

MEMORANDUM

September 6, 1996

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

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

**RE: DOCKET NO. 960303-WS; REQUEST FOR EXEMPTION FROM FLORIDA
PUBLIC SERVICE COMMISSION REGULATION FOR PROVISION OF
WATER AND WASTEWATER SERVICE IN DUVAL COUNTY BY THE
OAKS AT BAYMEADOWS.**

On March 7, 1996, this Commission received an application from the Oaks at Baymeadows (the Oaks 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 the Oaks is Mr. Johns S. Ranney of Envirotech. Mr. Ranney's mailing address is 1502 Roberts Drive, Jacksonville, Florida 32250. A statement was filed by Cigna Investment Management, owner of the Oaks, authorizing Mr. Ranney to act on their behalf.

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.

The Oaks is an apartment complex, consisting of 248 units. The Oaks is located at 8401 Southside Boulevard, Jacksonville, Florida 32256. The Oaks plans to purchase water and wastewater service from the City of Jacksonville (the City) 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. Envirotech will do the billing on behalf of the Oaks. There are no individual meters to be read. The Oaks will bill the residents on a monthly basis for water and wastewater service. The Oaks does not propose any miscellaneous/administrative charges. They will require a refundable deposit of \$30.00 per unit which is to be held by the Oaks. The Oaks does not propose to

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bill for service to common areas. The Oaks 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.

The City's rates and charges for a two inch meter for water and wastewater service, on a monthly basis, are as follows:

WATER:

THE CITY CHARGES THEIR USERS FOR WATER SERVICE BASED UPON METER SIZE

Base charge 2" meter: \$39.70

Consumption charge per ccf: \$0.63

Public Service Tax: 10%

WASTEWATER:

THE CITY CHARGES THEIR USERS FOR WASTEWATER SERVICE BASED UPON METER SIZE

Base charge 2" meter: \$27.30

Consumption charge per ccf: \$2.90

The Oak's proposes to allocate costs by dividing all water and wastewater costs (fixed and variable) by the number of apartment units. Upon receiving the bill from the City, the total bill would be reduced by 15% to recognize common area usage which is the responsibility of the Oaks. The remaining amount would then be allocated based on the number of apartment units (248).

To illustrate their allocation methodology, the Oaks submitted the following example based on an estimated bill that the Oaks would receive from the City for one month's usage.

WATER CHARGE FROM UTILITY PROVIDER:	\$2,108.16
WASTEWATER CHARGE FROM UTILITY PROVIDER:	\$6,675.84
TOTAL BILL FROM UTILITY PROVIDER:	\$8,784.00

WATER REVENUE COLLECTED BY RESELLER:	\$1,791.94
WASTEWATER REVENUE COLLECTED BY RESELLER:	\$5,674.45
TOTAL REVENUE COLLECTED BY RESELLER:	\$7,466.40
INDIVIDUAL RESIDENT'S WATER BILL:	\$ 7.23
INDIVIDUAL RESIDENT'S WASTEWATER BILL:	\$ 22.88
INDIVIDUAL RESIDENT'S TOTAL BILL:	\$ 30.11

As previously stated Envirotech will be doing the billing. There are no individual meters.

In conclusion, the Oak'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 the Oaks exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff further recommends that the order require the Oaks 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.

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