

MEMORANDUM

August 16, 1996

TO: ALICE CROSBY, DIVISION OF LEGAL SERVICES
DIVISION OF RECORDS AND REPORTING

FROM: CHRISTINE TOMLINSON, DIVISION OF WATER AND WASTEWATER *CT*

RE: DOCKET NO. 960652-WS; REQUEST FOR EXEMPTION FROM FLORIDA PUBLIC SERVICE COMMISSION REGULATION FOR PROVISION OF WATER AND WASTEWATER SERVICE IN ORANGE COUNTY BY RIVER REACH APARTMENTS.

On May 24, 1996, this Commission received an application from River Reach Apartments (River Reach or utility) for a reseller exemption pursuant to Section 367.022(8), Florida Statutes for the water and wastewater system. The primary contact person for River Reach is Joseph F. Chapman, vice president of Royal American Development, General Partner of River Reach. Mr. Chapman's address is 1002 W. 23rd, Panama City, Florida 32405. The application was signed by Mr. Chapman.

The application was filed in accordance with Section 367.022(8), Florida Statutes, and Rules 25-30.060(1), (2), and (3)(h), Florida Administrative Code. Included with the exemption application was a statement setting out statutory and factual basis for the exemption. The application acknowledged the requirements of Rule 25-30.111, Florida Administrative Code, regarding annual reporting requirements. The applicant also acknowledged the requirements of Section 367.122, Florida Statutes, which deals with the examination and testing of meters; and Rules 25-30.262 through 25-30.267, Florida Administrative Code which explains the responsibilities of the utility owner for insuring the accuracy of the meters.

River Reach is an apartment complex, consisting of 300 units. River Reach is located at 1628 River Reach Drive, Orlando, Florida 32828. River Reach plans to purchase water and wastewater service from Orange County (the County) and resell these services to the residents at a rate that does not exceed the actual price paid for the water and wastewater service.

Included with the application was a schedule of the utility's current rates and charges, an explanation of the reseller's proposed rates and charges, an explanation of the proposed method of billing customers for water and wastewater service, and a schedule showing the amount billed will not exceed the amount paid for water and wastewater. Enviro-check will do the billing on behalf of River Reach. The meters will be read monthly to determine the usage during the previous month and the residents will be billed accordingly. Residents will be billed for actual usage of water and wastewater service. River Reach does plan on charging a \$25.00 NFS fee for any check which is returned from the bank for lack of funds, pursuant to Section 832.07(1)(a), Florida Statutes. River Reach does not propose any other miscellaneous/administrative charges or security deposits. River Reach will be responsible for service to common areas. The utility does not propose to charge any additional administrative/processing fees to the residents. Furthermore, the applicant acknowledged Section 837.06, Florida Statutes, regarding false statements.

DOCUMENT NUMBER-DATE:

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FPSC-RECORDS/REPORTING

The County's rates and charges for water and wastewater service, on a monthly basis, are as follows:

WATER:

THE COUNTY CHARGES THEIR USERS FOR WATER SERVICE BASED UPON METER SIZE:

Base charge (2" meter): \$24.42
Consumption charge per 1,000 gal. (min. 3,000): \$1.19
Public Service Tax (water only): 10%

WASTEWATER:

THE COUNTY CHARGES THEIR USERS FOR WASTEWATER SERVICE BASED UPON METER SIZE:

Base charge (2" meter): \$94.07
Consumption charge per 1,000 gal.: \$3.18

River Reach's proposed monthly rates and charges for water and wastewater service are as follows:

WATER:

Base charge per unit (\$24.42/300): \$0.08
Consumption charge per 1,000 gal.: \$1.19

WASTEWATER:

Base charge per unit (\$94.07/300): \$0.31
Consumption charge per 1,000 gal.: \$3.18

Total metered consumption of 1,125,000 gallons for one month will produce a monthly bill from the County as follows:

Water Charge:	
Base charge:	\$ 24.42
Consumption: 1,125 x \$1.19	1,338.75
Public Service Tax (10%)	<u>136.32</u>
TOTAL WATER BILL	\$1,499.49

Wastewater Charge:	
Base charge:	94.07
Consumption: 1,125 x \$3.18	<u>3,577.50</u>

TOTAL WASTEWATER BILL	\$3,671.57
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TOTAL	\$5,171.06
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Individual customer usage of 3,500 gallons each month will produce a monthly bill from River Reach as follows:

Water Charge:	
Base charge:	\$ 0.08
Consumption: 3.5 x \$1.19	4.17
Public Service Tax (10%)	<u>0.42</u>

TOTAL WATER BILL	\$ 4.67
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Wastewater Charge:	
Base charge:	\$ 0.31
Consumption: 3.5 x \$3.18	<u>11.13</u>

TOTAL WASTEWATER BILL	\$11.44
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TOTAL	\$16.11
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Accountability check:

Total Revenue Collect by River Reach (\$16.11 x 300):	\$4,833.00
Total Billed by County:	\$5,171.06

As previously stated Enviro-check will be doing the billing. The individual meters will be read once a month.

In conclusion, River Reach's rate or charge will not exceed the actual purchase price. According to Section 21.08(c)(14), Administrative Procedures Manual, staff has been given administrative authority to approve clear-cut or non-controversial requests for determination of exempt status. Staff recommends that an administrative order be issued as soon as possible finding River Reach exempt from Commission regulation pursuant to Section 367.022(5) and (8), Florida Statutes. Staff further recommends that the order require River Reach to notify this Commission in the event of any change of circumstances or method of operation of its water and/or wastewater system. Furthermore, staff recommends that this docket be closed.