

State of Florida

Commissioners:
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JOE GARCIA



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 413-6900

ORIGINAL
FILE COPY

Public Service Commission

July 31, 1996

Mr. H. Richard Bowles
Crystal River Utilities, Inc.
P.O. Box 520247
Longwood, Florida 32752

RE: Docket No. 960793-WU - Application for transfer of Certificate No. 130-W in Lake County from Haines Creek Mobile Homesites Waterworks to Crystal River Utilities, Inc.

Dear Mr. Bowles:

Staff has reviewed the utility's application for transfer of certificate and determined that it is deficient pursuant to Rule 25-30.037, Florida Administrative Code. The following deficiencies have been noted:

1. Rule 25-30.037(2)(g)(2), Florida Administrative Code, states in part that the application shall include "a copy of the contract for sale...which shall include, if applicable...a list of and the dollar amount of the assets purchased..." Exhibit II-C of the application contains a list of the purchased assets, however, it does not specify the dollar amount. Please either provide the dollar amount of the assets purchased or explain why this information is not available.
2. Rule 25-30.037(2)(j), Florida Administrative Code, states in part that the application shall include "a showing of the buyer's financial ability to provide service." Also, Rule 25-30.037(2)(k), Florida Administrative Code, requires "a list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility." According to the application, the utility will be purchased through a combination of cash from the buyer and financing by the seller.
 - a. Please provide documentation to support the buyer's financial ability, such as financial statements.
 - b. Additionally, please provide a copy of the financing agreement between the buyer and seller.

ACK _____
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 APP _____
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3. Rule 25-30.037(2)(l), Florida Administrative Code, states that the application shall include "the proposed net book value of the system as of the date of the proposed transfer. If rate base has been established by this Commission, state the order number and date issued and identify all adjustments made to update this rate base to the date of transfer."

It is not clear from the utility's application what amount the utility is proposing for rate base. Exhibit II-G contains a page from the utility's 1995 Annual Report which shows the total utility plant in service and accumulated depreciation. However, the application does not contain a completed rate base calculation or any proposed amounts for other rate base components such as land, contributions-in-aid-of-construction (CIAC), amortization of CIAC, plant held for future use, or construction-work-in-progress (CWIP). Also, it does not contain any adjustments that were made to update the last Commission established rate base to the date of transfer. Based upon our review of the utility's 1995 Annual Report, the rate base calculation should at least include CIAC and amortization of CIAC. I have enclosed a copy of the order containing the utility's last rate base calculation for your reference. Please clarify what amount you are proposing should be used for the rate base for transfer purposes.

4. Rule 25-30.037(2)(q), Florida Administrative Code, requires that the application contain "evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative." The application contains a Satisfaction of Mortgage for the current utility owners. Please provide a copy of the warranty deed which shows that the current utility owners own the land upon which the utility treatment facilities are located.
5. Rule 25-30.037(2)(s), Florida Administrative Code, requires that the application contain "the original and two copies of sample tariff sheets reflecting the change in ownership." Proposed Original Sheets Nos. 3.0 and 3.1 of your proposed tariff are incomplete. I have enclosed a copy of the utility's currently approved tariff sheets reflecting the utility's authorized service territory for your reference. We have verified that these tariff sheets match the territory descriptions contained in the Orders which Mr. Redemann sent you. Please submit corrected tariff sheets reflecting the utility's proposed service territory. Ordinarily in transfer proceedings, the Commission authorizes the buyer to continue providing service within the utility's previously authorized service

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territory. If the proposed territory is different than the utility's currently authorized service territory, please explain why you believe the territory should be amended. Also, please send a copy of the territory description on computer diskette.

6. Rule 25-30.037(2)(t), Florida Administrative Code, requires that the applicant submit "the utility's current certificate(s), or if not available, provide an explanation of the steps the applicant took to obtain the certificate(s)." The application contains a copy of the utility's water certificate, but does not contain the actual certificate. Please submit the utility's actual certificate or explain why it cannot be provided. If the Commission approves the utility's application for transfer, the certificate will be updated to reflect the transfer and returned to the new owner.
7. Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, specify the requirements for providing notice of the utility's application. The application indicates that these will be provided as late-filed exhibits. Please provide proof of compliance with the noticing requirements as soon as it is available. Although these may be submitted as late-filed exhibits, the utility's application will not be deemed completed until the noticing requirements have been met.

In addition to the above noted deficiencies, additional information is needed regarding your proposed tariff. Rule 25-9.044(1), Florida Administrative Code, states in part that "In case of change of ownership or control of a utility which places the operation under a different or new utility, or when its name is changed, the company which will thereafter operate the utility business must adopt and use the rates, classification and regulations of the former operating company (unless authorized to change by the Commission)." According to the tariff you submitted, you are proposing several changes to the utility's existing charges. Please provide additional information on the following items.

1. Proposed Original Sheet No. 20.0 indicates that you are proposing a residential customer deposit of \$20.00. The utility is not currently authorized to collect customer deposits.
 - a. Please explain why you believe a \$20.00 customer deposit is appropriate.

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- b. Also, please explain why you are not requesting approval of a deposit for general service customers or for residential meter sizes larger than 5/8" x 3/4".
2. Proposed Original Sheet No. 28.0 contains the buyer's proposed service availability charges. The utility is currently only authorized to charge a \$90.00 meter installation fee for 5/8" x 3/4" meters and charge actual cost for any meter size larger than that. According to your proposed tariff sheet, you are proposing to increase the 5/8" x 3/4" meter installation fee to \$100.00, and to implement a main extension charge of \$300.00 and a plant capacity charge of \$600.00.
 - a. Please explain why you believe these changes are appropriate.
 - b. Main extension and plant capacity charges may only be assessed to new connections to the system. They may not be assessed for locations which are already connected to the utility system. Based on the utility's past annual reports, customer growth has been slow over the past few years.
 1. Does the utility anticipate adding new customers to the system in the future?
 2. If yes, how many do you anticipate adding and over what time frame?
 - c. Please provide supporting documentation showing how you calculated the proposed main extension and plant capacity charges.
3. Your proposed tariff does not contain a service availability policy. However, the utility's currently approved tariff does contain a service availability policy. I have enclosed a copy of the utility's current policy for your review. Please submit a tariff sheet containing your proposed service availability policy. If your proposed policy is different from the utility's current policy, please explain why you believe the change is appropriate.
4. According to your letter to Mr. Charles Hill dated June 12, 1996, you are proposing implementation of the Commission's standard miscellaneous service charges for all of the utility's systems which you are purchasing. Proposed Original Sheet No. 19.0 contains the utility's currently authorized miscellaneous service charges, which are different from those contained in the Commission's Staff Advisory Bulletin No. 13, 2nd Revised. I have enclosed a copy of that Bulletin for your review. Implementation of the Commission's standard

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charges will result in an increase to the existing initial connection fee, a decrease to the existing violation reconnection and premises visit fees, and elimination of the after hours charges. Please advise us as to whether you still want to implement the Commission's standard charges for this system. If so, please provide a corrected tariff sheet containing the miscellaneous service charges shown in Staff Advisory Bulletin No. 13, 2nd Revised.

Please file the original and six copies of the corrected tariff sheets and remaining information no later than December 2, 1996 with Ms. Blanca Bayo, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850. Please feel free to call me at (904)413-7015 if you have any questions.

Sincerely,

Martha A. Golden

Martha A. Golden
Economic Analyst

Enclosures

cc: Division of Water and Wastewater (Hill, Williams, Messer, Redemann) w/o att.
Division of Legal Services (Jaber, Crosby) w/o att.
Division of Records and Reporting

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of HAINES CREEK) DOCKET NO. 870008-WU
MOBILE HOMESITES WATERWORKS for a)
staff-assisted rate case in Lake) ORDER NO. 18000
County, Florida.)
ISSUED: 8-14-87

The following Commissioners participated in the disposition of this matter:

KATIE NICHOLS, Chairman
THOMAS M. BEARD
GERALD L. GUNTER
JOHN T. HERNDON
MICHAEL McK. WILSON

ORDER AUTHORIZING INTERIM RATES IN THE
EVENT OF PROTEST OF PROPOSED AGENCY ACTION

AND

NOTICE OF PROPOSED AGENCY ACTION

ORDER SETTING FINAL RATES AND CHARGES AND
AUTHORIZING MISCELLANEOUS SERVICE CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission of its intent to grant, in part, pursuant to Section 367.081, Florida Statutes, a rate increase to Haines Creek Mobile Homesites Waterworks (utility), a utility subject to this Commission's jurisdiction, providing service to customers in Lake County, Florida.

CASE BACKGROUND

On June 13, 1972, this Commission obtained jurisdiction over water and sewer utilities in Lake County. By Order No. 5698, issued in April 1973, the utility was certificated by this Commission.

In May 1986, the utility filed an application for its 1986 price-index rate adjustment and a pass-through rate adjustment. That request was granted.

On January 5, 1987, the utility filed its application for a staff assisted rate case. This request was granted and assigned to the above-noted docket.

Upon the granting of staff assistance, a staff engineer conducted an investigation and submitted his preliminary findings on April 3, 1987. Also, a financial audit was performed, and the results of the audit were submitted on April 6, 1987. Finally, the report of the regulatory analyst was submitted on May 1, 1987.

The staff assisted rate case was based on the test year ended December 31, 1986.

CUSTOMER MEETING

As a part of the staff investigation, a customer meeting was held on June 3, 1987, in the Haines Creek Mobile Homesites clubhouse. Approximately seven customers attended this meeting and the meeting lasted over one hour. The customers appear to be satisfied with the quality of service, but did express concern about the rate structure and the quantity of water and the planned expansion. Staff members discussed thoroughly the rate structure and the reasoning behind using the base facility charge rate structure. This will be further discussed in the appropriate section of this order.

DOCUMENT NUMBER - DATE

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TEC-RECORDS/REPORTING

Also, it appears that the current well system is sufficient to provide service to the current customers. If there is expansion of the service territory, then it may be necessary to add more wells. However, at this time, the utility is not applying to expand its service territory and we need not address that issue.

QUALITY OF SERVICE

Based on the field investigation of the staff engineer, it appeared that the water system was well maintained and adequate for the number of customers served. Further, during the customer meeting, it appeared that the customers were satisfied with the quality of service. Therefore, the quality of service provided by this utility appears to be satisfactory.

RATE BASE

The calculation of the utility's water rate base is attached as Schedule No. 1-A. Adjustments to rate base are itemized on Schedule No. 1-B. Those adjustments essentially mechanical in nature are shown on these schedules without further explanation in the text of this order. The major issues are discussed below:

1) Plant-in-Service - To determine the amount of plant-in-service, an original cost study was performed, and the results of that study were submitted on March 12, 1987. These results are set out below:

Account NARUC	Description	1962	1964	1965	1968	1971	1973	1985
304	Pumphouse	977	--	--	--	--	--	--
307	Well	1,902	--	--	--	--	--	--
311	Pump	777	--	--	--	--	--	2,178
320	Chlorine Sys.	536	--	--	--	--	--	--
330	Tank	877	--	--	--	--	--	--
331	Dist. Mains	5,559	2,028	2,390	--	1,180	--	--
344	Fire Mains	--	--	--	--	--	475	--
346	Meters	--	--	1,204	740	463	--	--
347	Meter Install.	--	--	417	244	154	--	--
TOTALS		10,628	2,028	4,011	984	1,797	475	2,178

Based on this study, the original cost of depreciable plant was calculated to be \$22,101. Also, since there were no additions in 1986, the thirteen-month average balance is also calculated to be \$22,101.

2) Used and Useful Plant - The utility has one well, one hydropneumatic tank, and a disinfection system. The plant capacity is 65 gallons per minute (gpm). During peak seasonal flows, no less of a system could provide service to the existing customers. Therefore, the water treatment plant is considered to be 100% used and useful.

Also, since no less of a distribution system could serve the current number of customers, the water distribution system is considered to be 100% used and useful. However, since only 50% of the pump house is used for utility equipment and storage, it is considered to be only 50% used and useful. Therefore, that part of the pump house not used for utility service, is considered as plant held for future use, and rate base is reduced by \$156 for plant held for future use.

3) Land/Nondepreciable Assets - The plant site of the utility occupies one mobile home lot. The value of the mobile home lot when it was first appropriated as utility property was calculated to be \$882. Therefore, this amount is included as the value of the land.

4) Construction Work In Progress (CWIP) - Subsequent to the test period, the utility installed a two-inch master flow meter at the plant. Invoices were submitted, and the cost of parts has been verified to be \$332.50. Also, the appropriate amount for labor was calculated to be \$490 for a total cost of \$822.50. For a utility of this size, this amount is significant and has been included in rate base.

5) Contributions-In-Aid-Of-Construction (CIAC) - Since the utility has not presented sufficient evidence as to the amount of CIAC, the amount of CIAC has been imputed to be the cost attributable to the water transmission and distribution system. This is pursuant to Rule 25-30.570, Florida Administrative Code. Since there were no test year additions, the thirteen-month average balance and the December, 1986 balance are both the same, or \$11,157.

6) Accumulated Depreciation - Through March 1984, the accumulated depreciation was calculated at a 2.5% rate. However, pursuant to Rule 25-30.140(2), Florida Administrative Code, a 3.80% composite rate was used after March, 1984. Based on these rates, the thirteen-month average for accumulated depreciation was calculated to be \$11,809 and rate base was reduced by this amount.

7) Amortization of CIAC - Since we have imputed CIAC for this utility, it is necessary to make an adjustment for amortization of CIAC. For the CIAC prior to March, 1984, we have amortized at a rate of 2.5%. However, after March, 1984, we have amortized at a rate of 2.6%. The total amortization is calculated to be \$6,318, and the thirteen-month average is calculated to be \$6,173.

8) Working Capital Allowance - Based on the balance sheet approach, the thirteen-month average working capital allowance is calculated to be \$1,763.

Based on all the above adjustments, average water rate base is calculated to be \$8,620.

CAPITAL STRUCTURE

Based on the staff audit, the utility is 100% equity. Therefore, using the leverage graph set out in Order No. 16975, Docket No. 860006-WS, the cost of common equity is calculated to be 11.29%, with a range of reasonableness of plus or minus 1%. Also, since the capital structure of this utility consists of 100% equity, this is also the overall cost of capital.

NET OPERATING INCOME

Attached as Schedule No. 3-A is the operating income statement for the utility's water system. Several adjustments have been made to this schedule, and these adjustments are itemized on Schedule No. 3-B. Those adjustments essentially mechanical in nature or which are self-explanatory, are shown on these schedules without further explanation in the text of this order.

1) Operating Revenues - Pursuant to the staff audit, the utility revenues for the test year were shown to be \$5,246. This amount has been increased by \$712 to annualize the effect of a 1986 price-index and pass-through rate increase, and to reflect accrued revenues based on the billing analysis data.

2) Operation and Maintenance Expenses - Water testing expenses have been reduced by \$440 to amortize those testing expenses over the appropriate number of years for which the tests are valid.

However, it appears from the engineering report that the utility should institute a meter replacement program. During the test year, the utility did replace some meters and we have allowed a \$550 annual expense for the replacement of meters. The utility shall continue with this replacement program, and based upon the life span of the meter and the number of customers, the utility should replace approximately six meters a year at a total cost of approximately \$550, and this amount has been included in the annual expense of the utility.

A review of the salary levels for the test year showed that they were insufficient. Therefore, we have made the following pro forma increases:

<u>Type of Salary</u>	<u>Amount</u>
Maintenance and Repair	\$2,641
Administrative and General Salaries	798
Operator Salary	<u>1,080</u>
Total	<u>\$4,519</u>

The pro forma adjustment to the operator salary allows for a reasonable minimum monthly salary of \$120 per month.

We have also allocated \$103 per month or \$1,236 per year for office rent and related utility's expense. Finally, we have allowed a transportation expense of \$209.

Based on the above adjustments, we have allocated a total of \$9,060 for operation and maintenance expenses.

3) Depreciation Expense - Depreciation expense is calculated following the guidelines set out in Rule 25-30.140(2), Florida Administrative Code. Based on this rule, the depreciation rate was calculated to be 3.80%, and the amortization rate was calculated to be 2.60%. Therefore, the total depreciation expense was \$840; however, this amount was adjusted by \$290 for amortization of CIAC and by \$24 for depreciation on non-used and useful plant. Therefore, the net depreciation expense was calculated to be \$526.

Based on all the above adjustments, the total net operating income was calculated to be a negative \$3,981.

REVENUE REQUIREMENT

To give the utility the opportunity to earn an 11.29% overall rate of return, annual operating revenues for water should be increased by \$5,081, for total annual water operating revenues of \$11,039. The operating expenses have been increased by \$127 to reflect the regulatory assessment fees associated with the increase in water revenues.

RATE STRUCTURE

The utility's current rates allow for a 5,000 gallon minimum per month for residential customers, with a charge per 1,000 gallons over the minimum. We believe the utility should implement the base facility rate structure. This structure equitably distributes the base costs, promotes conservation, and gives the customers greater control over their bill.

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Under the base facility charge rate design, each customer is billed a base amount depending on his meter size. In this base amount, there is no gallonage allowance. Each customer is then charged a set amount for each 1,000 gallons of usage.

RATES

The following rates are approved by this Commission and are designed to generate annual revenues of \$11,039.

WATER - MONTHLY

Residential and General Service

<u>Meter Size</u>	<u>Present</u>	<u>Base Facility Charge Commission Approved</u>
All Customers	\$7.60 Minimum for First 5,000 gallons	
5/8" x 3/4"		\$ 8.62
Full 3/4"		12.93
1"		21.55
1 1/2"		43.10
2"		68.96
3"		137.92
4"		215.50
6"		431.00
Gallonage Charge Per 1,000 gallons	.26 over 5,000 gallons	

MISCELLANEOUS SERVICE CHARGES

The utility should be allowed to implement the following miscellaneous service charges. These charges provide a means by which the utility can recover its cost of providing miscellaneous services from those customers who show the need for such services. By allowing these charges, the additional costs are borne by the customers who utilize the miscellaneous services.

	<u>During Business Hours</u>	<u>After Business Hours</u>
Initial Connection Charge	\$10.00	\$12.00
Normal Reconnection	15.00	20.00
Violation Reconnection	20.00	25.00
Premise Visit Charge	15.00	N/A

Initial Connection - This charge is to be levied for service initiation at a location where service did not exist previously.

Normal Reconnection - This charge is to be levied for transfer of service to a new customer account at the same location or reconnection of service subsequent to a customer requested disconnection.

Violation Reconnection - This charge is to be levied subsequent to disconnection of service for cause including a delinquency in bill payment.

Premises Visit Charge (In Lieu of Disconnection) - This charge would be levied when a service representative visits a premises for the purpose of discontinuing service for non-payment of a due and collectible bill and does not discontinue service because the

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customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

When both water and sewer service are provided, only a single charge is appropriate unless circumstances beyond control of the utility require multiple actions.

SERVICE AVAILABILITY CHARGES

At design capacity, the utility will be at a 47% contribution level if no service availability charges are authorized. This percent represents the minimum level required by Rule 25-30.580, Florida Administrative Code, and, therefore, we will authorize no service availability charge at this time. However, we will allow the utility to collect a \$90 meter installation fee for a 5/8" x 3/4" meter and other meter sizes at actual cost.

INTERIM RATES

In the event there is no protest to this order then the rates set out in this order will become permanent rates for service rendered on or after September 5, 1987. However, if there is a protest to this order by a party other than the utility, the utility shall be allowed to charge the rates set out in this order as interim rates, subject to refund, for service rendered on or after September 5, 1987. These interim rates shall be protected by a joint escrow account or by a bond or letter of credit in the amount of \$3,000. In the event the utility chooses to use an escrow account, the utility shall deposit in the escrow account each month the amount of revenues attributed to the increase in rates. Any withdrawals of funds from the escrow account shall be subject to the prior approval of the Commission through the Director of Records and Reporting.

In the event there is no protest to this order, then a consummating order will be issued and this consummating order will also close the docket.

In consideration of the above, it is

ORDERED by the Florida Public Service Commission that the application of Haines Creek Mobile Homesites Waterworks for a staff-assisted rate case is granted as set out 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 25-22.036, Florida Administrative Code, 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 September 4, 1987. It is further

ORDERED that the utility shall implement the new water rates which are designed to allow the utility the opportunity to increase water revenues by \$5,081 to produce total annual water revenues of \$11,039. It is further

ORDERED that these new rates, as set out in the body of this Order, shall be effective as final rates for service rendered on or after September 5, 1987, provided this Order becomes effective on that date. It is further

ORDERED that in the event someone other than the utility protests this Order, then the new rates will become effective as interim rates, subject to refund on September 5, 1987. It is further

ORDERED that the interim rate provision of this Order is not issued as Proposed Agency Action. It is further

ORDERED that if the Order is protested and the utility chooses to implement the rates as set out in the body of this Order as interim rates, the utility must first provide an appropriate escrow account or a bond or a letter of credit in the amount of \$3,000. It is further

ORDERED that if the utility implements these rates as interim rates, then the following two Ordering paragraphs shall apply. It is further

ORDERED that the utility shall keep an accurate account in detail, of all monies received by said increases, specifying by whom and on whose behalf such amounts were paid. It is further

ORDERED that the utility shall file a report no later than the 20th day of each month that the interim rates are in effect showing the amount of revenue collected as a result of the interim rates, and the amount of revenue that would have been collected under the old rates. It is further

ORDERED that the rate increase approved herein will not become effective until tariff pages are filed and approved by the Commission. It is further

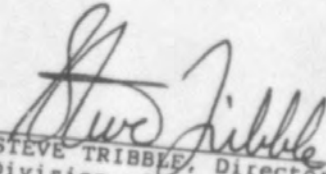
ORDERED that the utility shall file revised tariff pages within fourteen days of this Order becoming effective. It is further

ORDERED that in the event that this Order becomes final, the utility shall notify each customer of the increases authorized herein and explain the reasons for the increases. A letter of explanation shall be submitted to the Commission for prior approval. It is further

ORDERED that the utility shall be allowed to charge the miscellaneous service charges as set out in the body of this Order. It is further

ORDERED that the utility shall be allowed to charge the meter installation charge as set out in the body of this Order.

By ORDER of the Florida Public Service Commission, this 14th day of AUGUST, 1987.



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 (1985), to notify parties of any administrative hearing or judicial review of Commission orders that may be available, as well as the procedures and time limits that apply to such further proceedings. 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 Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on September 4, 1987. In the absence of such a petition, this order shall become effective September 5, 1987 as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

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 September 5, 1987, 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.

HAINES CREEK MOBILE HOMESITES
 SCHEDULE OF WATER RATE BASE
 TEST YEAR ENDED 12/31/86

SCHEDULE NO. 1-A
 DOCKET NO. 870008-WU

	TEST YEAR PER UTILITY	COMM. ADJUST. TO UTIL. BAL.	BALANCE PER COMM.
UTILITY PLANT IN SERVICE	\$ 0	\$ 22101	\$ 22101
LAND/NON-DEPRECIABLE ASSETS	0	882	882
PLANT HELD FOR FUTURE USE	0	-156	-156
ACQUISITION ADJUSTMENT	0	0	0
C.W.I.P.	0	823	823
C.I.A.C.	0	-11157	-11157
ACCUMULATED DEPRECIATION	0	-11809	-11809
AMORTIZATION OF ACQ. ADJ.	0	0	0
AMORTIZATION OF C.I.A.C.	0	6173	6173
WORKING CAPITAL ALLOWANCE	0	1763	1763
RATE BASE	\$ 0	\$ 8620	\$ 8620

Haines Creek Mobile Homesites
Schedule of Adjustments to Rate Base
Test Year Ended 12/31/86

A.	<u>Utility Plant in Service</u>	
	Record plant costs as determined by original cost study	<u>\$ 22,101</u>
B.	<u>Land</u>	
	Record land costs as determined by original cost study	<u>\$ 882</u>
C.	<u>Plant Held for Future Use</u>	
	a. Pumphouse 50% non-used & useful	<u>\$(488)</u>
	b. Accumulated depreciation on non-used and useful plant	<u>332</u>
		<u><u>\$(156)</u></u>
D.	<u>CWIP</u>	
	Cost of installed 2" master flow meter	<u>\$ 823</u>
E.	<u>CIAC</u>	
	Imputed cost of transmission & distribution system as prescribed by Rule 25-30.580	<u>\$(11,157)</u>
F.	<u>Accumulated Depreciation</u>	
	a. Calculated depreciation at 2.5% through March, 1984 & at 3.80% composite rate through the test period following Rule 25-30.140(2)	<u>\$(12,229)</u>
	b) 13-month average	<u>420</u>
		<u><u>\$(11,809)</u></u>
G.	<u>Amortization of CIAC</u>	
	a) Calculate at 2.5% through March, 1984 & 2.6% subsequently	<u>\$ 6,318</u>
	b) 13-month average	<u>(145)</u>
		<u><u>\$ 6,173</u></u>
H.	<u>Working Capital</u>	
	Calculated using the balance sheet approach	<u>\$ 1,763</u>

HAINES CREEK MOBILE HOMESITES
 SCHEDULE OF CAPITAL STRUCTURE
 TEST YEAR ENDED 12/31/86

SCHEDULE NO. 2
 DOCKET NO. 870008-WU

	TEST YEAR BALANCES	COMM. ADJUST. TO UTIL. BAL.	BALANCE PER COMM.	PERCENT OF TOTAL	COST	WEIGHTED COST
COMMON EQUITY	\$ 0.00	\$ 8620.00	\$ 8620.00	100.00%	11.29%	11.29%
CUSTOMER DEPOSITS	0.00	0.00	0.00	0.00%	8.00%	0.00%
TOTAL	<u>\$ 0.00</u>	<u>\$ 8620.00</u>	<u>\$ 8620.00</u>	<u>100.00%</u>		<u>11.29%</u>

ORDER NO. 18000
 DOCKET NO. 870008-WU
 Page

HAINES CREEK MOBILE HOMESITES
 SCHEDULE OF WATER OPERATING STATEMENT
 TEST YEAR ENDED 12/31/86

SCHEDULE NO. 3-A
 DOCKET NO. 870008-40

	TEST YEAR PER UTILITY	COMM. ADJUST. TO UTIL. BAL.	COMM. ADJUST. TEST YEAR	COMM. ADJUST. FOR INCREASE	BALANCE PER COMM.
OPERATING REVENUES	\$ 5246	\$ 712	\$ 5958	\$ 5881	\$ 11839
OPERATING EXPENSES:					
OPERATION AND MAINTENANCE	3588	5488	9868	0	9868
DEPRECIATION	0	526	526	0	526
TAXES OTHER THAN INCOME	253	0	253	127	480
INCOME TAXES	0	0	0	0	0
TOTAL OPERATING EXPENSES	\$ 3933	\$ 6066	\$ 9939	\$ 127	\$ 18066
OPERATING INCOME/(LOSS)	\$ 1313	\$ -5294	\$ -3981	\$ 4954	\$ 973
RATE BASE	\$ 0		\$ 8628		\$ 8628
RATE OF RETURN			-46.188		11.298

ORDER NO. 18000
 DOCKET NO. 870008-MS
 Page 12

Maines Creek Mobile Homesites
Schedule of Adjustments to Operating Statement
Test Year Ended 12/31/86

A.	<u>Operating Revenues</u>	
	Increase revenue to annualize 1986 price index & pass-through and to reflect accrued revenues based on the billing analysis	\$ 712
B.	<u>Operation and Maintenance</u>	
	1. Amortize water testing expenses	
	2. Proforma Salaries related to operation & maintenance of water system and to administrative & general duties	\$(440)
	3. Proforma office rent and expenses	4,519
	4. Proforma transportation expenses	1,236
	5. Miscellaneous other	209
		(44)
		<u>\$ 5,480</u>
C.	<u>Depreciation (Net of Amortization of CIAC and non-used and useful)</u>	
	1. Depreciation Expense	\$ 840
	2. Amortization Expense	(290)
	3. Depreciation on non-used & useful plant	(24)
		<u>\$ 526</u>
D.	<u>Operating Revenues</u>	
	Increased revenue needed to allow utility to recover its expenses & earn a fair rate of return on its rate base	\$ 5,081
E.	<u>Taxes Other than Income</u>	
	Regulatory assessment fees due on increased revenues	\$ 127

HAINES CREEK MOBILE HOMESITES
OPERATION AND MAINTENANCE EXPENSES
TEST YEAR ENDED 12/31/86

	<u>UTILITY</u> <u>BALANCE</u>	<u>COMM.</u> <u>ADJUST.</u>	<u>COMM.</u> <u>BALANCE</u>
SALARIES AND WAGES	0	2641	2641
PURCHASED POWER	820	0	820
CHEMICALS	360	0	360
SUPPLIES	313	0	313
MAINTENANCE AND REPAIRS	602	-52	550
TRANSPORTATION EXPENSE	0	209	209
ADMIN. & GEN. EXPENSE	0	790	790
OFFICE SUPPLIES & EXPENSE	83	1236	1319
OUTSIDE SERVICES	420	1080	1500
WATER TESTING	875	-440	435
REGULATORY COMMISSION EXPENSE	0	38	38
MISCELLANEOUS EXPENSE	107	-30	77
TOTAL OPERATION AND MAINTENANCE EXPENSES	<u>3580</u>	<u>5400</u>	<u>9060</u>

SECOND REVISED SHEET NO. 3.0
Cancels First Revised Sheet No. 3.0

HAINES CREEK MOBILE HOMESITES WATERWORKS
WATER TARIFF

TERRITORY SERVED

CERTIFICATE NUMBER - 130-W

COUNTY - Lake

COMMISSION ORDER(s) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing type</u>
5698	April 5, 1973	C-73145-W	Original
22165	November 3, 1989	891106-WU	Amendment

Bob D. Gruno
Owner

HAINES CREEK MOBILE HOMESITES WATERWORKS

WATER TARIFF

(Continued from Sheet No. 3.0)

DESCRIPTION OF TERRITORY SERVED

Order No. 5698

In Section 12, Township 19, South, Range 25 East:

Commence at the Northwest corner of said Section 12 for a Point of Beginning; thence run East along said section line 825 feet to the East Boundary of Learn's Road; thence South 500 feet; thence West 200 feet; thence South 1390 feet to the North right-of-way line of Haines Creek Road; thence West along said right-of-way line 630 feet to the West section line of said Section 12; thence North along said section line 1870 feet to the Point of Beginning.

Order No. 22165

In Section 11, Township 19 South, Range 25 East:

Commence at the Northeast corner of said Section 11, for a Point of Beginning ; thence S. $89^{\circ}55'30''$ West along the North line of the Northeast 1/4 of said Section, 142.86 feet to a point on the West right-of-way line of County Road No. 473, said point being 40 feet from the centerline of said county road; thence S. $00^{\circ}07'47''$ W. along said West right-of-way line, 720.08 feet to the point of beginning; thence continue S. $00^{\circ}07'47''$ W. along said West right-of-way line, 612.00 feet; thence departing said West right-of-way line and run N. $89^{\circ}56'23''$ W.; 660.00 feet; thence N. $00^{\circ}07'50''$ E., 183.67 feet; thence N. $36^{\circ}22'38''$ E., 501.98 feet; thence N. $86^{\circ}18'09''$ E., 364.00 feet to the point of beginning, containing 7.63 acres, more or less.

Bob D. Gruno
Owner

NAME OF COMPANY HAINES CREEK MOBILE HOME SITES WATERWORKSSERVICE AVAILABILITY POLICY

The utility provides water service to a mobile home park only, and has been fully developed since 1972.

Therefore, no formal service availability policy has been maintained, nor is one ever anticipated to be required. In addition, there are no developer agreements in existence and none are contemplated.

The utility is authorized to collect a meter installation fee for all new meters installed to its system, and this charge may only be collected one time for each installation. However, the utility provides each customer the option to install the meter themselves and not be charged a meter installation fee.

Bob D. Gruno, Owner

FIRST REVISED SHEET NO. 28.0
CANCELS ORIGINAL SHEET NO. 28.0

NAME OF COMPANY Haines Creek Mobile Homesites Waterworks

SCHEDULE OF FEES AND CHARGES
WATER AMOUNT SHEET NUMBER

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>SHEET NUMBER</u>
Meter Installation Fee	\$90.00	27.00
5/8" x 3/4"	Actual Cost	
1"	Actual Cost	
1 1/2"	Actual Cost	
2"	Actual Cost	
Over 2"		

NOTE: A customer may install their own meter, in which case a meter installation fee would not be charged.

Effective Date: September 5, 1987

Bob D. Gruno, Owner

FLORIDA PUBLIC SERVICE COMMISSION

STAFF ADVISORY BULLETIN NO. 13 ^{2nd} Revised

Page 1 of 4

ISSUE DATE: 1/11/88	EFFECTIVE DATE: 1/11/88
SUBJECT MATTER: <u>Tariff Provisions for Miscellaneous Service Charges</u>	
RELATED SABs: <u>13-1st Revised which is repealed and replaced by this SAB</u>	
INDUSTRY APPLICABLE TO:	COMMISSION CONTACT:
<input type="checkbox"/> TELEPHONE <input type="checkbox"/> LOCAL <input type="checkbox"/> INTEREXCHANGE <input type="checkbox"/> ELECTRIC (IOU) <input type="checkbox"/> NATURAL GAS <input checked="" type="checkbox"/> WATER & SEWER <input type="checkbox"/> CLASS A <input type="checkbox"/> CLASS B <input type="checkbox"/> CLASS C <input type="checkbox"/> MUNICIPAL ELECTRIC <input type="checkbox"/> ELECTRIC COOPERATIVE	DIVISION - BUREAU <u>Water and Sewer - Rates</u>
	TELEPHONE (904) <u>488-8482</u>

SUMMARY

Rule 25-30.345 Customer Service Charge of the Florida Administrative Code addresses service charges for discontinuance of water and/or sewer charges. Florida Statutes, Chapter 367.081, provides authority for the Florida Public Service Commission to approve the fixing and the changing of rates charged by utility companies under its jurisdiction. It is staff's opinion that charges should be contained in each utility's tariff for initial connections, normal reconnections, violation reconnections, and premises visit charges (if applicable).

This SAB defines the above four categories of miscellaneous service charges, delineates the costs typically recovered in each, contains an example of an approved level of charges, and provides guidance to the utilities as to the timing and procedures for including or revising tariff provisions for these items.

Approved by: William D. Talbot
Deputy Executive Director/Technical

FLORIDA PUBLIC SERVICE COMMISSION
STAFF ADVISORY BULLETIN NO. 13 2ND REVISED
TARIFF PROVISIONS FOR MISCELLANEOUS SERVICE CHARGES

Utilities are urged to update their tariffs filed with the Florida Public Service Commission when management has determined that charges for the following categories of miscellaneous services are in order or that revisions of existing tariff provisions are required, but no later than during the utility's next rate case.

1. INITIAL CONNECTION - This charge would be levied for service initiation at a location where service did not exist previously.
2. NORMAL RECONNECTION - This charge would be levied for transfer of service to a new customer account at a previously served location, or reconnection of service subsequent to a customer requested disconnection.
3. VIOLATION RECONNECTION - This charge would be levied prior to reconnection of an existing customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.
4. PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge would be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

The following costs have been allowed to be recovered through the above service charges:

Initial Connection and Normal Reconnection

1. Office costs associated with recording and processing a customer request for service, including labor, computer services and postage.
2. Office costs associated with receiving, recording and processing the subsequent customer request for termination of service and final bill, including labor, computer services and postage.
3. Field costs associated with the inspection of a facility and connection of service including transportation, labor and meter reading expense.
4. Field costs associated with the disconnection of service including transportation, labor and meter reading expense.
5. Overhead costs indirectly related to a specific job including a portion of general office facilities and equipment, supervision, insurance and small miscellaneous expenses required to support service activities.

Violation Reconnection:

1. Office costs associated with recording and processing the notice for termination of service including labor, computer services and postage.
2. Office costs associated with receiving and processing payment of a delinquent bill and the violation reconnection charge and reinstating the account including labor and computer services.
3. Field costs associated with the disconnection of service including transportation, labor and meter reading expense.
4. Field costs associated with the subsequent reconnection of service after payment of bill, including transportation and labor.
5. Overhead costs indirectly related to a specific job including a portion of general office facilities and equipment, supervision, insurance and small miscellaneous expenses required to support service activities.

Premises Visit (in Lieu of Disconnection)

1. Office costs associated with recording and processing the notice for termination of service including labor, computer services and postage.
2. Office costs associated with receiving and processing payment of a delinquent bill and premises visit charge and reinstating the account, including labor and computer services.
3. Field costs associated with the collection of the delinquent bill and premises visit charge including transportation and labor.
4. Overhead costs indirectly related to a specific job including a portion of general office facilities and equipment, supervision, insurance and small miscellaneous expenses required to support service activities.

The Commission has approved the following levels of charges for the above services in recent cases:

<u>Type of Service</u>	<u>Water</u>	<u>Sewer</u>
Initial Connection	\$15	\$15
Normal Reconnection	\$15	\$15
Violation Reconnection	\$15	Actual Cost
Premises Visit	\$10	\$10

When both water and sewer services are provided, staff believes that only a single charge is appropriate unless circumstances beyond the control of the utility require multiple actions.

Staff will not recommend to the Commission that a tariff charge of actual cost for a sewer only violation reconnection be approved unless the utility also files with the Commission for prior approval a breakdown of the actual components, the corresponding unit cost and typical man hours required for each component in the format provided:

<u>Component</u>	<u>Hourly Rate</u>	<u>Typical Time</u>
1. Clerical & Administrative Labor		
2. Labor to plug manhole		
3. Labor to plug company-owned cleanout		
4. Labor to dig up service to customer line		
5. Use of backhoe		
6. Labor to reinstate service		
7. Transportation costs (provide mileage and rate)		
8. Computer services		
9. Overhead		

(Other cost components, as appropriate, will also be considered.)

Also the tariff must contain a provision that the notice of discontinuance of service, which must be sent to the customer prior to disconnection as required by Rule 25-30.320, F.A.C., will contain an estimate of the costs involved in this activity.

A request for approval of a type or level of service charge different than those contained in this SAB must be accompanied by supporting cost justification as specified in the Water and Sewer Minimum Filing Requirements (MFRs), Schedule F-7. A tariff provision for the recovery of overtime when the customer requests that the service be performed after normal working hours may be approved by the Commission if requested by the utility and the additional costs are documented in the supporting cost justification.