

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

FEBRUARY 20, 1997

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

FROM: DIVISION OF WATER & WASTEWATER (COKER, REDEMANN) *b2w etc BPR JMW CBT BL*
DIVISION OF LEGAL SERVICES (CROSBY)

RE: DOCKET NO. 960909-WS - APPLICATION FOR WATER CERTIFICATE
NO. 587-W AND WASTEWATER CERTIFICATE 506-S BY SOUTHERN
STATES UTILITIES, INC., UNDER GRANDFATHER RIGHTS IN POLK
COUNTY.

COUNTY: POLK

AGENDA: MARCH 4, 1997 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

LOCATION OF FILE: S:\PSC\WAW\WP\960909WS.RCM

DOCUMENT NUMBER-DATE
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FPSC-RECORDS/REPORTING

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 provision 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-96-089G-FOF-WS. Pursuant to Section 367.031, Florida Statutes, a utility subject to the jurisdiction of this Commission must obtain a certificate of authorization.

On August 12, 1996, Southern States Utilities, Inc. (SSU or Utility) filed an application for a certificate to provide water and wastewater service in Polk County. SSU, a Class A Utility, provides water and wastewater service to residential and general service customers through three separate systems, Gibsonia Estates, Lake Gibson Estates and Orange Hill/Sugar Creek. SSU provides water service to 140 residential and 22 general service customers through the Gibsonia Estates system. SSU provides water service to 761 residential and 12 general service customers through the Gibsonia Estates water system and serves 264 residential and 3 general service wastewater customers. Lastly, SSU provides water service to 232 residential customers through the Orange Hill/Sugar Creek system.

SSU acquired the Orange Hill and Sugar Creek water facilities from Sugar Hill Utilities, Inc. (SHUI) in August 1980. SSU believes SHUI began providing water service to the area in the mid 1960's. SSU purchased the Gibsonia Estates water facilities from Aqua Water Systems in June 1988. SSU believes these facilities began providing service in the mid 1960's also. SSU has owned and operated the Lake Gibson Estates water and wastewater facilities since their inception in 1969. The following is Staff's recommendation regarding the Utility's application for a grandfather certificate.

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ISSUE 1: Should the application of Southern States Utilities, Inc. for Water Certificate No. 587-W and Wastewater Certificate No. 506-S be granted?

RECOMMENDATION: Yes, Southern States Utilities, Inc. should be granted Water Certificate No. 587-W and Wastewater Certificate No. 506-S to serve the territory described in Attachment A. (COKER, REDEMANN)

STAFF ANALYSIS: As discussed in the case background, the Board of County Commissioners of Polk County transferred jurisdiction of the privately owned water and wastewater utilities in Charlotte County to this Commission on May 14, 1996.

SSU subsequently filed its application for a grandfather certificate to provide water and wastewater service in Polk County on August 12, 1996. 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 contained a check in the amount of \$1,500 (\$1,000 for water and \$500 for wastewater) which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided warranty deeds for all three systems as evidence that the utility owns 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 SSU's application for a grandfather certificate to provide water and wastewater service. Accordingly, Staff recommends that SSU be granted Water Certificate No. 587-W and Wastewater Certificate No. 506-S to serve the territory described in Attachment A.

SOUTHERN STATES UTILITIES

GIBSONIA WATER SERVICE TERRITORY

In portions of the Southeast quarter of the Southeast quarter of Section 23, portions of the Southwest quarter of the Southwest quarter of Section 24, portions of the Northwest quarter of the Northwest quarter of Section 25 and portions of the Northeast quarter of the Northeast quarter of Section 26 all in Township 27 South and Range 23 East in Polk County, Florida

Point of Commencement at the Southwest corner of the Southwest quarter of the Southwest quarter of Section 24 of Township 27 South and Range 23 East; thence South $00^{\circ}10'29''$ West 660.01 feet North along the West line of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 24, Township 27 South, Range 23 East in Polk County to the Northwest corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 24 and the Southwest corner of the Northwest quarter of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 24 and the Point of Beginning; thence North $00^{\circ}10'31''$ East 669.54 feet North along the West line of the Northwest quarter of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 24 to the Northwest corner of the Northwest quarter of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 24; thence North $89^{\circ}26'30''$ East 1.690± feet East along the North line of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 24 to the point of intersection with the Western shoreline of Lake Gibson; thence Meandering Southerly Lake Gibson through the Southwest quarter of the Southwest quarter of Section 24 and the Northwest quarter of the Northwest quarter of the Northwest quarter of Section 25 to a point on a line approximately 1,100' South of the North line of the Northwest quarter of the Northwest quarter of Section 25; thence South $89^{\circ}24'09''$ West 1,896± feet West along a line approximately 1,100' South of the North line of the Northwest quarter of the Northwest quarter of Section 25 to the point of intersection with the West line of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 25 to the point of intersection with the West line of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 25 approximately 1,100' South of the Northwest corner of the Northwest quarter of the Northwest quarter of the Northwest quarter of Section 25; thence North $00^{\circ}07'15''$ West 450.04 feet North along the West line of the Southwest quarter of the Northwest quarter of the Northwest quarter of Section 25 to the Northwest corner of the Northwest quarter of the Northwest quarter of the Northwest quarter of Section 25 and the Northwest quarter of the Northwest quarter of Section 25 and

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the Southeast corner of the North half of the Northeast quarter of the Northeast quarter of Section 26; thence South $89^{\circ}48'00''$ West 1,320.00 feet West along the South line of the North half of the Northeast quarter of the Northeast quarter of Section 26 to the Southwest corner of the North half of the Northeast quarter of the Northeast quarter of Section 26; thence North $00^{\circ}07'15''$ West 660.00 feet North along the West line of the North half of the Northeast quarter of the Northeast quarter of Section 26 to the Northwest corner of the North half of the Northeast quarter of the Northeast quarter of Section 26; thence North $89^{\circ}48'00''$ East 599.99 feet East along the North line of the North half of the Northeast quarter of the Northeast quarter of Section 26 to a point approximately 600' East of the Northwest corner of the North half of the Northeast quarter of the Northeast quarter of Section 26 and a point approximately 60' West of the Southeast corner of the Southwest quarter of the Southeast quarter of the Southeast quarter of Section 23; thence North $00^{\circ}10'30''$ East 660.01 feet North along a line approximately 60' West of the East line of the Southwest quarter of the Southeast quarter of the Southeast quarter of Section 23 to a point on the North line of the Southwest quarter of the Southeast quarter of the Southeast quarter of Section 23; thence North $89^{\circ}48'00''$ East 720.01 feet East along the North line of the Southwest quarter of the Southeast quarter of the Southeast quarter of Section 23 and the North line of the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 23 to the Northeast corner Southeast quarter of the Southeast quarter of the Southeast quarter of the Southeast quarter of Section 23 and the Northwest corner of the Southwest quarter of the Southwest quarter of the Southwest quarter of Section 24 and the Point of Beginning.

SOUTHERN STATES UTILITIES

ORANGE HILL & SUGAR CREEK WATER SERVICE TERRITORY

In portions of Section 28 of Township 28 South and Range 25 East in Polk County, Florida

Point of Commencement at the Northwest corner of Section 28 of Township 28 South and Range 25 East; thence South 00°00'00" West 1,160.00 feet South along the East line of the Northeast quarter of Section 28, Township 28 South, Range 25 East in Polk County to a point approximately 1,160' South of the Northeast corner of the Northeast quarter of Section 28 and the Point of Beginning; thence South 00°00'00" West 1,000.00 feet South along the East line of the Northeast quarter of Section 28 to a point approximately 2,160' South of the Northeast corner of the Northeast quarter of Section 28; thence North 90°00'00" West 2,622.40 West along a line in the Southern half of the Northeast quarter of Section 28 approximately 2,160' South of the North line of the Northeast quarter of Section 28 to the point of intersection with the West line of the Northeast quarter of Section 28 and the Eastern right of way of Thornhill Road; thence Southwesterly 1,149± feet Southwesterly along the Eastern right of way of Thornhill Road to the point of intersection with the North line of the East half of the Southwest quarter of Section 28; thence South 89°43'49" East 1,107.17 feet East along the North line of the East half of the Southwest quarter of Section 28 to the Northeast corner of the East half of the Southwest quarter of Section 28; thence South 00°00'13" West 2,670.15 feet South along the East line of the East half of the Southwest quarter of Section 28 to the Southeast corner of the East half of the Southwest quarter of Section 28; thence North 89°54'12" West 1,330.46 feet West along the South line of the East half of the Southwest quarter of Section 28 to the Southwest corner of the East half of the Southwest quarter of Section 28 and the point of intersection with the Western right of way of Thornhill Road; thence Northerly and Northeasterly 5,129± feet Northerly and Northeasterly along the Western right of way of Thornhill Road to the point of intersection with a line in the North half of the Northeast quarter of Section 28 lying parallel and approximately 1,160' South of the North line of the Northeast quarter of Section 28; thence North 90°00'00" East 1,982.00 feet East along a line lying parallel to and approximately 1,160' South of the North line of the Northeast quarter of Section 28 to the Intersection with the

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East line of the Northeast quarter of Section 28 and the Point of Beginning.

SOUTHERN STATES UTILITIES

LAKE GIBSON WATER AND WASTEWATER SERVICE TERRITORY

In portions of Section 24 of Township 27 South and Range 23 East and in a portion of the Northwest quarter of the Southwest quarter of Section 19 of Township 27 South and Range 24 East in Polk County, Florida

Point of Commencement at the Northwest corner of Section 24 of Township 27 South and Range 23 East; thence North $90^{\circ}00'00''$ East 2,225.39 feet East along the North line of the Northwest quarter of Section 24, Township 27 South, Range 23 East in Polk County to a point approximately 450' West of the Northeast corner of the Northwest quarter of Section 24 and the Point of Beginning; thence South $90^{\circ}00'00''$ East 450.00 feet East along the North line of the North half of the Northwest quarter of Section 24 to the Northeast corner of the North half of the Northwest quarter of Section 24; thence South $00^{\circ}41'05''$ West 1,328.55 feet South along the East line of the North half of the Northwest quarter of Section 24 to the Southeast corner of the North half of the Northwest quarter of Section 24 and the Northwest corner of the Southwest quarter of the Northeast quarter of Section 24; thence North $89^{\circ}57'00''$ East 1,302.48 feet East along the North line of the Southwest quarter of the Northeast quarter of Section 24 to the Northeast corner of the Southwest quarter of the Northeast quarter of Section 24 and the Northwest corner of the Southeast quarter of the Northeast quarter of Section 24; thence North $89^{\circ}55'25''$ East 1,538.00 feet East along the North line of the Southeast quarter of the Northeast quarter of Section 24 to the Northeast corner of the Southeast quarter of the Northeast quarter of Section 24; thence South $00^{\circ}08'30''$ East 1,591.13 feet South along the East line of the Southeast quarter of the Northeast quarter of Section 24 and the East line of the Northeast quarter of the Southeast quarter of Section 24 to a point approximately 280' South of the Northeast corner of the Northeast quarter of the Southeast quarter of Section 24 and approximately 280' South of the Northwest corner of the Southwest quarter of Section 19, Township 27 South, Range 24 East; thence North $89^{\circ}03'04''$ East 1,007.79 feet East along a line approximately 280' South of the North line of the Northwest quarter of the Southwest quarter of Section 19 to a point 1,007.79' East of the West line of the Northwest quarter of the Southwest quarter of Section 19; thence South $00^{\circ}03'54''$ East 530.66 feet South along a line approximately 1,010' East of the West line of the Northwest quarter of the

Southwest quarter of Section 19 to a point approximately 811' South of the North line of the Northwest quarter of the Southwest quarter of Section 19; thence South $88^{\circ}52'47''$ West 1,010.01 feet West along a line approximately 811' South of the North line of the Northwest quarter of the Southwest quarter of Section 19 to a point on the West line of the Northwest quarter of the Southwest quarter of Section 19 and the East line of the Northeast quarter of the Southeast quarter of Section 24 approximately 811' South of the Northeast corner of the Northeast quarter of the Southeast quarter of Section 24; thence South $00^{\circ}03'50''$ East 514.75 feet South along the East line of the Northeast quarter of the Southeast quarter of Section 24 to the Southeast corner of the Northeast quarter of the Southeast quarter of Section 24 and the Northeast corner of the Southeast quarter of the Southeast quarter of Section 24; thence South $00^{\circ}03'50''$ East 1,329.70 feet South along the East line of the Southeast quarter of the Southeast quarter of Section 24 to the Southeast corner of the Southeast quarter of the Southeast quarter of Section 24; thence South $89^{\circ}24'10''$ West 1,147± feet West along the South line of the Southeast quarter of the Southeast quarter of Section 24 to the point of intersection with the Eastern shoreline of Lake Gibson; thence Meandering Northwesterly 3,691± feet Meandering Northwesterly along the Eastern shoreline of Lake Gibson through South half of the Southeast quarter and North half of the Southeast quarter of the Southwest quarter and slightly into the Southern part of the Northeast quarter of the Southwest quarter of Section 24 and then along the South line of the Northeast quarter of the Southwest quarter of Section 24 to the Southwest corner of the Northeast quarter of the Southwest quarter of Section 24; thence North $00^{\circ}40'30''$ East 664.70 feet North along the West line of the Northeast quarter of the Southwest quarter and the East line of the Northwest quarter of the Southwest quarter of Section 24 to the point of intersection with the South line of the North half of the Northwest quarter of the Southwest quarter of Section 24; thence North $89^{\circ}59'35''$ West 242.52 feet West along the South line of the North half of the Northwest quarter of the Southwest quarter of Section 24 to a point 242.52' West of the East line of the Northwest quarter of the Southwest quarter of Section 24; thence North $89^{\circ}08'51''$ West 576.46 feet West along the South line of the North half of the Northwest quarter of the Southwest quarter of Section 24 to a point 818.96' West of the East line of the Northwest quarter of the Southwest quarter of Section 24; thence North $00^{\circ}32'05''$ East 655.80 feet North along a line approximately

820' West of the East line of the North half of the Northwest quarter of the Southwest quarter of Section 24 to a point on the North line of the Northwest quarter of the Southwest quarter of Section 24 and the South line of the Southwest quarter of the Northwest quarter of Section 24 approximately 820' West of the Southeast corner of the Southwest quarter of the Northwest quarter of Section 24; thence North $89^{\circ}42'23''$ West 518.50 feet West along the South line of the Southwest quarter of the Northwest quarter of Section 24 to the Southwest corner of the Southwest quarter of the Northwest quarter of Section 24; thence North $00^{\circ}44'25''$ East 1,326.96 feet North along the West line of the Southwest quarter of the Northwest quarter of Section 24 to the Northwest corner of the Southwest quarter of the Northwest quarter of Section 24; thence South $89^{\circ}59'35''$ East 1,338.41 feet East along the North line of the Southwest quarter of the Northwest quarter of Section 24 to the Northeast corner of the Southwest quarter of the Northwest quarter of Section 24 and the Northwest corner of the Southeast quarter of the Northwest quarter of Section 24; thence South $89^{\circ}59'59''$ East 888.27 feet East along the North line of the Southeast quarter of the Northwest quarter of Section 24 and the South line of the Northeast quarter of the Northwest quarter of Section 24 to a point approximately 450' West of the Southeast corner of the Northeast quarter of the Northwest quarter of Section 24; thence North $00^{\circ}41'05''$ East 1,329.15 feet North along a line approximately 450' West of the East line of the Northeast quarter of the Northwest quarter of Section 24 to a point on the North line of the Northeast quarter of the Northwest quarter of Section 24 and the Point of Beginning this point being approximately 450' West of the Northeast corner of the Northeast quarter of the Northwest quarter of Section 24.

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. (COKER)

STAFF ANALYSIS: The Utility's rates and charges for Gibsonia Estates and Lake Gibson Estates were set by resolution of the Polk County Utilities Commission, effective May 16, 1989. The Utility's rates and charges for Orange Hill and Sugar Creek were set by resolution of the Polk County Utilities Commission, effective January 23, 1990.

On November 24, 1996, the Florida Public Service Commission approved a pass-through rate increase to recognize any difference in regulatory assessment fees. (Subsection 367.171(2)(c), Florida Statutes, provides for approving rates prior to the actual issuance of a grandfather certificate. The utilities' rates and charges are as follows:

Monthly Service Rates

Water

Residential Service and
General Service for Gibsonia Estates

Base Facility Charge	
5/8" x 3/4" meter	\$4.59
Gallonage Charge	\$.55 per 1,000 gallons

Residential Service and
General Service for Lake Gibson Estates

Base Facility Charge	
5/8" x 3/4" meter	\$6.04
Gallonage Charge	\$.87 per 1,000 gallons

Residential Service and
General Service for Orange Hill/Sugar Creek

Base Facility Charge	
5/8" x 3/4" meter	\$ 8.35
3/4" meter	\$ 8.35
1.0" meter	\$21.16
1.5" meter	\$42.31
2.0" meter	\$67.69
Gallonage Charge	\$ 1.23 per 1,000 gallons

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Monthly Service Rates cont.

Wastewater

<u>Residential Service and General Service for Lake Gibson Estates</u>	\$23.06
Base Facility Charge	N/A
Gallonage Charge	
<u>Residential Service and General Service for Gibsonia Estates and Orange Hill/Sugar Creek</u>	N/A
Base Facility Charge	N/A
Gallonage Charge	

Customer Deposits

<u>Water</u>	\$20.00
Gibsonia Estates	\$25.00
Lake Gibson Estates	\$40.00
Orange Hill/Sugar Creek	

<u>Wastewater</u>	N/A
Gibsonia Estates	\$35.00
Lake Gibson Estates	N/A
Orange Hill/Sugar Creek	

Miscellaneous Service Charges

Initial Connection Fee	\$15.00
Normal Reconnection Fee	\$15.00
Violation Reconnection Fee	\$15.00
Premises Visit Fee	\$10.00

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Service Availability Charges

Water or Wastewater Main Extension Charge

Actual Cost less 20% (all meter sizes)

Meter Installation Fee

Meter Size	\$ 75.00
5/8" x 3/4"	\$ 85.00
3/4"	\$100.00
1.0"	\$175.00
1.5"	Actual Cost
2.0" and greater	

Water Service Installation Charge

Short Line	\$150.00
Long Line Unpaved	\$175.00
Long Line Paved	\$200.00

Wastewater Service Installation Charge

(For Lake Gibson Estates only)

Short Line	\$350.00
Long Line Unpaved	\$450.00
Long Line Paved	\$650.00

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 SSU 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.

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ISSUE 3: Should Southern States Utilities, Inc. be required to pay regulatory assessment fees for 1996 and file a 1996 Annual Report with the Commission?

RECOMMENDATION: Yes, Southern States Utilities, Inc. should be required to pay regulatory assessment fees from the jurisdictional date, May 14, 1996, within 45 days of the issuance of the Order.
(COKER)

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 applied for or has 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 as actually applied for or has been issued a certificate." Therefore, staff recommends that SSU be required to pay regulatory assessment fees and file an Annual Report from the jurisdictional date, May 14, 1996, within 45 days of the issuance of the Order.

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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.