

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for ) DOCKET NO. 920881-SU  
certificate to provide ) ORDER NO. PSC-93-0715-FOF-SU  
wastewater service in Lee County ) ISSUED: May 11, 1993  
by Bonita 75 Corporation. )  
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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

FINAL ORDER GRANTING CERTIFICATE  
AND  
PROPOSED AGENCY ACTION ORDER ESTABLISHING RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein establishing rates and charges 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.

APPLICATION

Bonita 75 Corporation (Bonita 75 or utility) is a Class C utility located in Lee County, Florida, which provides wastewater service to three general service customers, an Econo Lodge owned by Bonita 75, a Pick Kwik convenience store, and a Waffle House. On August 31, 1992, the utility filed an application for a certificate to provide wastewater service in Lee County. Bonita 75 has been providing wastewater service since November 1985 without a certificate because it was unaware that it was subject to our regulation. We learned of the existence of the utility through an inquiry by a private engineer. We mailed Bonita 75 regulatory assessment fee forms and annual report forms, and we have required the utility to pay the regulatory assessment fees and file the annual report by March 31, 1993. We do not find it appropriate to show cause the utility for operating without a certificate as it has cooperated fully since it became aware of its obligation to have a certificate.

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1993-RECORDS/REPORTING

Except as noted above, the utility's application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for an original certificate for an existing utility currently charging for service. The application contains a check in the amount of \$150.00, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.034(1)(e), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.034(1)(h),(i) and (j), Florida Administrative Code. A description of the territory requested by the applicant is appended to this Order as Attachment A.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, including notice to the customers in the proposed territory. On November 10, 1993, Bonita Springs Utilities, Inc., an exempt nonprofit cooperative which provides water and wastewater service in the area, filed a letter of objection opposing the utility's application. However, the objection was withdrawn by letter on March 2, 1993. No other objections were received.

The utility has continuously provided wastewater service since 1985. Utility Services Group, Inc. (USG), is employed by Bonita 75 to be responsible for the engineering, maintenance, and operation of the wastewater treatment plant. We contacted the Department of Environmental Regulation and learned that there are no outstanding notices of violation. Therefore, we find that the utility has sufficient technical ability to continue to serve the territory. Bonita 75, which is owned by the Econo Lodge which it serves, is currently in a foreclosure action along with the Econo Lodge. The court-appointed receiver, Tecton, is responsible for operating and managing the property, including the wastewater treatment plant. We acknowledge that the utility is unable to provide sufficient evidence that it is financially viable; however, since there is no other utility currently able to serve these customers, we are placed in the position of granting the utility a certificate in order to allow service to continue.

Based on the above information, we find that it is in the public interest to grant Bonita 75's application for an original certificate. Accordingly, we find that Bonita 75 is granted Wastewater Certificate No. 485-S to serve the territory described in Attachment A, appended to this Order.

#### RATES AND CHARGES

When Bonita 75 filed its application, its proposed tariff contained a method for determining a monthly charge rather than an actual rate or charge for wastewater service. According to this method, each month the utility would charge each customer the following: \$200.00 as a service charge to recover most of the expenses of the utility, one-third of the cost of engineering treatment and chemicals, and one-third of the cost of permit renewals in the month they become due.

We informed the utility that a method for determining a monthly charge was inadequate and that an actual rate would need to be established, which could be changed only after prior approval of the Commission. In order to determine a rate for service, we requested the following information: copies of bills sent to the customers of Bonita 75 for a 12 month period, copies of bills from USG during that same period, and documentation of the cost of the latest permit renewals.

We calculated a rate based on the above information. First, each month's bill from USG for the costs of engineering, treatment and chemicals was divided by three to determine a monthly charge for each customer. Next, an average was taken of the monthly charges over the 12 month period to determine the average monthly charge. In order to calculate the average cost for a permit renewal, we divided the cost of the permit renewal by three to calculate each customer's charge and then divided this charge by 60. The cost of the permit was divided by 60 because a wastewater permit is usually renewed every five years. We then added \$200.00 plus the average monthly charge from USG and the cost of permit renewals to calculate an actual rate. The sum of these three numbers is \$471.33. A copy of the spreadsheet used to determine the rate is attached as Attachment B. The utility is hereby ordered to file tariff sheets which reflect these rates and charges within 30 days of the effective date of this Order.

Therefore, if a substantially affected person does not request a formal proceeding concerning the rates and charges established

herein within twenty-one days of the issuance of this Order, this Order will become final and the docket shall be closed.

Based on the above, it is, therefore,

ORDERED by the Florida Public Service Commission that Bonita 75 Corporation is hereby granted Certificate No. 485-S to serve the territory reflected in Attachment A in Lee County, Florida. It is further

ORDERED that Bonita 75 Corporation shall file tariff sheets which reflect the appropriate rates and charges as specified in the body of this Order, within 30 days of the effective date of this Order. It is further


ORDERED that Bonita 75 Corporation shall be authorized to collect the appropriate rates and charges 30 days from the tariffs' stamped approval date. It is further

ORDERED that the tariffs will be approved upon our Staff's verification that they are consistent with our decision herein. It is further

ORDERED that the provisions of this Order establishing rates and charges are issued as proposed agency action and shall become final unless an appropriate petition is received by the Director of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the Notice of Further Judicial Proceedings or Judicial Review. It is further

ORDERED that, in the event no timely protest is received, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 11th day of May, 1993.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )  
LK

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 herein 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 June 1, 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.

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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 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 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.

ATTACHMENT A

BONITA 75 CORPORATION

TERRITORY DESCRIPTION

The following described lands located in portions of Section 6, Township 48 South, Range 26 East, Lee County, Florida:

Section 6

A parcel of land in the West 1/2 of the Northwest 1/4 of the Northwest 1/4 of Section 6, Township 48 South, Range 26 East, Lee County, Florida, being more particularly described as follows: Commencing at the Northwest corner of said Section 6, thence run south along the west section line a distance of 1322.96 feet, thence run N 89°17'34" E a distance of 361.97 feet to the Point of Beginning; thence run N 01°18'58" W a distance of 1141.32 thence run S 86°38'48" E a distance of 502.65 feet, thence run S 58°29'46" E a distance of 112.61 feet, thence run S 01°16'38" E a distance of 378.48 feet, thence run S 89°02'10" W a distance of 299.38 feet, thence run S 01°18'58" E a distance of 665.87 feet, thence run S 89°17'34" W a distance of 296.00 feet to the Point of Beginning. Containing 10.8 acres more or less.



Bonita 75 Rates

ATTACHMENT B

	Amount charged to Bonita 75 by USG	Amount imputed by Econo Lodge	Amount charged to Waffle House	Amount charged to Pick Kwik
Oct 91	\$0.00	\$0.00	\$0.00	\$0.00
Nov 91	502.60	167.53	167.53	167.53
Dec 91	0.00	0.00	0.00	0.00
Jan 92	651.22	217.07	217.07	217.07
Feb 92	1425.65	475.22	475.22	475.22
Mar 92	1697.38	565.79	565.79	565.79
Apr 92	1164.26	388.09	388.09	388.09
May 92	876.90	292.30	292.30	292.30
Jun 92	206.94	68.98	68.98	68.98
Jul 92	1072.02	357.34	357.34	357.34
Aug 92	1324.74	441.58	441.58	441.58
Sept 92	<u>526.20</u>	<u>175.40</u>	<u>175.40</u>	<u>175.40</u>
Total:	<u>\$9,447.91</u>	<u>\$3,149.30</u>	<u>\$3,149.30</u>	<u>\$3,149.30</u>
Average monthly bill for USG charges: (for 12 months)	\$787.33	\$262.44	\$262.44	\$262.44
Cost of permit renewals:				
Jan 92	\$1,600.00	\$533.33	\$533.33	\$533.33
Average bill for permit renewals (for 60 months)	\$26.67	\$8.89	\$8.89	\$8.89
Commission Approved Rate:	$\$262.44 + \$200.00 + \$8.89 =$	\$471.33		

This spreadsheet was created under the following assumptions:

- 1) In October and December of 1991, there were no charges from Utility Services Group (USG).
- 2) The Econo Lodge, which is owned by Bonita 75, is a customer.
- 3) Each customer is charged \$200.00 every month as a base charge for usage and the charges from USG and permit renewals are divided by three.
- 4) The charges from USG are for monthly maintenance of the wastewater treatment plant
- 5) The charges from Spectrum are for permit renewal and professional services charges.
- 6) Bonita 75's permit is renewed every five years or 60 months