

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: September 12, 2013

TO: Office of Commission Clerk (Cole)

FROM: Division of Engineering (Rieger, Lewis) *SDR*
Division of Economics (Thompson) *CKL*
Office of the General Counsel (Brownless) *J.W.P.*

RE: Docket No. 130149-WU – Application for grandfather certificate to operate water utility in Charlotte County by NHC Utilities, Inc.

AGENDA: 09/25/13 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Graham

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ENG\WP\130149.RCM.09-25-13.DOC

Case Background

On February 12, 2013, the Board of County Commissioners of Charlotte County (County) passed and adopted Resolution No. 2013-003 (Resolution), transferring regulation of the privately owned for profit water and wastewater utilities in the County to the Florida Public Service Commission (PSC or Commission). Effective upon the adoption of the Resolution, all non-exempt water and wastewater systems in the County became subject to the provisions of

Chapter 367, Florida Statutes (F.S.). The Commission acknowledged the Resolution on March 14, 2013.¹

Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility. On May 23, 2013, NHC Utilities, Inc. (NHC or Utility) filed an application for a certificate under grandfather rights to provide water service in Charlotte County pursuant to Section 367.171(2)(b), F.S. and Rule 25-30.035, Florida Administrative Code (F.A.C.).² The areas served are known as Harbor Lakes and Stonebridge.

The NHC system has been in existence since 1985 and currently serves 330 residential customers and 4 general service customers. The Utility's service area is located in the Southern Water Use Caution Area under the Southwest Florida Water Management District.

This recommendation addresses the application for a grandfather water certificate, and rates and charges. The Commission has jurisdiction pursuant to Section 367.171, F.S.

¹ See Order No. PSC-13-0127-FOF-WS, issued March 14, 2013, Docket No. 130049-WS, In re: Resolution of the Board of County Commissioners of Charlotte County declaring Charlotte County subject to the provisions of 367, F.S.

² Staff believes the May 23, 2013, filing date to be in substantial compliance with Section 367.171(2)(b), F.S.

Discussion of Issues

Issue 1: Should NHC Utilities, Inc.'s application for a grandfather certificate in Charlotte County be acknowledged?

Recommendation: Yes. NHC's application should be acknowledged and the Utility should be issued Certificate No. 663-W, effective February 12, 2013, to serve the territory described in Attachment A. The resultant order should serve as NHC's certificate and should be retained by the Utility. (Rieger, Lewis, Thompson)

Staff Analysis: The Utility's application for a certificate under grandfather rights to provide water service in Charlotte County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. An accurate territory description and adequate service territory and system maps were provided. As the Utility does not own treatment facilities, it was not necessary for the application to contain a warranty deed as proof of ownership of the land on which the utility facilities are located as required by rule. A description of the Utility's territory is described in Attachment A.

The Utility has been in existence since 1985 and currently serves potable water service to 330 residential customers and 4 general service customers. The Utility purchases bulk water service from Charlotte County Utilities. Wastewater service in the area is handled by the Riverwood Community Development District, a utility not under Commission jurisdiction. The Utility reported that there are no material customer service issues. The utility is aware of the requirement to submit an annual report for 2013 pursuant to Rule 25-30.110, F.A.C., and remit to the Commission regulatory assessment fees effective February 12, 2013, pursuant to Rule 25-30.120, F.A.C. In addition, the Utility is aware that it must maintain its books and records according to the National Association of Regulatory Commissioners' Uniform System of Accounts.

Based on the above, staff recommends that NHC be granted Certificate No. 663-W to serve the territory described in Attachment A. The resultant order should serve as NHC's certificate and should be retained by the Utility.

Issue 2: What rates and charges should be approved for NHC Utilities, Inc.?

Recommendation: The Utility's rates and charges that were in effect when Charlotte County transferred jurisdiction to the Commission, shown on Schedule No. 1, should be approved. The rates and charges should be effective for services rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. NHC should be required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding. (Thompson)

Staff Analysis: According to the Utility's application, Charlotte County approved the rates and charges that are shown on Schedule No. 1. The rates include a base facility charge and uniform gallonage charge for water service, miscellaneous service charges, late fees, and service availability charges.

Staff recommends that the Utility's rates and charges that were in effect when Charlotte County transferred jurisdiction to the Commission, shown on Schedule No. 1, should be approved. The rates and charges should be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. NHC should be required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding.

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Issue 3: Should this docket be closed?

Recommendation: Yes. Since there are no pending issues in this docket, the docket should be closed upon the issuance of the final order. (Brownless)

Staff Analysis: Since there are no pending issues in this docket, the docket should be closed upon the issuance of the final order.

NHC UTILITIES, INC.

DESCRIPTION OF TERRITORY SERVED

A parcel of land lying in Section 21, Township 40 South, Range 21 East, Charlotte County, Florida, being more particularly described as follows:

A portion of Plan No. 1 of a part of Ward Seven El Jobean, as recorded in Plat Book 2, Page 37, of the Public Records of Charlotte County, Florida, and a portion of Plan No. 2 of a part of Ward Seven El Jobean, as recorded in Plat Book 2, Page 48, of the Public Records of Charlotte County, Florida, all being more particularly described as follows:

Commencing at the Northeast corner of said Section 21; run North 89° 32' 10" West along the North line of said Section 21, a distance of 12.03 feet to the intersection with the centerline of the C.H. & N. Railroad; thence South 12° 11' 23" West along said centerline, a distance of 4258.40 feet to the intersection of the centerline of the C.H. & N. Railroad and the Northerly right of way line of Russell Avenue, said point being the Point of Beginning,

Beginning at the intersection of the Northerly right of way line of Russell Avenue and the centerline of the C.H. & N. Railroad; thence South 72° 11' 23" West along the Northerly right of way line of said Russell Avenue, a distance of 1257.07 feet to a point on the arc of a curve whose radius point bears South 67° 00' 19" West from said point, and being the right of way line of Seminole Circle; thence, Northerly and Westerly, along the arc of said curve, having a radius of 332 feet and a central angle of 49° 37' 52", an arc distance of 287.59 feet, to the Easterly right of way line of Southland Avenue; thence North 12° 11' 23" East, along said Easterly right of way line, a distance of 2024.95 feet; thence North 77° 48' 37" West, a distance of 1390.0 feet, to the center of Lincoln Park; thence North 17° 22' 27" East radially a distance of 331.97 feet to the intersection of Lincoln Circle with the Easterly right of way line of Hamner Avenue; thence North 12° 11' 23" East along the Easterly right of way line of Hamner Avenue, a distance of 1222.32 feet to the intersection with the Southeasterly right of way line of Colonial Avenue; thence North 72° 11' 23" East along the Southeasterly right of way line of Colonial Avenue, a distance of 605.01 feet to the Southwesterly extension of the Southeasterly right of way line of Ward Road; thence North 12° 11' 23" East along the Southeasterly right of way line of Ward Road, a distance of 417.62 feet to a point on the North line of Section 21, Township 40 South, Range 21 East, Charlotte County, Florida; thence South 89° 32' 10" East along the North line of said Section 21, a distance of 2212.21 feet to the intersection with the centerline of the C.H. & N. Railroad; thence South 12° 11' 23" West along said centerline, a distance of 4258.40 feet to the Point of Beginning, containing 202.5285 acres, more or less.

FLORIDA PUBLIC SERVICE COMMISSION

**authorizes
NHC Utilities, Inc.
pursuant to
Certificate Number 663-W**

to provide water service in Charlotte County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
*	*	130149-WU	Grandfather Certificate

*Order Number and date to be provided at time of issuance.

NHC Utilities, Inc.
 Charlotte County
 Water

Residential and General Service

Base Facility Charge by Meter Sizes	
5/8" x 3/4"	\$ 16.99
3/4"	\$ 25.49
1"	\$ 42.47
1 1/2"	\$ 84.95
2"	\$ 135.91
3"	\$ 271.83
Charge per 1,000 Gallons	\$ 4.88

Multi-Residential Service

All Meter Sizes	\$ 16.99
Charge per 1,000 Gallons	\$ 4.88
Monthly Fire Hydrant Maintenance Charge (all meter sizes)	\$.64

Initial Customer Deposit

5/8" X 3/4"	\$100.00
1"	\$150.00
1 1/2"	\$500.00
2" and over	\$800.00

Residential and General Service

Miscellaneous Service Charges

Initial Connection Fee	\$ 0
Normal Reconnection Fee	\$ 35.00
Violation Reconnection Fee	\$ 52.50
Premises Visit Fee (in lieu of disconnection)	\$ 35.00
Late Payment	\$ 3.00

Service Availability Charges

Customer Connection (Tap-In) Charge

5/8" x 3/4"	\$ 430.00
1"	\$ 480.00
1 1/2"	\$ 864.00
2"	\$ 1,056.00