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MEMORANDUM

August 30, 1996

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

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

**RE: DOCKET NO. 9608<sup>3</sup>67-WS; REQUEST FOR EXEMPTION FROM FLORIDA  
PUBLIC SERVICE COMMISSION REGULATION FOR PROVISION OF  
WATER AND WASTEWATER SERVICE IN ORANGE COUNTY BY  
ANDOVER PLACE APARTMENTS.**

*CTBCN  
File*

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On March 25, 1996, this Commission received an application from Andover Place Apartments (Andover 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 Andover is Mr. Johns S. Ranney of Envirotech. Mr. Ranney's mailing address is 1502 Roberts Drive, Jacksonville, Florida 32250. A statement was filed by United Dominion Realty Trust, Inc., owner of Andover, 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.

Andover is an apartment complex, consisting of 200 units. Andover is located at 1824 Ole Heritage Drive, Orlando, Florida 32839. Andover plans to purchase water and wastewater service from the Orlando Utilities Commission (OUC) 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 Andover. There are no individual meters to be read. Andover will bill the residents on a monthly basis for water and wastewater service. Andover does not propose any miscellaneous/administrative charges. They will require a refundable deposit of \$30.00 per unit which is to be held by Andover. Andover does not propose to

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

bill for service to common areas. Andover 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 OUC's rates and charges for a two inch meter and six inch meter for water and wastewater service, on a monthly basis, are as follows:

**WATER:**

**THE OUC CHARGES THEIR USERS FOR WATER SERVICE BASED UPON METER SIZE**

Base charge 2" meter: \$7.80

8" meter: \$61.90

Consumption charge per 1,000 gallons: \$0.878

Public Service Tax: 10%

**WASTEWATER:**

**THE OUC CHARGES THEIR USERS FOR WASTEWATER SERVICE BASED UPON METER SIZE**

Base charge 2" meter: \$94.07

8" meter: \$916.12

Consumption charge per 1,000 gallons: \$3.18

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

**WATER:**

Base charge: \$0.35

Consumption charge per 1,000 gallons: \$0.878

Public Service Tax: 10%

**WASTEWATER:**

Base charge: \$5.05

Consumption charge per 1,000 gallons: \$3.18

Individual customer usage of 3,000 gallons each month will produce a monthly bill from the OUC as follows:

**WATER CHARGE:**

Base charge (\$69.70/200 units):	\$0.35
Consumption Charge (3 x \$0.878):	\$2.63
Public Service Tax	<u>\$0.30</u>

TOTAL WATER	\$3.28
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**WASTEWATER CHARGE:**

Base charge (\$1,010.19/200 units):	\$ 5.05
Consumption Charge (3 x \$3.18):	<u>\$ 9.54</u>

TOTAL WASTEWATER	\$14.59
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TOTAL BILL	\$17.87
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Individual customer usage of 3,000 gallons will produce a monthly bill from Andover as follows:

**WATER CHARGE:**

Base charge:	\$0.35
Consumption Charge (3 x \$0.878):	<u>\$2.63</u>

TOTAL WATER	\$2.98
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**WASTEWATER CHARGE:**

Base charge:	\$ 5.05
Consumption Charge (3 x \$3.18):	<u>\$ 9.54</u>

TOTAL WASTEWATER	\$14.59
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TOTAL BILL	\$17.57
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As previously stated Envirotech will be doing the billing. There are no individual meters.

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