

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for
grandfather certificate to
operate a wastewater utility in
Polk County by Crooked Lake Park
Sewerage Company.

DOCKET NO. 961478-SU
ORDER NO. PSC-98-1247-FOF-SU
ISSUED: September 21, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER GRANTING GRANDFATHER CERTIFICATE AND CLOSING DOCKET

BY THE COMMISSION:

Background

On December 13, 1996, Crooked Lake Park Sewerage Company (Crooked Lake) filed an application with this Commission for a certificate under grandfather rights to provide wastewater service in Polk County, pursuant to Section 367.171, Florida Statutes. The application was filed after the Board of County Commissioners of Polk County adopted a resolution on May 14, 1996, which made the utilities in the County subject to the provisions of Chapter 367, Florida Statutes.

Crooked Lake is a Class C utility which provides wastewater service to single family residences, mobile homes, and general service customers in Polk County. According to the application, the utility, which has been in existence since 1957, currently serves 398 residential customers and one general service customer. Crooked Lake's facilities consist of one wastewater treatment plant and one wastewater collection system.

Crooked Lake's application, as filed, was found to be deficient. The deficiencies were corrected on March 17, 1998. In addition, pursuant to Rules 25-30.120(2) and 25-30.110(3), Florida

DOCUMENT NUMBER-DATE

10357 SEP 21 98

FPSC-RECORDS/REPORTING

Administrative Code, Crooked Lake has paid regulatory assessment fees and filed annual reports for 1996 and 1997.

Application

The application is in compliance with Section 367.171, Florida Statutes, and other pertinent statutes and provisions of the Florida Administrative Code. In particular, the application contains a filing fee in the amount of \$500, as required by Rule 25-30.020, Florida Administrative Code. Crooked Lake also provided evidence that it owns the land upon which its facilities are located, pursuant to Rule 25-30.035(6), Florida Administrative Code.

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 Crooked Lake has requested to serve is shown on Attachment A of this Order, which by reference is incorporated herein.

It should be noted that the rules and statutes do not require noticing for grandfather certificate applications. Therefore, notice of the application has not been provided.

On June 23, 1998, Crooked Lake filed an application for a staff assisted rate case. The staff assisted rate case application is being processed in Docket No. 980778-SU. A representative of the utility advised the Commission staff that the utility has been experiencing problems with infiltration. According to the staff assisted rate case application, during the months of January and February, 1998, the wastewater treatment plant received flows in excess of the permitted 60,000 gallons per day (gpd). This caused seepage through the percolation pond berms.

The Department of Environmental Protection (DEP) is preparing a consent order regarding these problems. DEP is waiting for the utility's engineer to address the percolation pond problem before completing the consent order. The infiltration problem has already been addressed by the utility's engineer. These problems and plant improvements will be addressed in Docket No. 980778-SU. According to DEP, there are no other outstanding notices of violation against the utility.

Based on the foregoing, we find it appropriate to grant Crooked Lake Certificate No. 517-S to serve the territory described on Attachment A.

Rate Base

Section 367.171, Florida Statutes gives the Commission authority to establish rate base in a grandfather certificate proceeding. However, the primary goal in such a proceeding is to obtain enough information about the utility to enable the Commission to regulate the utility on a going-forward basis. Further, it has been Commission practice not to establish rate base in grandfather certificate proceedings.

When a county relinquishes jurisdiction to the Commission, the only thing that changes is the authority that regulates a utility. The utility's ownership, rate base, and rates remain the same. Rate base for utilities receiving grandfather certificates is typically established in the utility's first rate proceeding filed under the Commission's jurisdiction.

As discussed previously, Crooked Lake filed an application for a staff assisted rate case on June 23, 1998 (Docket No. 980778-SU). The utility's rate base and any potential acquisition adjustment will be reviewed in that docket. Therefore, we do not find it appropriate to establish rate base in this proceeding.

Rates and Charges

Crooked Lake's rates and charges were established by the Polk County Board of County Commissioners in June of 1988. On December 1, 1996, this Commission approved a pass-through rate increase to recognize the difference in regulatory assessment fees charged by Polk County and the Commission. The utility's current rates and charges are set forth below.

Monthly Rates

Residential Service

Flat Rate:

All customers

\$ 11.10

General Service

Gallongage Charge:

(per 1,000 gallons)

0 - 30,000 Gallons	\$ 2.39
30,001 - 60,000 Gallons	\$ 3.58
60,001 - 110,000 Gallons	\$ 4.77
Over 110,000 Gallons	\$ 7.16

Service Availability Charges

Main Extension Charge	
Residential - Per ERC* (250 GPD**)	\$ 150.00
Plant Capacity Charge	
Residential - Per ERC* (250 GPD**)	\$ 450.00

*Equivalent Residential Connection

**Gallons Per Day

The Commission generally attempts to set rates based on metered service to promote conservation. However, because this utility has a pending staff assisted rate case application, we do not find it appropriate to adjust the utility's residential flat monthly service rate at this time.

Therefore, Crooked Lake's current rates and charges are hereby approved. Crooked Lake has filed a tariff which reflects the rates and charges approved herein. The utility shall continue to charge these rates and charges until authorized to change by this Commission in a subsequent proceeding. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Crooked Lake Park Sewerage Company, 227 Caloosa Lake Circle North, Lake Wales, Florida 33853, is hereby granted Certificate No. 517-S. The territory Crooked Lake Park Sewerage Company is authorized to serve is shown on Attachment A of this Order, which by reference is incorporated herein. It is further

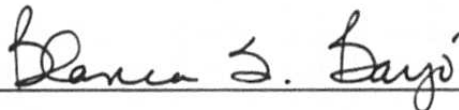
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ORDERED that the rates and charges set forth in the body of this Order are hereby approved. Crooked Lake Park Sewerage Company shall continue to charge these rates and charges until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that the tariff submitted by Crooked Lake Park Sewerage Company which reflects the rates and charges approved herein shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets. It is further

ORDERED that Docket No. 961478-SU is hereby closed.

By ORDER of the Florida Public Service Commission this 21st day of September, 1998.



BLANCA S. BAYÓ, 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 120.569(1), 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.

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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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida 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 and/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.

CROOKED LAKE PARK SEWERAGE COMPANY
POLK COUNTY
WASTEWATER SERVICE AREA

Parcels or tracts of land situated, lying and being in Township 30 South, Range 27 East, Polk County, Florida, and more particularly described as follows:

1. The Southeast 1/4 of the Southeast 1/4 of Section 26; AND
2. The North 1/2 of the Northeast 1/4 of Section 35, less and except that portion West of State Road 25 (US Highway 27); AND
3. Beginning at the Northwest corner of Section 36, Township 30 South, Range 27 East; run thence South 00°05'00" West with the West line of said Section 801.90 feet for a point of beginning; thence South 89°25'00" East, 1109.00 feet; thence South 16°23'00" East, 1086.00 feet to the lake shore of Crooked Lake; thence along the shore line of said Crooked Lake to the West line of said Section (South 47° West, 2,000 feet more or less); thence along said Section line North 00°05'00" East, 2529.90 feet, more or less to the place of beginning; AND
4. Also beginning at the Northwest corner of Section 36, Township 30 South, Range 27 East; run thence South 00°05'00" West with the West line of said Section 801.90 feet for a point of beginning; thence North 00°05'00" East along said Section line 156.30 feet; thence South 89°25'00" East, 20.00 feet thence South 00°05'00" West, 156.30 feet; thence North 89°25'00" West, 20.00 feet to the place of beginning; being a strip of land 20.00 feet wide and 156.30 feet long East of and parallel to the West line of said Section; AND
5. From the Northeast corner of the Southeast 1/4 of the Northeast 1/4 of the Northeast 1/4 of said Section 35, run Westerly along the North line of said Section 2646.94 feet to the Easterly right-of-way line of State Road 25; thence South 22°01'00" West (a distance of approximately 2,300 feet) along the Easterly right-of-way of said State Road 25 (US Highway 27) to the Southerly boundary of Crooked Lake Park, Tract No. 1, as recorded in Plat Book 38, Page 40 of the Public Records of Polk County, Florida; thence South 56°28'25" East along said Southerly boundary 1790.00 feet, more or less, to the shore of Lake Caloosa; thence Northeasterly along said waters edge to the East line of said Section 35; thence Northerly long said East line of Section 35 to the point of beginning.
AND

ATTACHMENT A
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6. Beginning at the Northeast corner of the Southeast 1/4 of the Northwest 1/4 of the Northeast 1/4 of Section 35, Township 30 South, Range 27 East, Polk County, Florida; run West 1308.76 feet to State Road 25 (US Highway 27); thence Northeasterly along said road 700.00 feet for the point of beginning; thence run Northeasterly along said right-of-way 200.00 feet; thence East 250.00 feet; thence Southwesterly to a point lying 250.00 feet East of the point of beginning; thence West 250.00 feet to the point of beginning. AND
7. Beginning at the Northeast corner of the Southeast 1/4 of the Northwest 1/4 of the Northeast 1/4 of Section 35, Township 30 South, Range 27 East, Polk County, Florida; thence run West 1308.76 feet to the Easterly right-of-way of State Road 25 (US Highway 27); thence run Northeasterly along right-of-way 900.00 feet to the point of beginning; thence run North 22°01'00" East along right-of-way 335.00 feet; thence South 67°59'00" East, 231.45 feet; thence South 22°01'00" West, 240.50 feet; thence West 250.00 feet to the point of beginning. AND
8. That portion of the North 1/2 of the Northwest 1/4 of Section 35, Township 30 South, Range 27 East lying East of State Road 25 (US Highway 27).