

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for approval of)
 new service availability policy in)
 Seminole County by ALAFAYA PALM)
 VALLEY ASSOCIATES, LTD.)

DOCKET NO. 900402-WS

ORDER NO. 24181

ISSUED: 3-1-91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTIONORDER APPROVING NEW SERVICE AVAILABILITY POLICY

BY THE COMMISSION:

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

CASE BACKGROUND

Alafaya Palm Valley Associates, Ltd., (Alafaya or utility) is a Class C utility serving approximately 496 water customers and 492 wastewater customers in Seminole County. Fifty-seven of these customers are individually metered single family homes, while the rest are mobile homes in a community served under a master metering arrangement.

Although this utility has never received Commission approval to charge for service availability, its former owners collected connection charges prior to the utility's transfer to the present owners in 1986. In Order No. 16360, issued July 16, 1986, the Commission approved the transfer of certificates to the present owners and ordered the utility to cease collection of cash connecting fees. At the time of transfer, \$160,100 in

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contributions-in-aid-of-construction (CIAC) had been collected and the ratio of net CIAC to net plant investment was about 88 percent.

Alafaya is currently expanding its facilities to serve 172 newly developed lots. In Order No. 23094, issued June 20, 1990, this Commission allowed the utility to expand its service area to include these lots. In the present docket, Alafaya has requested service availability charges that will apply to the 172 customers connecting in this newly developed area. The utility filed a statement and supporting documentation of its compliance with the notice provisions of Rule 25-30.565(2)(a)-(d), Florida Administrative Code. However, the utility did not, with its initial filing, submit statements by a registered professional engineer in compliance with Rule 25-30.565(4)(o)-(p), Florida Administrative Code. Therefore, the utility's application was considered deficient until these statements were received on June 12, 1990.

The Commission approved interim service availability charges, subject to refund, by Order No. 23195 issued on July 16, 1990. Pursuant to the Commission order, the utility has been depositing the interim collections into a separate interest bearing escrow account pending the final disposition of this case.

This case has been delayed for some months because the Department of Environmental Regulation (DER) withheld approval of a new operating permit for the utility. That problem has been resolved, however, and DER issued a new permit on January 1, 1991.

SERVICE AVAILABILITY CHARGES

Alafaya has both metered and unmetered customers. The majority of the customers, who are in a mobile home park, are master-metered and pay a flat rate for both water and wastewater. The master-metered customers use an average of 305 gallons per day (GPD) per customer and the metered customers use an average of 290 GPD per customer. Therefore, we find that an average water use of 300 GPD per ERC (equivalent residential connection) is a reasonable flow rate to use for water.

Alafaya has requested a daily flow rate of 170 GPD per ERC for its wastewater customers based on historical flows. Although this is a very low return from water to wastewater, customers irrigate frequently. Because of the flat monthly rate there is no incentive

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to conserve water; however, since the 170 GPD requested by the utility was based on actual wastewater flows before the plant expansion and DER has approved this number, we find this figure acceptable.

Alafaya implemented interim system capacity charges of \$100 for water and \$1,400 for wastewater pursuant to Order No. 23195. The utility has requested that these charges be made permanent in order to bring its CIAC contribution level up to the Guidelines for Designing Service Availability Policy contained in Rule 25-30.580, Florida Administrative Code.

Rule 25-30.580, Florida Administrative Code, provides:

(1) A utility's service availability policy shall be designed in accordance with the following guidelines:

(a) The maximum amount of contributions-in-aid-of-construction, net of amortization, should not exceed 75% of the total original cost, net of accumulated depreciation, of the utility's facilities and plant when the facilities and plant are at their designed capacity; and

(b) the minimum amount of contributions-in-aid-of-construction should not be less than the percentage of such facilities and plant that is represented by the water transmission and distribution and sewage collection systems.

The utility's current capacity is 526 ERCs for the water system and 524 ERCs for the wastewater system. Construction of additional capacity will accommodate the 172 new lots being developed. The utility expects full capacity of 698 water ERCs and 696 wastewater ERCs to be reached in 1992.

As of December 31, 1989, the utility's CIAC contribution level was 56% for the water system and 22% for the wastewater system. The minimum contribution level required by Rule 25-30.580, Florida Administrative Code, based on the utility's investment in water transmission and distribution facilities and wastewater collection facilities, was approximately 46% for the water system and 53% for the wastewater system at that time. At design capacity, the

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required minimum investment pursuant to the rule will be 56% for water and 55% for wastewater. If the current interim charges are made permanent, the contribution levels at design capacity will be 60% for each system. However, in order to achieve a 75% contribution level at design capacity pursuant to Rule 25-30.580, Florida Administrative Code, system capacity charges of \$170 for water and \$1,835 for wastewater are required. We therefore approve these charges.

Finally, pursuant to Order No. 23195, Alafaya has been depositing interim collections into a separate interest bearing escrow account pending final disposition of the present application. If no protest is filed within the 21 day protest period, we authorize Alafaya to withdraw those funds from the escrow account.

It is therefore,

ORDERED by the Florida Public Service Commission that the application of Alafaya Palm Valley Associates, Ltd., for new service availability charges is approved as modified in the body of this order. 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 25-22.029, Florida Administrative Code, is received by the Director, Division of Records and Reporting, at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that the service availability charges which Alafaya Palm Valley Associates, Ltd., shall charge are those set forth in the body of this Order. It is further

ORDERED that the utility shall submit revised tariff pages reflecting the charges and capacity per ERC approved herein within thirty days of the date of this Order. It is further

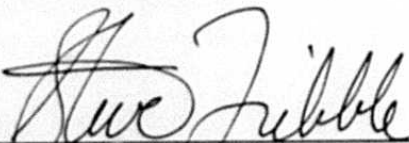
ORDERED that if this Order becomes final, the service availability charges approved herein shall be effective for connections made on or after the stamped approval date on the revised tariff pages. It is further

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ORDERED that if no timely protest is filed, the utility is authorized to withdraw its interim collections from escrow. It is further

ORDERED that this docket will be closed upon the expiration of the protest period if no timely protest is filed.

By ORDER of the Florida Public Service Commission this 1st day of MARCH 1st, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MJL

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.

The action proposed herein 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

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Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 25, 1991.

In the absence of such a petition, this order shall become effective on the day 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 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.