

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for) DOCKET NO. 961232-WS
grandfather certificates to) ORDER NO. PSC-97-0211-FOF-WS
provide water and wastewater) ISSUED: February 24, 1997
service in Manatee County by)
Floridana Homeowners, Inc.)
_____)

The following Commissioners participated in the disposition of this matter:

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

ORDER GRANTING GRANDFATHER CERTIFICATES
AND
NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING RATES AND CHARGES

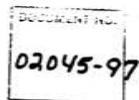
BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein approving rates and charges is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

On October 10, 1995, the Manatee County Board of County Commissioners adopted Resolution No. R-95-109, pursuant to Section 367.171, Florida Statutes, declaring the privately owned water and wastewater utilities in Manatee County subject to the provisions of Chapter 367, Florida Statutes, effective October 10, 1995. The Florida Public Service Commission (PSC) received Manatee County's resolution on October 17, 1995. The effect of the resolution is to invoke PSC jurisdiction over privately owned water and wastewater systems in Manatee County. Pursuant to Section 367.031, Florida Statutes, all utilities subject to the Commission's jurisdiction must obtain from the Commission a certificate to provide water and wastewater service.

Floridana Homeowners, Inc. (Floridana or utility) was established in 1978 to serve water and wastewater customers within the Floridana mobile home park and a park clubhouse facility in



Manatee County, Florida. Floridana obtains bulk water and wastewater service from Manatee County. The utility provides water service to 297 mobile homes, as well as a park clubhouse. Wastewater service is provided to 312 mobile homes, as well as the park clubhouse. Fifteen customers are served water directly by Manatee County. Floridana originally applied for an exemption as a non-profit association, but did not attain the necessary requirements for such an exemption. The utility's application for a grandfather certificate was then delayed because the utility experienced some difficulty in changing its corporate status.

Pursuant to Section 367.171, Florida Statutes and Rule 25-30.035, Florida Administrative Code, on October 11, 1996, Floridana filed an application for a water and wastewater certificate of authority (grandfather certificate) to provide water and wastewater services in Manatee County.

Floridana has never been regulated by any governing authority. Therefore, no annual reports or related information are available. The utility will be categorized as a Class C utility in regard to Commission standards.

APPLICATION

The application for a certificate 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 statutes and rules do not require noticing for grandfather certificate applications. The application contains a check in the amount of \$1,000.00, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided a warranty deed as evidence that the utility owns the land upon which the utility's 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 the territory requested by the applicant is appended to this Order as Attachment A.

Based on the above information, we find it appropriate to approve Floridana's application for a grandfather certificate. Accordingly, Floridana shall be granted Water Certificate No. 586-W and Wastewater Certificate No. 504-S to serve the territory described in Attachment A.

RATES AND CHARGES

Prior to Commission jurisdiction, Floridaana was never regulated by any regulatory authority. The utility has operated in Manatee County since 1978 without receiving a county franchise. Floridaana serves two classes of customers, shareholders and non-shareholders. The shareholders are charged \$43.33 each month, and the residents of the park who are not shareholders are charged a flat rate of \$50.00 a month. This charge includes water, wastewater, garbage collection, and the use of the clubhouse and facilities.

The expenses associated with providing utility service were not separately identified by Floridaana. Therefore, it is necessary to determine what portion of the monthly charges are recovering the cost of water and wastewater service and then to calculate rates. We recently completed a staff assisted rate case on a similar utility in Manatee County, Heather Hills. Both Floridaana and Heather Hills are master metered mobile home parks receiving bulk service from Manatee County. They also have a comparable number of customers. Floridaana has a total of 315 customers, while Heather Hills has a total of 353. However, one difference is that Floridaana has 15 wastewater customers which are billed directly by the county.

Because of their similarities, we made the assumption that the operation and maintenance expenses of Floridaana would be similar to those identified in the Heather Hills case. Based upon this assumption, we used a ratio of the total bill paid by Heather Hills to Manatee County for each respective service compared to the revenue requirement determined in the staff assisted rate case. We then used the total bill paid by Floridaana for each respective service to calculate the estimated revenue requirement for Floridaana.

For example, from September, 1995 to August, 1996, the total water bill paid by Floridaana to Manatee County was \$18,497.95. In comparison, Heather Hills paid \$19,133 to Manatee County for water service and received \$41,316 in total water revenue. This revenue included the regulatory assessment fees and all other costs needed to operate a water utility. The total water revenue required by Floridaana is calculated below.

$$\text{Heather Hills} - \frac{\$19,133}{\$41,316} = \frac{\$18,497.95}{X} - \text{Floridaana}$$

$$X = \$39,944.66 = \text{Revenue Required for the Water System by Floridaana}$$

from all wastewater customers and prevents the 15 customers from being "double-billed" for the same service, although they will continue to receive two bills.

We calculated a monthly wastewater rate of \$15.90 for the 298 residents who receive both water and wastewater service directly from Floridana. A monthly rate of \$10.02 was calculated for the 15 customers who are billed a wastewater base facility charge of \$5.88 by Manatee County. The \$10.02 represents payment to Floridana for the wastewater collection system within the park. This amount would raise the total payment of these 15 customers equal to that of the 298 customers who would be billed \$15.90 by Floridana. These rates provide the appropriate contribution to the utility without one class of customers (water and wastewater) subsidizing the other class (wastewater-only).

For informational purposes, we have calculated sample bills for a residential customer using Floridana's rates and the county's rates. Under direct service from the county, a residential customer using 3,000, 6,000 and 9,000 gallons of water and wastewater would be billed monthly amounts of \$26.27, \$35.60 and \$45.14, respectively. A Floridana customer would be billed a flat monthly amount of \$26.78 for water and wastewater service.

In addition, Floridana has requested approval of miscellaneous service charges pursuant to Second Revised Staff Advisory Bulletin No. 13 and Rule 25-30.460, Florida Administrative Code. These miscellaneous service charges are standard throughout the water and wastewater industry in Florida. Prior to Commission regulation, Floridana did not charge customers a connection fee or other turn-on service charges.

Based on the prior calculations, the utility's rates and charges are identified below:

Monthly Service Rates

General Service and Residential Service - Water

Billing Period Monthly

Flat Rates

All Customers \$11.17

Monthly Service Rates

General Service and Residential Service - Wastewater

Billing Period Monthly

Flat Rates

Customers (298) \$15.90

Customers * (15) \$10.02

*Customers charged a BFC by Manatee County

Miscellaneous Service Charges

Initial connection	\$10.00
Normal reconnection	\$10.00
Violation reconnection	\$15.00
Premises visit	\$ 5.00

The utility has filed a tariff which reflects the above rates and charges, and we approve them as submitted. Florida shall charge these rates and charges until authorized to change by the Commission. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

REGULATORY ASSESSMENT FEES

Pursuant to Rules 25-30.110(3) and 25-30.120(2), Florida Administrative Code, annual reports and regulatory assessment fees are due from regulated utilities regardless of whether a certificate has been granted. Florida shall be subject to this Commission's jurisdiction since October 1, 1995. The utility was advised of the Commission's jurisdiction and the utility's responsibility to obtain a certificate by a letter dated November 10, 1995. Therefore, Florida shall remit past due regulatory assessment fees and file a 1995 annual report for that portion of 1995 when the utility became subject to Commission jurisdiction, beginning October 1, 1995, within 45 days of the issuance of this Order.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Floridana Homeowners, Inc. is hereby granted Water Certificate No. 586-W and Wastewater Certificate No. 504-S to serve the territory described in Attachment A of this Order. It is further

ORDERED that Floridana Homeowners, Inc. shall charge its customers the rates and charges approved herein until authorized to change by this Commission. The tariff filed by Floridana Homeowners, Inc., which reflects these rates and charges, shall be effective on the stamped approval date on the tariff sheets. It is further

ORDERED that Floridana Homeowners, Inc. shall remit regulatory assessment fees and file an annual report for that portion of 1995 when Floridana Homeowners, Inc. became subject to Commission jurisdiction, within 45 days of the issuance of this Order. It is further

ORDERED that the provisions of this Order approving the rates and charges are issued as proposed agency action and shall become final unless an appropriate petition is filed with the Director of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the Notice of Further Judicial Proceedings or Judicial Review. It is further

ORDERED that, if no protests are received, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 24th day of February, 1997.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

BLR

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein approving rates and charges is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 17, 1997.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

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Floridana Homeowners, Inc.
Manatee County, Florida

Water Service Area

Area described within Township 35 South, Range 17 East, Section 11 situated in Manatee County, Florida;

The Point of Beginning (POB) being the Southeast corner of said Section 11,
run due West 1,310 feet more or less;
thence due North 1,340 feet more or less;
thence due East 1,310 feet more or less;
thence due South 1,340 feet more or less to the POB;

Less and except the following three parcels;
The POB being the Southeast corner of Said Section 11,
run due West 700 feet more or less;
thence due North 220 feet more or less;
thence due East 700 feet more or less;
thence due South 220 feet more or less to the POB;

From the Southeast corner of Said Section 11,
run due North 250 feet more or less;
run due West 50 feet more or less to the POB;
run due West 59.98 feet more or less;
thence due North 60 feet more or less;
thence due East 59.98 feet more or less;
thence due South 60 feet more or less to the POB;

From the Southeast corner of Said Section 11,
run due North 310 feet more or less;
run due West 250 feet more or less to the POB;
run due West 50 feet more or less;
thence due North 60 feet more or less;
thence due East 50 feet more or less;
thence due South 60 feet more or less to the POB.

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ATTACHMENT A

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Floridana Homeowners, Inc.
Manatee County, Florida

Wastewater Service Area

Area described within Township 35 South, Range 17 East, Section 11 situated in Manatee County, Florida;

The POB being the Southeast corner of said Section 11,
run due West 1,310 feet more or less;
thence due North 1,340 feet more or less;
thence due East 1,310 feet more or less;
thence due South 1,340 feet more or less to the POB.