

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

January 9, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (GOLDEN, REDEMANN)
DIVISION OF LEGAL SERVICES (CROSBY)

RE: DOCKET NO. 961007-WU - KEEN SALES & RENTALS, INC. -
APPLICATION FOR CERTIFICATE UNDER GRANDFATHER RIGHTS TO
PROVIDE WATER SERVICE IN POLK COUNTY
COUNTY: POLK

AGENDA: JANUARY 21, 1997 - REGULAR AGENDA - INTERESTED PERSONS
MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\961007WU.RCM

DOCUMENT NUMBER-DATE

00260 JAN-95

FPSC-RECORDS/REPORTING

DOCKET NO. 961007-WU
DATE: January 9, 1997

CASE BACKGROUND

On May 14, 1996, the Board of County Commissioners of Polk County adopted a resolution, pursuant to Section 367.171, Florida Statutes, declaring the water and wastewater utilities in that County subject to the provisions of the Water and Wastewater Regulatory Law, Chapter 367, Florida Statutes. The resolution was acknowledged by this Commission on July 11, 1996, by Order No. PSC-96-0896-FOF-WS. Pursuant to Section 367.171, Florida Statutes, a utility subject to the jurisdiction of this Commission must obtain a certificate of authorization. Accordingly, on August 22, 1996, Keen Sales & Rentals, Inc. (Keen Sales or utility) filed an application for a certificate under grandfather rights to provide water service in Polk County.

Keen Sales is a Class C utility which provides water service to a mobile home community in Polk County. According to the application, the utility was established on January 31, 1990. However, the utility never received a franchise agreement while under Polk County's jurisdiction. As of August 22, 1996, the utility was serving 100 residential water customers. The application states that Keen Sales has the capacity to serve a total of 120 water customers. The utility's facilities consist of one main well, one backup well, two water treatment plants, and the transmission and distribution system. However, because the facilities are interconnected, the utility's facilities are counted as one water treatment plant and one water transmission and distribution system. The following is staff's recommendation regarding the utility's application for a grandfather certificate.

DOCKET NO. 961007-WU
DATE: January 9, 1997

DISCUSSION OF ISSUES

ISSUE 1: Should the application of Keen Sales & Rentals, Inc. for a water certificate be granted?

RECOMMENDATION: Yes, Keen Sales & Rentals, Inc. should be granted Water Certificate No. 582-W to serve the territory described in Attachment A. (GOLDEN, REDEMANN)

STAFF ANALYSIS: As discussed in the case background, on August 22 1996, Keen Sales filed its application for a grandfather certificate to provide water service in Polk County. The application is in compliance with the governing statute, Section 367.171, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for a grandfather certificate. The rules and statutes do not require noticing for grandfather certificate applications. The application contains a check in the amount of \$200, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided a 99-year lease as evidence that the utility has continued use of the land upon which its facilities are located as required by Rule 25-30.035(6), Florida Administrative Code.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.035(9), (10), and (11), Florida Administrative Code. A description of territory requested by the applicant is appended to this memorandum as Attachment A. Staff has contacted the Department of Environmental Protection (DEP) and learned that there are no outstanding notices of violation.

Based on the above information, staff believes it is appropriate to grant Keen Sales's application for a grandfather certificate. Accordingly, staff recommends that Keen Sales be granted Water Certificate No. 582-W to serve the territory described in Attachment A.

DOCKET NO. 961007-WU
DATE: January 9, 1997

ATTACHMENT A

KEEN SALES & RENTALS, INC.

TERRITORY DESCRIPTION

The following described lands located in Section 25, Township 27 South, Range 27 East, Polk County, Florida:

The Earlene and Ray Keen Subdivisions:

Township 27 South, Range 27 East, Section 25, the East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$.

The Ellison Park Subdivision:

Commence at the NW corner of the NW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 25, Township 27 South, Range 27 East, Polk County, Florida, and run S $00^{\circ} 25' 15''$ East along West boundary thereof, 45.80 feet to a point on the South right-of-way line of County Road #580; thence North $89^{\circ} 42' 57''$ East along said South right-of-way line, 100.00 feet to the Point of Beginning; thence continue North $89^{\circ} 42' 57''$ East along said South right-of-way line, 169.58 feet; thence South $00^{\circ} 25' 15''$ East, 170.00 feet; thence North $89^{\circ} 42' 57''$ East, 225.10 feet to a point on the East boundary of the West $\frac{3}{4}$ of the W $\frac{1}{2}$ of said NW $\frac{1}{4}$ of the NE $\frac{1}{4}$; thence South $00^{\circ} 25' 31''$ East along said East boundary 1106.92 feet; thence South $89^{\circ} 45' 03''$ West, 494.68 feet; thence North $00^{\circ} 25' 15''$ West, 922.42 feet; thence North $89^{\circ} 48' 25''$ East, 100.00 feet; thence North $00^{\circ} 25' 15''$ West 354.36 feet to the Point of Beginning.

DOCKET NO. 961007-WU
DATE: January 9, 1997

ISSUE 2: What rates and charges should be approved for this utility?

RECOMMENDATION: The rates and charges as detailed in the staff analysis should be approved. The effective date of the rates and charges should be the stamped approval date on the tariff.
(GOLDEN)

STAFF ANALYSIS: Ordinarily, utilities which apply for grandfather certificates are charging rates and charges which were previously approved by the County. However, Keen Sales has never had a franchise agreement with or had its rates approved by Polk County. The utility based its initial rates upon the rates charged by the Haines City Utility Department. In essence, this utility falls into the category of a utility in existence and charging rates. Commission policy regarding that situation has been to approve the utility's existing rates, provided they appear to be reasonable. Therefore, staff has reviewed the utility's existing rates and believes they are in line with other utilities regulated by this Commission. The rates contained in the utility's application became effective January 31, 1996.

Additionally, on November 21, 1996, the Florida Public Service Commission approved a pass-through rate increase to recognize the difference in regulatory assessment fees charged by Polk County and the Commission. (Subsection 367.171(2)(c), Florida Statutes, provides for approving rates prior to the actual issuance of a grandfather certificate.) Therefore, the utility's current water rates and charges are as follows:

Monthly Service Rates

Residential and General Service:

Minimum Charge (Includes the first 1,000 gallons):

Meter Size:

5/8" x 3/4"	\$15.71
Gallonge Charge per 1,000 gallons over the first 1,000 gallons:	\$ 1.78

DOCKET NO. 961007-WU
DATE: January 9, 1997

Customer Deposits

Residential:	\$50.00
General Service:	\$50.00

Miscellaneous Service Charges

Violation Reconnection Fee:	\$25.00
-----------------------------	---------

The utility has filed a tariff which reflects the above rates and charges. Staff recommends that they be approved as submitted. Staff further recommends that Keen Sales be required to continue to charge these rates and charges until authorized to change by the Commission. The tariff should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

DOCKET NO. 961007-WU
DATE: January 9, 1997

ISSUE 3: Should Keen Sales & Rentals, Inc. be required to pay regulatory assessment fees for 1996 and file a 1996 Annual Report with the Commission?

RECOMMENDATION: Yes, the utility should be required to remit regulatory assessment fees and file an Annual Report from the jurisdictional date, May 14, 1996, by March 31, 1997. (GOLDEN)

STAFF ANALYSIS: Pursuant to Rule 25-30.120(2), Florida Administrative Code, "any utility which is subject to this Commission's jurisdiction on or before December 31 of that year or for any part of that year, whether or not the utility has actually applied for or been issued a certificate" is required to pay regulatory assessment fees. Additionally, Rule 25-30.110(3), Florida Administrative Code, states that "(t)he obligation to file an annual report for any year shall apply to any utility which is subject to this Commission's jurisdiction as of December 31 of that year, whether or not the utility has actually applied for or been issued a certificate." Therefore, staff recommends that Keen Sales be required to pay regulatory assessment fees and file an Annual Report from the jurisdictional date, May 14, 1996, by March 31, 1997.

DOCKET NO. 961007-WU
DATE: January 9, 1997

ISSUE 4: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed. (CROSBY)

STAFF ANALYSIS: No further action is required and the docket should be closed.