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Commissioners: SUSAN F. CLARK, CHAIRMAN J. TERRY DEASON JULIA L. JOHNSON DIANE K. KIESLING JOE GARCIA



DIVISION OF LEGAL SERVICES NOREEN S. DAVIS DIRECTOR (904) 413-6199

Public Service Commission

September 20, 1996

Mr. Paul LaFond J & J Water & Sewer Corp. d/b/a Meadows Utilities Co., Inc. 10374 North Natchez Loop Dunnellon, Florida 34434-3741

> Re: Docket No. 960523-WS - Application of J & J Water & Sewer Corp., d/b/a Meadows Utilities Co., Inc. for a staff assisted rate case in Citrus County.

Dear Mr. La Fond:

An Affirmative Action/Equal Opportunity Employer

ACK AFA APP CAF CMU CTR EAG LIN OPC RCH SEU WAS OTH

The enclosed copy of Commission Order No. 11057 sets forth J & J Water and Sewer Corp.'s current Commission approved rates and charges. It is Commission staff's understanding that the utility has installed meters to monitor customer usage of water and wastewater. Therefore, J & J is capable of charging rates and charges approved in its tariffs. Nevertheless, staff understands that the utility is currently charging a flat rate of \$34.00 for water and wastewater service. During a telephone conversation earlier this week, Mr. Casey and I informed you that the utility is only authorized to charge those rates approved in its tariffs.

tariffs.	
	s, provides that a utility may only charge rates and Commission. By charging a flat rate of \$34.00, the Order No. 11057.
entity subject to its jurisdiction that has have wilfully violated, any lawful rule of	s, empowers the Commission to impose upon any been found to have refused to comply with, or to or order of the Commission or any provision of of up to \$5,000 for each offense. Each day that itutes a separate offense.
RECEIVED & FILED	
- 0	DOCUMENT NUMBER-DATE
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Mr. Paul LaFond September 20, 1996 Page 2

Therefore, J & J Water and Sewer Corp. is hereby notified that its continued failure to charge those rates and charges approved in its tariffs may result in show cause proceedings and possible assessment of fines by the Commission. If you have any questions, you can contact me at (904) 413-6181.

Sincercly

Tim Vaccaro

Senior Attorney

TV/mw

Enclosure

cc: Division of Water & Wastewater (Bethea, Casey)

Division of Records & Reporting

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: application of J & J WATER AND SEWES CORPORATION for an original certificate to operate a water and sewer utility in Citrus County. Florida.) DOCKET 50, 810482-RS (AP)) ORDER SO. 11057] ISSUED: 8-5-82

The following Commissioners participated in the disposition of this matter:

CHAIRPAN JOSEPH F. CHESSE COMMISSIONER GERALD L. GUNTER COMMISSIONER JOHN R. MARKS, ILI COMMISSIONER EATER BECKOLS COMMISSIONER SUBAN W. LEISNER

ORDER GRANTING CERCIFICATE AND SETTING BATES

BY THE CONCESSION:

On December 28, 1981, J & J Water and Sever Corporation applied to this Commission for a certificate to operate a water and sever utility in Citrus County, Florida.

J & J Water and Sever Corporation is a Florida Corporation whose principal officers are as follows: John W. Wilson, Chairman of the Board and Treasurer: James Short, President; Mildred Wilson, Secretary; and Clayton B. Burton, Assistant Secretary.

The formation of this utility is for the primary purpose of providing water and sever service to a development area in Citrus County known as the Dexter Park Villas Subdivision. A legal description of the service territory is attached to this order as Appendix A.

The applicant has submitted proof of notification of governmental bodies and certificated utilities, as required by Section 367.041, Florida Statutes, and Rule 25-10.061, Florida Administrative Code. Sotice by newspaper publication was given on October 7, 16, and 21, 1981, in the Citrus County Chronicle, a newspaper of general circulation in Citrus County. No propast to the application have been received by this Commission, and the time for filing such has expired. The appropriate filing fee has been paid by the utility.

In most original certificate applications, initial rates must be set based on estimates of expenses and investment. That procedure has been utilized in this case. Rate base has been estimated at \$29,724 for the water system and \$49,796 for the sawer system. Schedules 1 through 3 attached to this order depict our calculation of rate base.

Based on estimated expenses and a 10.5% rate of terms on rate base investment we have established the utility's gross annual revenue requirement at 512,544 for the water system and 514,532 for the sever system. Constructed operating statements for the water and sever division are attached to this order as Schedule No. 4.

The establishing rates which will allow the utility to sollect these revenues we have utilized the base facility thange rate design. The purpose of this rate structure is to assure that each customer pays for his pro-rate share of the cost of providing the service and to entrurage conservation. The recommended rates are set forth pelow.

DOCKET NO. STOCKI-TE

HATTA - Residential and General Service

Meter Size	Base Facility Charge
5/8" 1 2/2" 2" 3"	\$ 5.27 13.18 26.25 42.16 84.32
Galloners Cherry	1 44 non W

STARR - Residential Service

All Mater Sizes BFC

\$ 2.50

Gallonege Charge

\$ 1.00 per M (Maximum 10 M Gals.)

General Service .

Meter Size	Base Facility Charge
5/8" 1 1/2" 2 3"	\$ 2.50 6.25 12.50 20.00 40.00
Gallonage Charge	\$ 1.00 per H

Now, therefore, in consideration of the above, it is

ORDERED by the Florida Public Service Commission that Certificate Nos. 361-W and 316-S are hereby issued to J & J Water and Sever Corporation, E. O. Now 2089, Homosassa Springs, Florida 32467, to operate a water and sewer utility in the area described in Appendix A of this order. It is further

ORDERED that the water and sever rates charged by the utility shall be as set forth in the body of this order.

By ORDER of the Florida Public Service Commission, this 5th day of August, 1982.

mission Clark

(SIAL)

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PAGE: TEREE

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Appendix A

DOCKET NO: 810482-WS

Township 19 South, Range 17 East

Section 24

Dexter Park Villas, an unrecorded subdivision in the West one-half of the Southwest 1/4 of the Southwest 1/4 of the Southeast 1/4 and the Southeast 1/4 of the Southwest 1/4 except the West 1/2 of the Southwest 1/4 of the Southeast 1/4 of the Southwest 1/4.

J & J WATER AND SEWER CURP. BCHEDULE OF WATER RATE BASE TEST YEAR ENDED 4/30/82 :

SCHEDULE NO. 1 DOCKET NO. 810482-W8

	TEBT YEAR . PER UTILITY	STAFF ADJUST. TO UTILITY BALANCE	PALANCE PER BIAFF
UTILITY PLANT IN BERVICE ACCUMULATED DEPRECIATION C.I.A.C. (NET OF AMORT.) WORKING CAPITAL ALLOW:	98444. 0. -49261. 0.	• -29064.(A) : 0. 9605.(B)	6' 49380. 0. -39456. 0.
RATE DABE	49183.	9 -19459.	29724.

J 1 J WATER AND SEVER CORP. SCHEDULE OF SEVER RATE DASE TEST YEAR ENDED 4/30/02-

BCHEDULE NO. 2 DOCKET NO. 010482-W8

		ER UTILITY		BIAFF ADJUS		BALANCE PER . BIAFF	
UTILITY PLANT IN BERVICE ACCUMULATED DEPRECIATION C.I.A.C. (NET OF AMORY.) WURKING CAPITAL ALLOW.	•	151776. 0. -101980. 0.	•	0. 0. 0.	•	151776. 0. -101980. 0.	
RATE DASE		49796.		0.		49796.	

GREEN NO. 11057 CROSE NO. 11057 COCKET NO. 8104524

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Explanation of Adjustments

Water

Utility Plant in Service

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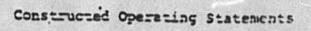
A. To adjust to engineering recommended cost. \$(25,064)

CIAC

B. To adjust to engineering recommended cost. \$ 9,605

1

. PAGE: SEVEN . GRDER NO: 11057 DOCKET NO: E10482-WS



	Water	Sewe:
Operating Revenues	\$ 12,844	\$ 14,832
Operating Expenses		
Maintenance Expense Power Chemicals and Supplies Customer Billing	\$' 4,736 ' 1,057 . 930 	\$ 1,500 1,896 3,000 1,530
Total Operating and Maintenance Expenses	\$ 8,577	\$ 7,926
Depreciation	\$. 675	\$ 1,156
Taxes Other Than Income	471	521
Total Operating Expenses	\$ 9,723	\$ 9,603
Net Operating Income	\$ 3,121	\$ 5,229
Rate Base	\$ 29:724	\$ 49,796
Return on Rate Base	10.54	10.5%