

MEMORANDUM

September 9, 1996

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

FROM: CHRISTINE TOMLINSON, DIVISION OF WATER AND WASTEWATER

RE: DOCKET NO. 960535-WS; REQUEST FOR EXEMPTION FROM FLORIDA  
PUBLIC SERVICE COMMISSION REGULATION FOR PROVISION OF  
WATER AND WASTEWATER SERVICE IN DUVAL COUNTY BY  
SUMMERGLEN AT REGENCY APARTMENTS.

On April 26, 1996, this Commission received an application from Summerglen at Regency Apartments (Summerglen 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 Summerglen is Mr. John S. Ranney of Envirotech. Mr. Ranney's mailing address is 1502 Roberts Drive, Jacksonville, Florida 32250. A statement was filed by Centennial Mortgage, Inc., owner of the Summerglen, 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.

Summerglen is an apartment complex, consisting of 328 units. Summerglen is located at 1721 Anniston Road, Jacksonville, Florida 32240. Summerglen has decided that individual meters would be installed and the residents would be charged specifically for the use of water and wastewater service. Summerglen 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 Summerglen. The meters will be read monthly to determine the usage for the previous month and the residents will be billed accordingly. Residents will be billed for actual usage of water and wastewater service. Summerglen does not propose any

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billed for actual usage of water and wastewater service. Summerglen does not propose any miscellaneous/administrative charges. They will require a refundable deposit of \$30.00 per unit which is to be held by Summerglen. Summerglen does not propose to bill for service to common areas. Summerglen 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 1 1/2 inch meter and 2 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 1 1/2" meter: \$26.35  
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 1 1/2" meter: \$17.10  
2" meter: \$27.30

Consumption charge per ccf: \$2.90

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

**WATER:**

Base charge: \$0.20

Consumption charge per ccf: \$0.63

Public Service Tax: 10%

WASTEWATER:

Base charge: \$0.14

Consumption charge per ccf: \$2.90

Average customer usage of 6 ccf will produce a bill from the City as follows:

WATER CHARGE:

Base charge:	\$ 66.05
Consumption Charge (6 x \$0.63 x 328 units):	\$1,239.84
Tax of 10% on water	<u>\$ 131.59</u>
<b>TOTAL WATER</b>	<b>\$1,436.48</b>

WASTEWATER CHARGE:

Base charge:	\$ 44.40
Consumption Charge (6 x \$2.90 x 328 units):	<u>\$5,707.20</u>
<b>TOTAL WASTEWATER</b>	<b>\$5,751.60</b>
<b>TOTAL BILL</b>	<b>\$7,188.08</b>

Individual customer usage of 6 ccf will produce a bill from Envirotech for Summer Glen as follows:

WATER CHARGE:

Base charge:	\$0.20
Consumption Charge (6 x \$0.63):	\$3.78
Tax of 10% on water	<u>\$0.40</u>
<b>TOTAL WATER</b>	<b>\$4.38</b>

WASTEWATER CHARGE:

Base charge:	\$ 0.14
Consumption Charge (6 x \$2.90):	<u>\$17.40</u>
<b>TOTAL WASTEWATER</b>	<b>\$17.54</b>
<b>TOTAL BILL</b>	<b>\$21.92</b>

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

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