



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: April 18, 1996
TO: Division of Records and Reporting
Division of Legal Services, Alice Crosby
FROM: Division of Water & Wastewater, J. Travis Coker
RE: Docket No. 960328-WS; Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Orange County by The Grand Reserve Apartments.

On March 13, 1996, this Commission received an application from The Grand Reserve Apartments (Grand Reserve or reseller) for a reseller exemption pursuant to Section 367.022(8), Florida Statutes, (F.S.). Staff has determined that Grand Reserve meets the requirements for status as a service entity that will resell water and wastewater at a rate that will not exceed the actual purchase price thereof provided in Section 367.022(8), F.S.

The application was filed in accordance with Section 367.022(8), F.S., and Rule 25-30.060(3)(h), Florida Administrative Code (F.A.C.). Included with exemption application was a statement from the agent of the system describing the statutory and factual basis for the exemption. The applicant stated that services are only to provide utility service as a nonprofit service. Grand Reserve is owned by Maitland Club Inc. Ms. Jacqueline Coscia Leccese, General Partner of Maitland Club, Inc. submitted a letter of authorization giving Mr. John S. Ranney legal authority to act on behalf of the apartment complex. Mr. Ranney, of Envirotech Utility Management Systems signed the application on behalf of Grand Reserve. In addition, Mr. Ranney acknowledged Section 837.06, Florida Statutes, regarding false statements. The applicant acknowledged the requirements of Rule 25-30.111, F.A.C., regarding annual reporting requirements. The applicant also acknowledged Chapter 367.122, F.S., which deals with the examination and testing of meters; and Rules 25-30.262 through 25-30.267, F.A.C., which explains the responsibilities of the utility owner for insuring the accuracy of the meters.

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Grand Reserve has named the City of Orlando as the entity providing service to the apartment complex and has submitted that company's rates and charges. The reseller has also provided its proposed rates and charges and an explanation of its proposed method of billing. The actual rates billed to the tenants are identical to the rates charged by the City of Orlando. This demonstrates that the rates charged will not exceed the amount paid for water or wastewater by the reseller entity. Grand Reserve states it does require a \$30.00 deposit and will notify this Commission of any change in this policy. Grand Reserve also stated in its application that tenants will be billed monthly, no miscellaneous charges or water charges for common areas will be levied and that the service territory will be limited to the apartment complex only. The service area is identified by the following address: 6201 Bent Pine Drive, Orlando, Florida, 32822.

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FPSC-RECORDS/REPORTING

For informational purposes, the City of Orlando's rates and charges for general metered water and wastewater service, charged monthly are as follows:

Base Rates

<u>Water</u>	<u>Meter Size</u>	<u>Base Facility Charge</u>
	5/8" or 3/4"	2.80
	1.0"	3.30
	1.5"	4.70
	2.0"	6.25
	3.0"	13.75
	4.0"	20.90
	6.0"	38.50
	8.0"	49.50

Consumption Rate \$.70 per 1,000 gallons

Wastewater for Multi-Family Master Meter

12 month moving average of water usage divided by 7,000 gallons
(result rounded to nearest .10)
this is then multiplied by \$11.62, equalling the capacity charge,
plus \$2.21 multiplied each 1,000 gallons of water on current bill
Minimum Capacity Charge: \$11.62

The City of Orlando ordered these rates effective October 1, 1995.

Grand Reserve has a 8.0" meter in use. The proposed rates for water and wastewater service for the apartment complex, charged monthly are as follows:

WATER RATES

Base Rate 8.0" meter \$49.50 $49.50 / 338 = \$0.15$

Consumption Rate \$.70 per 1,000 gallons

WASTEWATER RATES

Base Rate \$11.62 $11.62 / 338 = \$0.03$

Consumption Rate \$ 2.21 per 1,000 gallons

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The 338 units at Grand Reserve will be billed for consumption based on these rates. An example of a Grand Reserve tenant with 4,500 gallons usage would be calculated as follows:

Base water charge	(\$.15)	\$.15
Water charges	(4500 x .70)	\$ 3.15
Base wastewater charge	(\$.03)	\$.03
Wastewater charges	(4500 x 2.21)	<u>\$ 9.95</u>
	Total	\$13.28

In summary, staff has determined that Grand Reserve meets the necessary qualifications for a nonprofit reseller exemption pursuant to Section 367.022(8), Florida Statutes and Rule 25-30.060(3)(h), Florida Administrative Code. Staff recommends that an administrative order be issued finding Grand Reserve exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff further recommends that the order require Grand Reserve to notify this Commission in the event of any change of circumstances or method of operation of its water system. Furthermore, staff recommends that this docket be closed.

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