



On April 24, 1990, we received a complaint from some of the homeowners served by the system. The complainants stated that the canal running parallel to their property and the Utility's property does not drain and flush properly, resulting in a large amount of algae on the surface of the canal. They feel that the canal is an eyesore and poses a serious health problem.

A Commission engineer investigated the complaint. During his investigation, he met with representatives of the Department of Environmental Regulation (DER) and Environmental Health Services (HRS) and Mrs. Henry Miller, one of the homeowners. It is apparent from the inspection of the canal that the drain pipes are not large enough to flush out the canal. However, according to the HRS representative, no health problems exist because of the algae.

The complaint was given to the Utility's attorney for resolution. On June 22, 1990, the attorney for Jasmine Lakes Development Corporation (Developer) wrote a letter to the Commission stating that the Developer is the owner of the canal, and as a temporary measure, the canal would be sprayed to reduce the weeds. In a discussion on September 26, 1990, with a DER representative, we confirmed that the canal has been sprayed.

Since the canal is owned by the Developer and not the Utility, the Commission has no jurisdiction in this matter. Mrs. Miller was advised to bring any future problems to the attention of the developer.

#### Application

The application is in compliance with Section 367.071, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for transfer. In particular, the notarized application contains:

1. A filing fee in the amount of \$1,800.00, as prescribed by Rule 25-30.020, Florida Administrative Code.
2. Proof of notice of application to all governmental and regulatory agencies and utilities within a four-mile radius of the territory, and proof of advertisement in a newspaper of general circulation in Pasco County, as prescribed by Rule 25-30.030, Florida Administrative Code.

3. Proof of notice to all customers of record pursuant to Rule 25-30.030, Florida Administrative Code.
4. A warranty deed for the Utility's plant sites and a 99-year lease agreement for the Utility's well sites.

No objection to the notice of application has been received and the time for filing such has expired. The territory being transferred is described in Attachment A of this Order.

An inspection of the Utility's water and wastewater facilities was conducted in June, 1990. Since the Utility buys 100 per cent of its water from Pasco County, the water plant is not in use at this time. The Utility is required to buy 80 percent of its water from the Pasco Water Authority, which is owned by Pasco County, because of chlorides in the well water. At the time of the inspection, it was determined that five wells and the chlorination system have not been retired. Further, the water plant needs housekeeping attention, maintenance and some reconstruction before the water system could be reactivated.

During the last rate case, the rates were set based on the wells and water treatment plant-in-service. If JLUC files a request for a rate increase, the water treatment system may be classified as plant held for future use, if it is not being used. JLUC is considering reactivating the water system, and plans to blend well water with the County's water. DER currently has no citations or corrective orders against the water system. Due to the poor condition of the water plant and retirements not made by the Utility, we have adjusted the water plant accounts accordingly.

The Utility has an old and a new wastewater treatment plant. The old plant is in need of some maintenance work; however, the wastewater system was operating satisfactorily at the time of the plant inspection. The system also needs housekeeping attention. DER currently has no citations or corrective orders against the wastewater system. The wastewater plant accounts have been adjusted to reflect repairs and improvements that need to be made to the wastewater plant and retirements not made by the Utility.

The principle shareholders of JLUC, the purchaser, are James and Robert Dreher. They are also the principle shareholders of Forest Hills Utilities, which is regulated by the Commission. Therefore, they are familiar with the management and construction of water and wastewater facilities. Further, from their financial

statements, it appears that they are financially able to operate the system.

Since the Utility's water and wastewater systems need improvements and because the stockholders have committed to making the improvements necessary to provide the customers with quality service, we find that the transfer of Certificates Nos. 110-W and 83-S from JLSI to JLUC is in the public interest and it is, therefore, approved. JLUC is directed to return Certificates Nos. 110-W and 83-S to the Commission within 30 days of the date of this Order for entry reflecting the transfer.

#### Rate Base

JLUC submitted \$227,241 and \$321,461 as rate base for the water and wastewater systems, respectively, as of December 31, 1989. An audit of the Utility's books and records has been conducted to determine rate base (net book value) at the time of the transfer.

Utility-plant-in-service (UPIS) has been adjusted to reflect plant retirements that have not been recorded on the Utility's books. Therefore, UPIS is \$564,561 and \$623,878 for water and wastewater, respectively.

Depreciation associated with the plant retirements referenced herein has been removed from accumulated depreciation. Therefore, accumulated depreciation is \$222,288 for water and \$193,402 for wastewater.

As a result of the adjustments, we have calculated rate base to be \$229,967 for water and \$328,125 for wastewater as of April 10, 1990, the date of transfer. Our calculation of rate base is shown on Schedules Nos. 1 and 2, for the water and wastewater systems, respectively, with adjustments shown on Schedule No. 3.

An acquisition adjustment results when the purchase price differs from the rate base calculation. In the absence of extraordinary circumstances, it is the policy of the Commission that the purchase of a utility at a premium or discount shall not affect the rate base calculation. The circumstances in this transaction do not appear to be extraordinary; therefore, no acquisition adjustment is included in rate base.

The rate base calculation is used purely to establish the net book value of the property being transferred and does not include the normal ratemaking adjustments of working capital calculations and used and useful adjustments.

Rates and Charges

The rates and charges currently approved for JLSI are as follows:

Water System

(Monthly Rates)

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Approved Rates</u>
5/8" x 3/4"	\$ 2.87
1"	7.20
Gallonage Charge Per 1,000 Gallons	2.87

General Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Approved Rates</u>
5/8" x 3/4"	\$ 2.87
1"	7.20
1-1/2"	14.40
2"	22.69
3"	45.98
4"	71.85
6"	143.69
Gallonage Charge Per 1,000 Gallons	2.87

Wastewater System

(Monthly Rates)

Residential Service

Base Facility Charge  
Meter Size

Approved Rates

5/8" x 3/4"

\$ 3.29

Gallonge Charge  
Per 1,000 Gallons  
(10,000 Gallons maximum)

.72

General Service

Base Facility Charge  
Meter Size

Approved Rates

5/8" x 3/4"

\$ 3.29

1"

8.27

1-1/2"

16.51

2"

26.41

Gallonge Charge  
Per 1,000 Gallons

.72

Service Availability Schedule of Fees and Charges

Water

Customer Connection Tap-in Charge

Meter Size

Amount

5/8" x 3/4"

\$ 10.00

1"

10.00

According to Rule 25-9.044(1), Florida Administrative Code, a company purchasing a system must adopt and use the rates, classification and regulations of the former operating company. JLUC has not requested to change the rates currently in effect for



JLSI and we see no reason to change them at this time. Therefore the rates and charges set forth above are approved and JLUC is directed to continue to charge these rates and charges to the former JLSI customers until authorized to change by the Commission.

JLSI's tariffs do not include customer deposits or miscellaneous service charges. In this Docket, JLUC is not requesting to collect customer deposits. It is, however, requesting authority to charge the following miscellaneous service charges:

	<u>Water</u>	<u>Wastewater</u>
Initial Connection Fee	\$ 15.00	\$ 15.00
Normal Reconnection Fee	15.00	15.00
Violation Reconnection Fee	15.00	15.00
Premises Visit	10.00	10.00

We find these rates to be reasonable. However, when both water and wastewater services are provided, only a single charge is appropriate. These charges will be administratively approved when the tariff sheets are approved.

JLUC is directed to file revised tariff sheets within 30 days of the date of this Order reflecting the transfer and the rates and charges approved herein. The tariff sheets will be effective for services provided or connections made after the stamped approval date of the tariffs.

It is, therefore,

ORDERED by the Florida Public Service Commission that the transfer of Certificates Nos. 110-W and 83-S from Jasmine Lakes Services, Inc., 10602 Devco Drive, Port Richey, Florida 34668, to Jasmine Lakes Utilities Corporation, 1518 U. S. Highway 19, Suite C, Holiday, Florida 34691, is hereby approved. Jasmine Lakes Utilities Corporation shall submit Certificates Nos. 110-W and 83-S to the Commission within 30 days of the date of this Order for appropriate entry. It is further

ORDERED that rate base, for purposes of this transfer which reflects the net book value, is \$229,967 for the water system and \$328,125 for the wastewater system. It is further

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ORDERED that Jasmine Lakes Utilities Corporation shall charge the rates and charges approved in the body of this Order until authorized to change by the Commission. It is further

ORDERED that Jasmine Lakes Utilities Corporation shall file revised tariff sheets within 30 days of the date of this Order reflecting the action taken herein. The tariff sheets shall be effective for services provided or connections made after the stamped approval date. It is further

ORDERED that the provisions of this Order, issued as Proposed Agency Action, shall become final unless an appropriate petition in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 7th  
day of NOVEMBER, 1990.



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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ALC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that



is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action establishing rate base and setting rates and charges is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on November 28, 1990. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida

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Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

JASMINE LAKES SERVICES, INC.

Territory Description

In Township 25 South, Range 16 East,  
Pasco County.

That portion of Sections 14, 15 and 16 being  
more particularly described as follows:

Commence at the Northwest corner of said  
Section 15; thence run South 0 degrees  
14 minutes 40 seconds West, a distance  
of 1680.03 feet; thence South 89 degrees  
48 minutes 12 seconds East, a distance  
of 24.08 feet for a Point of Beginning;  
thence continue South 89 degrees 48 minutes  
12 seconds East, a distance of 1284.63 feet;  
thence North 0 degrees 14 minutes 40 seconds  
East, a distance of 334.62 feet; thence South  
89 degrees 44 minutes 34 seconds East, a  
distance of 1308.74 feet; thence South  
89 degrees 54 minutes 36 seconds East,  
a distance of 2623.16 feet; thence South  
0 degrees 21 minutes 11 seconds West, a  
distance of 1328.55 feet; thence South  
89 degrees 43 minutes 05 seconds East,  
a distance of 643.97 feet; thence South  
03 degrees 16 minutes 30 seconds West,  
a distance of 2641.28 feet; thence North  
89 degrees 41 minutes 55 seconds West,  
a distance of 475.00 feet; thence North  
89 degrees 54 minutes 36 seconds West,  
a distance of 2650.37 feet; thence North  
0 degrees 15 minutes 00 seconds East,  
a distance 1645.51 feet; thence North  
89 degrees 53 minutes 51 seconds West,  
a distance of 2617.11 feet; thence  
North 89 degrees 45 minutes 23 seconds  
West, a distance of 609.96 feet to the  
Easterly right-of-way line of U.S.  
#19 (SR #55); thence 2101.65 feet along  
said right-of-way line and along an arc  
of a curve to the left, said curve  
having a radius of 5803.87 feet and a  
chord of 2090.19 feet which bears  
North 17 degrees 54 minutes 00 seconds  
East, to the Point of Beginning.

SCHEDULE NO. 1

Jasmine Lakes Services, Inc.

SCHEDULE OF WATER RATE BASE

As of April 10, 1990

<u>DESCRIPTION</u>	<u>BALANCE PER BOOKS</u>	<u>COMMISSION ADJUSTMENTS</u>	<u>BALANCE PER COMMISSION</u>
Utility Plant in Service	\$619,208	\$(54,647) (1)	\$564,561
Land	2,570	0	2,570
Accumulated Depreciation	(277,250)	54,962 (2)	(222,288)
Contributions-in-Aid-of Construction	(193,231)	0	(193,231)
CIAC Amortization	<u>78,355</u>	<u>0</u>	<u>78,355</u>
TOTAL	<u>\$229,652</u>	<u>\$ 315</u>	<u>\$229,967</u>

Jasmine Lakes Services, Inc.

SCHEDULE OF WASTEWATER RATE BASE

As of April 10, 1990

<u>DESCRIPTION</u>	<u>BALANCE PER BOOKS</u>	<u>COMMISSION ADJUSTMENTS</u>	<u>BALANCE PER COMMISSION</u>
Utility Plant in Service	\$645,104	\$(21,226) (1)	\$623,878
Land	5,802	0	5,802
Accumulated Depreciation	(214,628)	21,226 (2)	(193,402)
Contributions-in-Aid-of Construction	(162,245)	0	(162,245)
CIAC Amortization	<u>54,092</u>	<u>0</u>	<u>54,092</u>
TOTAL	<u>\$328,125</u>	<u>\$ 0</u>	<u>\$328,125</u>

Jasmine Lakes Services, Inc.

Rate Base Adjustments

<u>Description</u>	<u>Adjustment</u>	
	<u>Water</u>	<u>Wastewater</u>
<u>Utility-Plant-in-Service</u>		
1) To reflect plant retirements not recorded on utility's books	<u>\$(54,647)</u>	<u>\$(21,226)</u>
<u>Accumulated Depreciation</u>		
2) To account for depreciation remaining from 1987 plant retirement that utility only partially recorded on its books	315	
2) To account for depreciation related to plant retirements	<u>54,647</u>	<u>21,226</u>
Total Accumulated Depreciation	<u>\$54,962</u>	<u>\$ 21,226</u>
Total Adjustments	<u>\$ 315</u>	<u>\$ 0</u>