North 89°46' East along the South boundary of said Section 25 a distance of 148.78 feet for the POINT OF BEGINNING; thence run North 40°11' West a distance of 303.13 feet, thence North 60°57' West a distance of 467 feet to a concrete marker located on the Easterly right-of-way boundary of County Road 550 at a point 459.05 feet North and 454.77 feet West of the common corner above described for the end of said line. SUBJECT to rights-of-way as of record and/or in use.

TRACT #3: The South half of the Southeast quarter of the Northeast quarter, Section 35, Township 28 South, Range 26 East, AND that part of the Northwest quarter of Section 36, Township 28 South, Range 26 East, Polk County, Florida, described as: Starting at the Northwest corner of Section 36, Township 28 South, Range 26 East, run thence North 89°46' East along the North boundary of Section 36 a distance of 148.78 feet for a POINT OF BEGINNING; thence run South 40°11' East a distance of 1523.0 feet, thence South 33°58' West a distance of 1000.0 feet, thence South 89°44' West a distance of 560 feet to the West boundary of Section 36, thence South 0°22' East along the Section line 464.95 feet to a point

200.04 feet Northerly of the Southwest corner of the Northwest quarter of Section 36, thence run North $69^{\circ}50'30''$ East along the centerline of a canal a distance of 683.83 feet, thence North $33^{\circ}58'$ East a distance of 1296.18 feet, thence North $40^{\circ}11'$ West a distance of 1506.60 feet to a point on the North boundary of Section 36, thence run South $89^{\circ}46'$ West along the said North boundary of Section 36 a distance of 260.89 feet to the POINT OF BEGINNING. SUBJECT to rights-of-way as of record and/or in use. (37.1).

TRACT #4: All that part of the Northwest quarter of Section 36, Township 28 South, Range 26 East, Polk County, Florida, lying Easterly and Northerly of a line described as: Starting at the Northwest corner of Section 36, run thence North $89^{\circ}46'$ East along the North boundary of Section 36, a distance of 409.67 feet for the POINT OF BEGINNING of said line; run thence South $40^{\circ}11'$ East a distance of 1506.60 feet, thence South $33^{\circ}58'$ West a distance of 1296.18 feet to the centerline of a canal, thence run North $69^{\circ}50'30''$ East along the centerline of said canal a distance of 2139.4 feet, more or less, to its intersection with the East boundary of said Northwest quarter of Section 36, for the end of said line. SUBJECT to rights-of-way as of record and/or in use.

TRACT #5: The South half of the Southeast quarter Section 25, Township 28 South, Range 26 East, Polk County, Florida, LESS AND EXCEPT: Begin at the Northeast corner of said South half of the Southeast quarter and run South $0^{\circ}19'17''$ East along the East line of said South half of the Southeast quarter a distance of 457.10 feet, thence North $88^{\circ}44'17''$ West 108.15 feet, thence South $52^{\circ}15'43''$ West 476.63 feet, thence South $0^{\circ}5'17''$ East 252.20 feet, thence South $89^{\circ}54'43''$ West 138.00 feet, thence North $0^{\circ}5'17''$ West 182.00 feet, thence North $80^{\circ}58'17''$ West 419.00 feet, thence North $50^{\circ}57'17''$ West 725.00 feet, thence North $69^{\circ}41'17''$ West 625.70 feet, thence North $0^{\circ}5'17''$ West 72.69 feet to a point on the North line of said South half of the Southeast quarter, thence North $89^{\circ}54'43''$ East along said North line 2184.81 feet to the POINT OF BEGINNING, LESS AND EXCEPT right-of-way of County Road 550, and LESS AND EXCEPT the East 30 feet of the South 866.9 feet of the Southeast quarter of the Southeast quarter of said Section 25 for road, and LESS AND EXCEPT Beginning 473.96 feet North of the Southwest corner of the South half of the Southeast quarter and run North a distance of 812.03 feet thence run East a distance of 313.07 feet thence run South a distance of 806.95 feet thence run West a distance of 313.03 feet to the Point of Beginning.

TRACT #6: That part of the Northeast quarter of Section 36, Township 28 South, Range 26 East, Polk County, Florida, described as: Beginning at the Northeast corner of Section 36, run thence South along the East boundary of Section 36 a distance of 533.80 feet to its intersection with the centerline of a canal, thence run South $69^{\circ}50'30''$ West along said centerline of canal a distance of 2823.3 feet, more or less, to its intersection with the West boundary of said Northeast quarter, thence run a distance of 1,496.01 feet North along the West boundary of said Northeast quarter to the Northwest corner of the Northeast quarter, thence run Easterly along the North boundary of said Northeast quarter of Section 36 a

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distance of 2642.28 feet to the POINT OF BEGINNING. SUBJECT to right-of-way over the East 30 feet thereof.

ISSUE 2: What rates and charges should be approved for this utility?

RECOMMENDATION: The rates and charges as detailed in the staff analysis should be approved. The tariff should be effective for services rendered or connections made on or after the stamped approval date of the tariff. (WALKER)

STAFF ANALYSIS: The rates Orchid Springs had in effect on the date the Florida Public Service Commission received jurisdiction should be approved as the appropriate rates and charges for the utility. By resolution adopted on August 17, 1993, the Board of County Commissioners of Polk County approved collection of the following rates and charges by Orchid Springs:

Monthly Service Rates

Water:

Residential & General Service:

Base Facility Charge:

5/8 x 3/4"	\$ 6.01
3/4"	9.02
1"	15.03
1 X 1/2"	30.05
2"	48.08
3"	96.16
4"	150.25

Gallonage Charge \$ 0.72

Wastewater:

All meter sizes: \$ 15.88
(flat rate - no consumption charge)

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Customer Deposits

Water

<u>Meter Size:</u>	<u>Residential</u>	<u>General Service</u>
5/8 x 3/4"	\$35.00	\$35.00
1"	\$35.00	\$35.00
1 1/2"	\$35.00	\$35.00
Over 2"	\$35.00	\$35.00

Meter Test Deposits

<u>Meter Size:</u>	<u>Charge</u>
5/8 x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

Miscellaneous Service Charges

Initial Connection Fee:	\$ 15.00
Normal Reconnection Fee:	\$ 15.00
Violation Reconnection Fee:	\$ 15.00
Premises Visit Fee:	\$ 15.00

The utility has filed a tariff which reflects the above rates and charges. Staff recommends that they be approved as submitted. Staff further recommends that Orchid Springs be required to continue to charge these rates and charges until authorized to change by the Commission. The tariff should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

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ISSUE 3: Should this docket be closed?

RECOMMENDATION: No further action is required in this docket, therefore, it should be closed upon issuance of the order.
(CROSBY)

STAFF ANALYSIS: No further action is required in this docket, therefore, it should be closed upon issuance of the order.