

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of Creola, ) DOCKET NO. 910933-SU  
Inc. for a Wastewater ) ORDER NO. PSC-93-0501-FOF-SU  
Certificate in Highlands County, ) ISSUED: 4/5/93  
Florida. )  
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The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
THOMAS M. BEARD  
SUSAN F. CLARK  
JULIA L. JOHNSON  
LUIS J. LAUREDO

ORDER REQUIRING CREOLA, INC. TO FILE A 1992 ANNUAL  
REPORT AND PAY 1992 REGULATORY ASSESSMENT FEES

AND

NOTICE OF PROPOSED AGENCY ACTION  
ORDER ESTABLISHING RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action establishing rates and charges discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Background

On September 9, 1992, this Commission issued Order No. PSC-92-0956-FOF-SU granting Creola, Inc. (Creola or utility) Certificate No. 473-S to provide wastewater service in Highlands County, Florida. Creola serves approximately 683 residential customers in Francis Mobile Estates I and II, a mobile home community and six

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PSC-RECORDS REPORTING

general service customers. The general service customers include a motel, four restaurants and an apartment complex. The Docket was held open for the establishment of appropriate rates and charges and for determination of the jurisdictional status of approximately 250 customers who rent lots in Francis Mobile Estates I.

In order to qualify for landlord/tenant exemption from Commission regulation, Section 367.022(5), Florida Statutes, and Rule 25-30.060(3)(e), Florida Administrative Code, require an entity to provide service solely to its tenants. In addition, the charge for such service must be included as a nonspecific portion of the rent. Creola does not meet these requirements.

As discussed previously, Creola serves approximately 683 customers in Francis Mobile Estates I and II as well as six general service customers. Approximately 250 of the lots within Francis Mobile Estates I are rental lots owned by the utility. The charge for wastewater service is included as a nonspecific portion of the lot rent. However, since the customers located in Francis Mobile Estates I are not the only customers served by the utility, Creola does not qualify for a landlord/tenant exemption, pursuant to Section 367.022(5), Florida Statutes, and Rule 25-30.060(3)(e), Florida Administrative Code.

Therefore, since Creola is not exempt from Commission regulation, it shall charge each of its residential customers the flat rate approved herein. In addition, Creola will be required to calculate revenue and pay regulatory assessment fees based on this rate.

#### Rates and Charges

Creola's rates for wastewater service have been set over a period of time based on verbal or written agreements with individual customers. The rates were designed to be similar to those charged by the City of Sebring. In accordance with the agreements, the rates automatically increase each year based on the consumer price index or a set percentage. The utility has been advised that all future rate increases must be approved by the Commission prior to their implementation.

Creola currently charges the Econo Inn Motel (Econo), which has 42 rooms, a flat monthly rate of \$508. Since the motel is planning to add a restaurant, the utility has requested that the flat rate be converted to a rate which would enable it to recover

the additional cost of providing service to the restaurant. Creola proposes that the flat rate be changed to the base rate facility charge rate structure, which is based on water consumption.

The utility calculated a base facility charge which, when applied to the water consumption of Econo over a historic twelve-month period, would generate the same revenue as that collected during that time using the current rate. Creola has requested to charge Econo a base facility charge of \$72.50 and a gallonage charge of \$3.1478 per 1,000 gallons. We find these rates to be reasonable and they are approved.

The rate charged for wastewater service to the four restaurants and the apartment complex is 2-1/2 times the bill for water service, which is provided by the City of Sebring. Under this type of structure, the rate for wastewater changes as the water rates change. The utility has been advised that in the future the wastewater rates will not be tied to the water rates of the City of Sebring and that rate changes must be approved by the Commission. Shown below are the rates currently charged based on the current water rates of the City of Sebring. We find these rates to be reasonable and they are approved.

<u>Meter Size</u>	<u>Amount</u>
5/8 x 3/4"	\$ 34.50
1"	\$ 36.25
1-1/4"	\$ 37.75
1-1/2"	\$ 39.38
2"	\$ 42.88
3"	\$ 54.75
4"	\$ 62.88

<u>Gallonage Charge</u>	
First 30,000 Gallons	\$ 5.10
Over 30,000 Gallons	\$ 4.10

Creola shall charge the four restaurants and apartment complex the rates approved above until authorized to change by this Commission.

As stated previously, Creola serves approximately 683 mobile home lots within Francis Mobile Estates I and II. Approximately 250 residents within Francis Mobile Estates I rent their lots; the rental fee includes wastewater service as a nonspecific portion of

the rent. In addition, there are 164 residents in Francis Mobile Estates I that own their lots and pay for wastewater service as a nonspecific portion of a \$28 maintenance fee. This fee also includes common area maintenance services. Each of the 269 lots in Francis Mobile Estates II is charged a flat rate of \$10.25 per month.

In order to avoid discriminatory treatment, the charges for wastewater service to the residents of Francis Mobile Estates I and II must be uniform. Therefore, we find the flat rate of \$10.25 per month to be reasonable and it is approved. Creola shall charge all of its residential customers the flat rate. The utility shall notify the residents of Francis Mobile Estates I that they will be billed separately for wastewater services.

Creola has never charged service availability charges. Although it is Commission policy that utilities collect service availability charges so that new customers will pay at least a portion of the cost of providing service, Creola does not anticipate a substantial growth in customers in its service area. Therefore, the cost of filing a service availability case to establish cost-based charges is not warranted. Sufficient information is not available in this docket to establish truly cost-based service availability charges. To ensure that future customers will pay some portion of the cost of providing service, a plant capacity charge of \$500 per equivalent residential connection (ERC) is hereby approved for all future connections.

Creola does not currently collect customer deposits and none are approved herein. Although Creola does not currently have any miscellaneous service charges, the utility has requested that it be allowed to implement the miscellaneous service charges contained in Staff Advisory Bulletin No. 13, Second Revised, for initial connections, normal reconnections, violation reconnections and premises visits in lieu of disconnection. The miscellaneous service charges will be administratively approved when the tariff is approved.

Creola is directed to file tariff pages reflecting the rates and charges approved herein within 30 days of the effective date of this Order. The rates and charges shall be effective for service rendered or connections made on or after the approval date on the tariff sheets.

Regulatory Assessment Fees

According to Rules 25-30.110(3) and 25-30.120(2), Florida Administrative Code, a regulated utility is obligated to file an annual report and pay regulatory assessment fees even if it does not have a certificate. Creola has been subject to this Commission's jurisdiction since 1968; we did not learn of the utility's existence until July, 1991.

Creola was advised of its responsibility to file for a certificate on July 26, 1991. On December 26, 1991, prior to certification, the utility was sold to the current owner. It is not appropriate to require the current owner to pay regulatory assessment fees and file annual reports for the years prior to his taking possession of the utility; however, the owner is responsible for filing annual reports and paying regulatory assessment fees for the period of time he has owned the utility. Therefore, Creola shall file a 1992 annual report and pay regulatory assessment fees for 1992 on or before May 31, 1993.

It is, therefore,

ORDERED by the Florida Public Service Commission that Creola, Inc., Post Office Box 1346, Sebring, Florida 33871-1346, shall charge its customers the rates and charges approved herein until authorized to change by this Commission. It is further

ORDERED that since Creola, Inc. does not qualify for exemption from Commission regulation pursuant to Section 367.022(5), Florida Statutes, it shall charge all residential customers in Francis Mobile Estates I and II the residential rate approved in the body of this Order. It is further

ORDERED that Creola, Inc. shall notify the residents of Francis Mobile Estates I that they will be billed separately for the wastewater charges, previously included as a nonspecific portion of the rent or maintenance fee. It is further

ORDERED that Creola, Inc. shall file tariff sheets reflecting the rates and charges approved herein. The rates and charges shall be effective for service rendered or connections made on or after the effective date on the tariff sheets. It is further


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ORDERED that Creola, Inc. shall file a 1992 annual report and pay regulatory assessment fees for 1992 on or before May 31, 1993. It is further

ORDERED that the provisions of this Order issued as proposed agency action shall become final and the docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 east Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review. It is further

ORDERED that in the event this Order becomes final, this Docket may be closed.

By ORDER of the Florida Public Service Commission, this 5th day of April, 1993.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

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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 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 April 26, 1993. 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 wastewater 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 wastewater 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.